

Report for AF&PA

**Trade and Environment
Program in Europe**

September-October 2004 Report

Rupert Oliver
rupert@forestindustries.info

“INFORMING THE SUSTAINABLE WOOD INDUSTRY”

VAT Registered No: 746311248 – Registrar of Companies for England and Wales Company No: 4689869

Head Office: The Little House • 18 Church Street • Settle • North Yorkshire • BD24 9JE
• United Kingdom

Tel: +44 (0)7553 346410 / www.forestindustries.info

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Highlights

- 6 more national certification initiatives (Chile, Canada, Australia, Portugal, Italy, Luxembourg) are at various stages of the PEFC endorsement process.
- 3 new national certification initiatives in Gabon, Russia, and Slovenia have applied for PEFC membership.
- FSC held its 10th Anniversary Celebration and Conference in September. Discussions focused on: expansion of FSC in the tropics; steps to improve direct links between producers and responsible retailers; building FSC into a strong and decentralized global network; and raising awareness of FSC.
- FSC have launched their new chain of custody standards. These include more flexible provisions for % based content of labelled product while toughening requirements for the non-certified component of these products.
- A national certification scheme is launched in Gabon, the first in Africa.
- The World Bank/WWF Alliance is going ahead with field test of its methodology for the assessment of forest certification systems
- The European Commission indicates that the Dutch Vos Bill proposal which would establish a forest certification “gate-keeper” in the Netherlands with a bias towards FSC would constitute a technical barrier to trade.
- Early reports suggest that the UK government’s assessment of 5 leading certification schemes endorsed FSC as “legal and sustainable” and PEFC as “legal”. This may explain delays in the announcement of the final results (now due week beginning 8 November). If confirmed, the results may sow the seed of a serious political row in Europe. No information relating to assessment of SFI has been made public.
- Environmental groups have continued to focus on illegal logging, mainly seeking to embarrass public authorities into implementing far-reaching legislation on imports of illegal timber and tougher procurement policies.

1. Forest certification developments

1.1. Program for Endorsement of Forest Certification

1.1.1. Current status of PEFC certification

The full membership of PEFC extends to 27 national certification initiatives on 5 continents. Of these national initiatives, 13 have been endorsed by the PEFC Council covering a total of 52 million hectares of forest.

A further six national initiatives are at various stages of the PEFC endorsement process:

- A postal ballot is underway for national schemes in Australia, Chile and Italy. The results of this ballot will be announced at the PEFC General Assembly to be held in Santiago, Chile on 29th October 2004. The Portuguese system is awaiting a final report from the independent consultants before a recommendation can be made by the Board of Directors to the members of the General Assembly.
- The Canadian Standards Association (CSA) scheme is undergoing the main part of the assessment and interested parties have been invited to comment by 31 October 2004. A field assessment in Canada has been scheduled for November 2004, with CSA hoping the scheme will be fully endorsed by PEFC in March 2005.
- A tendering process has started for the selection of a consultant for the Luxembourg scheme.

National certification initiatives for Russia, Slovenia and Gabon have applied for PEFC membership. These applications are being considered at the PEFC General Assembly being held in Chile on 29 October 2004.

1.1.2. PEFC national news

1.1.2.1. PEFC Austria

Since February 2002 all forest regions in Austria, totalling 3.9 million hectares, have been PEFC certified. Chain of custody certification is expanding. The majority of individual enterprises in the paper and pulp, fibreboard, chipboard and sawmilling industries have already achieved certification. A group certification framework has been developed for small and medium-sized sawmills and for the timber trade. So far, around 270 timber-processing enterprises and timber traders are certified. Current efforts by PEFC Austria are focused on delivery of certified products to customers and raising the profile of the label in the market. According to Austrian government sources, FSC has not played a major role in the practical implementation of certification in Austria. Timber for FSC-certified products marketed in Austria (e.g. garden furniture made of teak) is mainly imported.

1.1.2.2. Canadian Standards Association

Latest news indicates that 32 million hectares of Canadian forest land were certified by June 2004, nearly twice the area certified by June 2003. CSA notes that the area continues to rise, and is projected to reach 72 million hectares by 2006. The number of chain of custody certificates is also rising. There are currently 48 Chain-of-Custody certificates covering 83 sites.

1.1.2.3. PEFC Spain

The PEFC Spain scheme, which is already endorsed by the PEFC Council, is moving ahead to increase certified forest area. The emphasis is on regional certification since 67% of Spanish forest land belongs to private owners and is characterised by land holdings with average area of barely 3 hectares. Total certified area now amounts to around 250,000 hectares, with significant areas in the Basque Country and Catalonia. More significant areas are expected to be certified shortly with the establishment of a new regional initiative in Galicia. Galicia produces almost 50% of the wood consumed in Spain. 15 companies, mainly from the domestic paper and wood processing sectors now have PEFC Chain of Custody certification. The numbers are expected to rise rapidly.

1.1.2.4. PEFC Sweden

At present, around 4 million hectares of Swedish forest land and 21000 Swedish forest owners are PEFC certified. The largest Swedish forest company, Bergvik Forest Ltd., joined the Swedish PEFC on August 16. Bergvik Forest Ltd. plans to have its forests PEFC certified by the end of this year. This will bring the total PEFC certified area in the country up to around 6 million hectares. Bergvik's participation in PEFC is indicative of a trend amongst large industrial owners to undergo joint certification to both PEFC and FSC.

Work is currently underway to revise the PEFC Sweden Technical Document. A first draft has been made available on the PEFC Sweden website.

A recent Swedish government report for the UN ECE Timber Committee notes that *"Companies in Sweden have noticed an increased interest for certified wood products and paper in Europe, particularly in Great Britain and Ireland. Total volumes are still modest but interest is expected to rise among larger customer. In Sweden building-material companies have showed interest for certified wood products."*

1.1.2.5. Australian Forestry Standard

The Australian Forestry Standard, developed through the Australian national standards agencies, is now supported by a framework for independent forest assessment designed to be in accordance with the PEFC framework. By the third quarter of 2004, a State public forest management agency with about 1.5 million hectares was nearing completion of the AFS certification process for its native forest management. A number of other State agencies covering both native forest and plantation management are also expected to undergo audits to the AFS standard over the next few months. A private company in Western Australia managing short rotation Blue Gum (*Eucalyptus globulus*) is also soon to be audited against the AFS.

Three Australian firms will be seeking accreditation by the national accreditation body – JAS-ANZ – to undertake AFS certification in Australia.

Chain of custody certification has commenced for Gunns Limited, a vertically integrated company, who were the first organisation certified to the AFS. Either AFS or PEFC labelled products from Australia may soon be a reality.

1.1.2.6. PEFC Germany

By the third quarter of 2004, PEFC-certified area in Germany had reached close to 7 million hectares comprising a mixture of forestry association group schemes (with

more than 205,000 forest owner members), individual community forests, and non industrial private forests. Nearly 500 PEFC chain of custody certificates had been issued, mainly to domestic wood suppliers.

The regular 5-yearly process to review and update of the PEFC Germany standard is currently underway. A series of stakeholder workshops were held in July 2004. All the ENGOs that have been consistently criticized PEFC during the last 5 years refused to participate at the workshops. The results of these workshops are published on the internet at: www.pefc.de/wuerzburg.htm.

Axel Springer, Germany's biggest newspaper publisher and one of the leading international media enterprises, now seems to be endorsing PEFC alongside FSC. Their latest sustainability report (www.axelspringer.de/englisch/home-e.htm) notes: *"In order to be able to guarantee good ecological quality for timber or paper clients, respectively, two ecological certification labels for wood products have been established in Europe – after considerable debate. In the meantime, they have become quite similar"*

1.1.2.7. PEFC Italy

In July 2004, the Certification Body AQA presented a PEFC regional certificate to PEFC Friuli Venezia Giulia Association covering 38 forest owners and a total area of 67000 hectares. This is the first regional certification in Italy. PEFC Italy hopes that soon three other pilot studies (PEFC Group Bauernbund Bolzano, PEFC Group Veneto and PEFC Trentino Regional Association) will complete the certification process.

The number of PEFC COC certificates issued in Italy has risen from 2 to 7 this year. Companies include manufacturers of hardwood flooring, garden accessories, furniture components, particle boards and packaging, wooden packaging, and small wooden handmade articles. More certificates are expected by the end of this year. At present most PEFC certified wood bought by Italian companies derives from Austria, Finland, Germany and France.

PEFC Italy is in the process of developing a certification standard for poplar plantations which represent 50% of Italian national wood production. The development process is expected to be completed next year.

1.1.2.8. PEFC Czech Republic

The Czech Republic has moved much faster than any other Eastern European country to develop and adopt PEFC certification. The Association of Forest Owners and the Ministry of Agriculture specified a preference for the use of the PEFC scheme due to 'acknowledgement of the regional, geographic, topographic, climatic and social differences and requirements'.

PEFC certified forest area in the country amounts to 1.9 million hectares, around 72% of the total forest area. Certification began with the large state forests. Now small municipalities and private forest owners are getting more involved in forest certification.

The 100th Czech CoC certificate was issued in the middle of 2004. 105 PEFC CoC certificates covering 141 enterprises have now been issued in the space of only 18 months. Holders of the CoC certificates include 66 logging companies, 35 trading companies, 14 sawmills and 2 pulp and paper companies.

1.1.2.9. PEFC Finland

About 95 % of Finnish forests, or 22 million hectares, are certified under the Finnish Forest Certification System (FFCS) which is endorsed by PEFC. FFCS note that demand for PEFC-labelled products is growing. Today there are over 75 PEFC logo licence holders among Finnish forest industries. These licenses cover the major share of wood procurement (55 million m³), sawnwood (10 million m³) and panels (2 million m³) production. Furthermore, PEFC-logo usage rights cover 3 million tons of pulp, 2.3 million tons of paper and 0.5 million tons of paperboard production.

1.1.2.10. PEFC France

By June 30, 2004, 22 areas had been certified by PEFC France with a total area of 3.4 million hectares, just over 20% of French forest area. This area was distributed as follows:

- 1.5 million hectares (45%) comprised national forests (accounting for nearly the whole area of French national forests);
- 760,000 hectares (23%) community forests (accounting for around a third of other public forests);
- 1 million hectares (32%) comprised private forests (around 10% of all private forests).

PEFC France' objective is to achieve 4 million hectares certified by the end of 2004.

By June 30, 2004, 520 companies had achieved PEFC certification, with the majority (around 80%) being forest management companies and or sawmills. The objective in 2004 has been to expand participation in the trade and downstream industry.

In comparison, by June 2004, only 4 French forest sites (all private) had been certified according to FSC system with a total surface area of 15,000 hectares, and around 50 FSC chain of custody certificates had been issued.

The French Ministry of Agriculture reports that between 2002 and 2003, the volume of certified wood harvested in France tripled to reach around 1.8 million m³, around 5% of total production (overbark). The volume of certified sawn wood reached around 300 000 m³, about 3% of the total production. The low levels of certified sawn lumber compared to harvested logs is due to the failure of significant sections of the French processing sector to take up CoC certification and lack of market demand. However the Ministry of Agriculture suggests availability of certified saw logs will increase as more chain of custody certificates are being issued in 2004, and as more suppliers begin to market PEFC products.

1.1.2.11. PEFC Norway

All major forest industries in Norway now require certification of forest management from their domestic suppliers of roundwood. Nearly all forest properties have been certified through the Norwegian Forest Owners Federation or the Norwegian Forestry Association, Norske Skog and SB Skog according to the ISO 14001 or EMAS EMS with the Living Forest Standards. Only one property is FSC certified in Norway.

1.2. Forest Stewardship Council

1.2.1. 10th Anniversary Celebration and Annual Conference

In early September, FSC held its 10th Anniversary Celebration and Annual Conference. The conference was opened by Renate Künast, the German Minister for Consumer Protection, Food and Agriculture. It featured presentations by Claude Martin, Director General of WWF International; Alan Knight, Head of Corporate Social Responsibility for the Kingfisher Group; Tasso Rezende de Azevedo, National Forest Program Director of Brazil; and Bärbel Dieckman, the Mayor of the City of Bonn. Individuals, non-governmental organizations, companies, FSC accredited certification bodies and FSC national offices attended the conference.

Presentations during the plenary session were focused around the three themes of the FSC system: social, environmental and economic issues. Representatives from these sectors discussed their perspectives and concerns. A range of recommendations and visions for the future were presented by the panellists during the course of the conference. These included:

- defining measures to support and expand FSC in the tropics, particularly the development of a stepwise approach to certification;
- using FSC to link producers - including community and indigenous producers - to responsible retailers.
- building FSC into a strong and decentralized global network with technically and financially consolidated National Offices, active participation and a balanced membership.
- increasing awareness of FSC amongst key stakeholders

Reports from the meeting indicate that there is a clear desire amongst participants in FSC to expand well beyond communication of good forestry practice to encompass a broader and more proactive policy-making agenda. Amongst other things, there was discussion of FSC's role:

- as a tool to build the capacity of local communities and indigenous peoples to participate effectively in forest policy development;
- in the creation of legal frameworks for exercising individual and collective rights;
- as an instrument to implement ILO labour standards;
- to bring different stakeholders together to make progress on controversial issues such as forest plantations,
- to ensure broader application of FSC tools such as high conservation value forests.

1.2.2. FSC Plantations Review

FSC launched the first phase of the review of its Principle 10 for Plantations with a meeting on September 9th in Bonn, Germany as part of the FSC 10th Anniversary Celebration and Annual Conference. Over 100 individuals from 30 countries attended the meeting to identify some of the key issues that the plantations review process must address. The meeting launched a planned two year plantations review process. During this time, FSC will meet with stakeholders around the world to view, review and discuss policies and standards for plantations.

1.2.3. Evolution of international framework

Members of more than 30 FSC National Initiatives from around the globe met in Bonn during September to discuss the future role and structure of these initiatives.

The meeting agreed that a task force should be established with representatives from all regions to develop clear guidance on roles, functions and services.

The FSC Board of Directors have agreed to establish Latin American and African regional offices in Panama and Ghana respectively. The regional offices have been established with the objective of promoting development of FSC in those regions as part of the decentralization process started in 2002.

FSC is working hard to make some progress in Finland despite strong opposition from private owners. Stora Enso Wood Supply Finland is now offering a pilot project to private forest owners in which they can obtain a group FSC certificate. The emphasis is on how FSC works in practice with groups of 2-5 forest owners. The results will be used to strengthen the Finnish FSC standard.

1.2.4. FSC launches new chain of custody standards

In September 2004, FSC launched their new chain of custody standards following a comprehensive three-year review. The standards introduce several innovative concepts within FSC, including systems for tracking and labelling the quantity of FSC certified material in products, improved control of wood from uncertified forests, and a scheme for identifying and verifying recycled material. The four standards which apply to wood product manufacturers (including sawmills, pulp and paper mills and furniture factories) can be used for FSC chain of custody certification from October 1, 2004. New FSC labels are expected to arrive on shelves in the next two months.

The new standards provide companies in the wood trading chain with a range of optional chain of custody procedures. The label is adjusted according to the procedure adopted. The FSC Pure label is applied to products that derive 100% from FSC certified sources. The FSC-Mixed label applies to products labelled using either a minimum threshold system (at least 70% FSC certified content), or a %-input equals %-output system. FSC-recycled label is used for products that are 100% recycled.

For FSC-Mixed labelled products, there are also detailed requirements established to ensure that the non-certified wood component is "FSC-controlled". Companies wishing to supply FSC controlled wood must implement a management system and acquire evidence to demonstrate that the wood does not derive from:

- a forest area where traditional or civil rights are being violated;
- forests with high conservation value that are under threat;
- GM trees;
- illegal sources;
- natural forests that are being converted to plantations or non-forest areas

1.2.5. Accreditation of standards and certification bodies

FSC has accredited 21 national and regional forest certification standards in nine countries. In other countries (around 45) FSC continues to rely on "generic" standards developed by the certification bodies.

Most recently, FSC accredited the Canadian FSC standard for the boreal region. The standard applies to over 325 million hectares of forest in Canada stretching across the country from the Yukon Territory in the west to Newfoundland and Labrador in the east.

Two new FSC forest stewardship standards were also accredited in the United States, for the Ozark Ouachita and Appalachia regions respectively. Eight regional FSC standards have now been developed in the USA. .

FSC has now accredited 14 certification bodies. With one exception (in South Africa) these are all head quartered in Western Europe and North America. A Mexican certification body is currently being considered for accreditation.

12 of the bodies are accredited to certify forest management and chain of custody worldwide. 2 are accredited to certified worldwide chain of custody only.

1.2.6. FSC Market Developments

The German postal service, Deutsche Post has developed a new line of FSC certified pre-paid envelopes. Deutsche Post is reported to have made strong commitments to responsible paper purchasing in its corporate policies. The envelopes are part of a consignment of 80 million FSC certified envelopes being sold through Deutsche Post outlets.

HSBC, one of the world's largest banking groups, has launched new international guidelines for the forest land and forest products sector, identifying the FSC as its preferred choice. HSBC's preference is to deal with customers in this sector that are either certified by FSC or an equivalent FSC-recognized standard. This includes clients who are not FSC certified but are following a credible path towards achieving compliance. The guidelines, which includes lending and other forms of financial assistance, sets out broad principles of good forest management and covers the following industries and activities: forestry; timber and timber products/processing; timber trading; plantations (pulp, timber, oil palm, rubber); forest conversion.

The publishing company Random House Mondadori has printed bestselling Chilean-born author Isabel Allende's new book 'Forest of the Pygmies' paperback edition on 100 percent recycled paper and the hardback on 30 percent FSC certified paper. The publisher has also has committed to printing all its youth books under its Montena label on recycled paper by 2005.

The third campaign of FSC Netherlands to increase recognition of the scheme logo has been deemed a success by the participant organisations. Recognition has risen to 33% of those surveyed, reaching 42% in the 18-35 age group. The size and scope of the study is unknown.

1.2.7. UK production of FSC certified timber

A UK government report to the UNECE Timber Committee gives an insight into market demand for FSC certified wood products from the UK's domestic forests. These forests comprise mainly plantations of sitka spruce used to supply the domestic panel, paper and sawmilling sectors.

The report indicates that in the market for round and primary processed timber, the requirement for certified material continues to develop. In some instances softwood sawmills and merchants are offering a modest premium. It is becoming more difficult for growers to sell uncertified softwood because certified mills are having some difficulty in meeting the chain of custody requirements for percentage based claims. However this is not universal and the situation for UK producers may be eased

following introduction of the new FSC chain of custody rules which allow labelling based on % input=%output procedures.

It is noted that some UK certified sawmills (and many growers) have been very disappointed in the failure of the market to provide the expected demand for certified wood products. Many in the wood-using trades continue to urge mutual recognition between certification labels in order to reduce the current levels of confusion that they see as discouraging to the consideration of wood-based design options.

The report also provides data from the Forestry Commission's annual sawmill survey in which companies were asked whether they held a chain of custody certificate, the percentage of input volume from certified sources and the percentage of output volume sold as certified. 124 sawmills provided data for 2003. While only thirty four sawmills (27%) reported that they held a chain of custody certificate, these included around two-thirds of the largest sawmills. In total, certified timber accounted for almost two thirds of UK sawmill consumption and around 50% of sawnwood production in 2003.

The report concludes *"It seems clear that while progress is being made, certification requires considerably more promotion. This can only be effective once supplies (imported and UK grown) can easily be located in the quantities, labels and timescales required by the buyers."*

1.3. Gabon leads expansion of PEFC into Africa

A meeting was convened in Gabon on 1 October to launch a Pan African Forest Certification (PAFC) association for Gabon. Reports from the meeting indicate that the clear intention is to encourage development of a series of African PAFC national associations which would then be in a position to receive PEFC endorsement. PAFC national associations would develop forest certification standards so that they conformed with the African Timber Organisation/International Tropical Timber Organisation (ATO/ITTO) criteria for sustainable forest management. At the meeting, a representative of PEFC stated that they would be willing to endorse schemes developed in accordance with these criteria.

The meeting was hosted by the Gabon Minister for Forestry Economics, Water, Fishing, and Environment. In addition to around 100 Gabon forestry stakeholders, the meeting was also attended by representatives of the Inter-African Forest Industry Association (which represents some of the largest European owned forestry operators in Africa), the African Timber Organisation (an African inter-governmental organisation), the President of the PEFC, and delegations from Cameroon and Congo.

According to meeting reports, the PAFC certification scheme will build the joint work of the ATO and Centre for International Forestry Research (CIFOR) to adapt the ITTO Criteria and Indicators for application at national level in African countries. This work has been undertaken over the last decade with support from ITTO, the EU and WWF.

This work has made considerable headway in Gabon. A final set of principles, criteria and indicators have been developed by a National Working Group. Several Gabonese companies are now implementing forest management plans in accordance with the Principles. Development of a national PAFC-Gabon certification framework in accordance with the PEFC principles is now seen in Gabon as the best way of achieving international recognition of these efforts.

The meeting heard how preliminary work on development of PAFC by the consultancy firm Indufor had confirmed the compatibility of the ATO/CIFOR work to develop principles with the PEFC framework. The PEFC Board of Directors had therefore recommended that the ATO/ITTO criteria should form the basis for their evaluation of African certification schemes.

At the meeting, Benoît Demarquez, a forest manager, provided an overview of the forestry situation in Gabon. He noted that of a total surface of 22 million hectares, around 10 million hectares are allocated as concessions for commercial timber production. Under Gabonese law, concessionaires are now required to establish and implement a sustainable forest management plan. To date, these plans have been prepared for around 3 million hectares (30%) of concession area. Plans covering 1.8 million hectares have been approved by the Gabon forestry authorities.

Around 50% of areas covered by sustainable forest management plans are already independently certified to ISO14001 and are recognised by the Dutch Keuhout scheme. These areas are managed by CEB Thanry (617,000 hectares); Leroy Gabon (57,600 hectares) and Rougier (288,000 ha)

The meeting heard a presentation by Mr. Jean-CharlesThébault, President the European Union of the Plywood Manufacturers. He noted that certified wood products hold only a modest share of the EU market at present, but there is a growing need for tropical hardwoods to achieve certification in order to avoid erosion of market share. He also deplored the absence of a premium for certified wood products

1.4. Yale Symposium on certification in transition economies

Many reports in recent years have highlighted the strides that have been made to introduce forest certification into the region. However, a workshop and symposium on the impacts of forest certification in transitioning countries held at Yale University in June 2004 provided a more sober picture of the progress made so far.

While state forest owners have moved rapidly to embrace FSC, large parts of the private forest sector have remained at best sceptical, and at worst antagonistic to the movement towards FSC. In the absence of a price premium and consistent market demand for certified products, only a minority of private forest owners and processing companies have taken a lead in developing certified product lines. The sharp split that has emerged between advocates of FSC in the state sector and PEFC in the private sector has complicated the debate and may further undermining interest in certification.

The case studies provided at the Yale symposium provide a valuable insight into the certification situation in Eastern Europe at a time when the region is becoming a more important player in the global wood industry. A summary of key points from the case studies is provided in the attached report (T&ESeptOctEastEurope.doc).

2. International agreements and institutions

2.1. World Bank/WWF Alliance QACC

The World Bank/WWF Alliance for Forest Conservation & Sustainable Use (Alliance) is going ahead with the field test of its methodology for the assessment of forest

certification systems. This is despite the decision of the PEFC Council, announced in a press release in September, declining participation in the study.

According to the Alliance, the World Bank and WWF have a requirement to reliably and transparently assess whether existing certification schemes are consistent with the principles of good forest management defined by the Alliance in 1999. These principles provide the benchmark for measuring progress toward the Alliance's certification target of 200 million hectares under independent certification by 2005. These principles were subsequently adopted by the Bank in its Operational Policy on Forests, which stipulates that industrial-scale harvesting operations are only eligible for financing by the Bank if they are certified, or adhere to a time-bound action plan for achieving certification, under a system that meets the Bank's standards for responsible forest management.

The QACC was developed to provide criteria and indicators with which to evaluate whether existing schemes are in accordance with these principles. The current QACC consultation process was designed to ensure the questions are fair, unbiased and appropriate. Accordingly, in April 2004, the Alliance invited two broadly recognized schemes, FSC and PEFC, to participate in an initial field trial of the QACC in 12 European countries. It also set up an independent review panel representing a broad range of stakeholders.

In response to concerns raised by PEFC, the Alliance agreed to revise a number of questions. In other cases, the Alliance provided justifications and clarification as to why it is important to retain some elements. PEFC said that the Alliance response did not go far enough, and asked the Alliance to design a new questionnaire from scratch employing an open participatory process and to refrain from field testing the existing QACC. But the Alliance rejected this proposal.

The Alliance has now identified countries for the QACC tests. The World Bank will carry out tests in Bulgaria, Croatia, Latvia, Poland, Romania and Russia. Parallel testing will be conducted by WWF in Austria, Finland, France, Germany, Sweden and the UK.

2.2. Convention on International Trade in Endangered Species (CITES)

A decision was taken at the latest CITES conference held in Bangkok, Thailand, to shift ramin from Appendix II to Appendix III of the Convention. Ramin is derived mainly from the mangrove forests of Indonesia and Malaysia. In recent years, concerns have been raised over the levels of illegally exploited ramin exported from Indonesia. The move means that all international trade in the species will now be subject to export or re-export permits issued by national CITES management authorities. These will only be issued where it can be shown that trade in the timber will not threaten the ecological survival of the species. Ramin wood has been popular in the United States and Europe for mouldings, window blinds, and picture frames.

2.3. European Union Constitution

In a move proclaimed as a diplomatic triumph, European leaders signed the EU's first constitution on 29 October. By doing so, they aim to give the EU a sharper international profile and to speed up decision-making in a club now embracing 25 nations.

The treaty was the result of 28 months of acrimonious debate between the 25 EU governments and now faces ratification in national parliaments. At least nine EU

nations also plan to put it to a referendum, increasing chances that it may not take effect in 2007 as scheduled. A "no" result in any country would stop the constitution in its tracks.

The constitution is a huge document covering a very wide spectrum of EU policy areas. From a forestry perspective it is perhaps most significant for its inclusion of far reaching commitments to sustainable development. The WWF is already proclaiming that it *"provides a good basis for the European Union to take a global lead in tackling major environmental threats such as climate change, chemical contamination, and biodiversity loss"*.

The Constitution states that *"the Union shall work for the sustainable development of Europe based on...a high level of protection and improvement of the quality of the environment"* and *"shall contribute to...the sustainable development of the Earth."*

It also states that *"environmental protection must be integrated into the definition and implementation of the policies and activities of the EU, in particular with a view to promoting sustainable development."*

Efforts by some European forest sector interests to get a more specific reference to protection and development of forest resources were unsuccessful.

3. National timber procurement policy

3.1. WWF Barometer updated

WWF have provided an update of their evaluation, first undertaken in April 2004, of how 19 EU governments are tackling the problem of illegal logging. The key findings of WWF's Government Barometer — described as a monitoring tool that systematically surveys EU governments on nine different steps needed to tackle illegal logging — showed that while most countries are still failing to take effective action on illegal logging at a national level, 16 of 19 countries are ready to outlaw illegal logging Europe-wide. The WWF survey also found that 15 governments are ready to tackle illegal logging in the new EU member states and candidate countries.

WWF state that the overall results of the report show there is still a lack of strong measures domestically to tackle illegal logging and related trade. Only the UK obtained "satisfactory" results, followed by Germany, Denmark, France, Latvia, and Sweden, which rated from "moderate" to "good". According to WWF, since the last evaluation in April, significant progress was made by Germany and slight progress by the UK, Denmark, and France.

WWF state that compared to the last evaluation, political support for criminalising illegal logging inside the EU has increased. However WWF suggests that *"the European Commission, in spite of implementing several laudable measures under its action plan on Forest Law Enforcement Governance and Trade (FLEGT), is currently ignoring this issue."*

The survey also provided evidence of strong political support for an EU-level initiative to tackle illegal logging in the new EU members states and candidate countries. Support for such an initiative now also comes from new member states such as Estonia, Hungary, Latvia, and Slovakia.

Details of the survey are available at <http://www.panda.org/barometer/>

3.2. Netherlands

3.2.1. Vos Bill

The Netherlands Ministry of Housing, Spatial Planning and the Environment continues its efforts to introduce a Dutch Act – known as the Vos Bill - on the labelling of forest products. Originally this draft legislation of the Dutch Parliament had proposed mandatory 'red and green labelling' of all timber and paper products sold in The Netherlands. But after discussions in the Upper House of Dutch Parliament in 2002 the initiator removed the proposal for a red label.

The European Commission subsequently requested the Dutch authorities to present the new draft law for a notification procedure. By September 2004, the Commission and four member states gave their detailed opinion. The Commission took the view that draft still contains provisions which may constitute quantitative import restrictions. Furthermore, the Commission questioned the exclusive reference to the FSC as the basis for equivalence in forest certification schemes. The Dutch government reaction is still awaited.

3.2.2. Assessment of Certified Wood Products

Alongside discussions on the Vos Bill, the Dutch government took the initiative in 2002 to set up a guideline for assessment of certified wood products based on Dutch government criteria for sustainable forest management. Wood and wooden products brought on the Dutch market which fulfil the standard would be provided with a special mark. Under the Vos Bill, this would be only certification label allowed in the Netherlands.

Coordinated by the Ministry of Housing, Spatial Planning and Environment, a broad variety of environmental, social and forest sector organisations together with government departments have been involved in the development of the National Guideline. Last year the final draft of the Guidelines was produced together with an Assessment protocol. This year these drafts were evaluated on their performance in various pilot projects. Comments have been discussed and the project group is now finalizing both documents. The co-ordinating ministry is expecting the Guideline to be introduced by mid 2005.

At the UNECE Timber Committee meeting held in Geneva in October, Dutch government officials suggested that their Assessment Guideline may provide a wider solution for timber importers in the European Union who currently struggle to obtain adequate certified supplies owing to lack of mutual recognition between certification schemes. They raised the possibility of promoting a similar solution at an EU-wide level.

3.2.3. Illegal Logging

At the UNECE Timber Committee, Dutch government officials highlighted that use of illegal and unsustainably produced timber is a growing political issue in the Netherlands. It was noted that the Netherlands is now one of Europe's largest overseas donors in the area of sustainable forest management with an annual budget for such initiatives of about € 70 million per year. It was noted that the Dutch government is fully supportive of the EU FLEGT action plan and is keen to see rapid development of Voluntary Partnership Agreements with key timber producing countries.

Efforts are also underway to develop a Dutch green procurement policy, In June 2004, the Dutch Cabinet decided that timber purchases by central Government bodies would have to be of guaranteed legal origin and where possible from sustainably managed sources.

3.3. United Kingdom

3.3.1. Government procurement policy

Publication of the results of the assessment of five forest certification schemes (SFI, PEFC, FSC, CSA, MTCC) by the UK government's Central Point of Expertise on Timber (CPET) has continued to be delayed. Latest information indicates that the results will be made available at the UK Department for Food and Rural Affairs (DEFRA) website (www.defra.gov.uk) during the week beginning 8 November. The CPET report had been completed by end October but was still under review by Ministers.

Trade press reports – based on comments from the schemes being assessed – suggest that CPET may have taken the view that FSC satisfies UK government criteria for “legal and sustainable” while PEFC only satisfies criteria for “legal”. If so, the CPET results are likely to cause a major political row within Europe. The majority of Europe's private forest owners, and a significant number of regional governments, have adopted the PEFC scheme. DEFRA officials were refusing to comment at the end of October, stating only that the results are “*in draft form*” and that the results still need to be “*endorsed by Ministers*” before publication.

No comments relating to the assessment of the other schemes under review have yet been made public.

3.3.2. New law promotes sustainable building

The UK government adopted a new law in October 2004 giving it power for the first time to address the sustainability of buildings. The Sustainable and Secure Buildings Act (2004) is an amendment to the Building Act (1984) an enabling framework for the elaboration of detailed Building Regulations. The new Act expands the purposes of Building Regulations to include amongst other things: furthering the conservation of fuel and power; furthering the protection or enhancement of the environment; and facilitating sustainable development. The new act is intended to move issues of sustainability in housing from the margins to the heart of building legislation. The full effects of the Act will only be felt following amendments to the Building Regulations.

4. Environmental campaigns

Environmental campaigning on forestry issues in the EU has continued to focus heavily on illegal logging, mainly seeking to embarrass public authorities into implementing more far-reaching legislation on imports of illegal timber and more progressive procurement policies. The main strategy has been to target tropical hardwoods from unidentifiable sources used for high profile public construction projects. For example Greenpeace have been labelling numerous building projects as “*Forest Crime Scenes*” claiming that timber has been used from “*endangered rain forests*”. Probably the most significant of these is a project to renovate the European Commission's new headquarters using, Greenpeace claim, “*suspected illegal Indonesian wood.*”

A Greenpeace campaigner suggests *"the ancient forests of Indonesia deserve better than to end up buried under the floor of the European Union Headquarters. Incoming EU Commission President Barroso will literally be walking all over the home of orang-utans and Sumatran tigers, at a time when they should be stopping illegal timber imports into Europe."*

Associated with this campaign in the UK, Greenpeace have continued to push their short film on "The Ancient Forests" through selected cinemas. The film is narrated by Ewan McGregor and Sir David Attenborough and features a soundtrack by Angelo Badalamenti (from David Lynch's *Twin Peaks*).

According to Greenpeace:

"the film takes its cue from Klaus Toepfer, head of the United Nations Environment Programme, who has warned governments that 'the clock is standing at one minute to midnight for the great apes. Some experts estimate that in as little as 10 years, the apes could be extinct across most of their range.'

*"Ewan McGregor speaks as a gorilla voicing the threats facing not just the great apes, but all the plants, animals and people living in ancient forests whose home is threatened by destructive and illegal logging. The film opens with a human family played by Andy Serkis (Gollum in *Lord of the Rings*) and Emma Fielding (currently acting in Noel Coward's *'Private Lives'* in London), experiencing the terrifying destruction of their home by chainsaws and bulldozers.*

"This opening scene is then juxtaposed with the incredible beauty of the world's remaining ancient forests, and real footage from the relentless destruction of these forests. As Ewan McGregor says in a haunting tone, 'an area of ancient forest the size of a football pitch disappears every two seconds - that's an area bigger than France and Spain in the last 10 years.' The gorilla follows timber plundered from its ancient forest home to the consuming countries, showing how it ends up as toilet paper, doors and hoardings around building sites.

"Sir David Attenborough ends with a powerful call for world governments to clean up the timber trade and ban illegally logged timber. These governments now hold the power to choose whether they quite literally 'save or delete' the world's remaining ancient forests."