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GENEVA TIMBER AND FOREST DISCUSSION PAPER 39

FOREST CERTIFICATION UPDATE FOR THE UNECE REGION, 2003

By

Michael Poku-Marboah, Heikki Juslin, Eric Hansen
and Keith Forsyth

UNITED NATIONS

ECE/TIM/DP/39

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Geneva, 2005

Note

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Abstract

"Forest Certification Update for the UNECE Region, 2003" is the sixth in a series of *Geneva Timber and Forest Discussion Paper*s to present developments in certification of sustainable forest management in the UNECE region of Europe, North America and the Commonwealth of Independent States. This update for 2003 has chapters on developments in the major international certification systems, mutual recognition between systems, status of forest certification, status of the marketplace for certified forest products, consumer behaviour and forest certification, government policies and forest certification, future developments and a list of references.

UNECE/FAO GENEVA TIMBER AND FOREST DISCUSSION PAPERS

The objective of the UNECE/FAO *Geneva Timber and Forest Discussion Papers* is to make available to a wider audience work carried out, usually by national experts, in the course of UNECE/FAO activities. They do not represent the final official output of the activity, but rather a contribution which because of its subject matter, or quality, or for other reasons, deserves to be disseminated more widely than the restricted official circles from whose work it emerged, or which is not suitable (e.g. because of technical content, narrow focus, specialised audience) for distribution in the UNECE/FAO *Timber and Forest Study Paper* series.

In all cases, the author(s) of the discussion paper are identified, and the paper is solely their responsibility. The UNECE Timber Committee, the FAO European Forestry Commission, the governments of the authors' country and the UNECE/FAO secretariat, are neither responsible for the opinions expressed, nor the facts presented, nor the conclusions and recommendations in the *Discussion Paper*.

In the interest of economy, *Discussion Papers* are issued in the original language only. They are available on the Timber Committee and European Forestry Commission website, http://www.unece.org/trade/timber, and upon request from the secretariat. They are distributed automatically to nominated forestry libraries and information centres in member countries. Those interested in receiving these *Discussion Papers* on the continuing basis should contact the secretariat. Another objective of the *Discussion Papers* is to stimulate dialogue and contacts among specialists. Comments or questions should be sent to the secretariat, who will transmit them to the authors.

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Preface

UNECE is committed to promoting sustainable development throughout the region and to encouraging a cross-sectoral approach between the various sectors it covers. In this context the issue of certification of forest products raises a number of important and complex issues: can consumers in one country influence environmental management practices in another without infringing rights of sovereignty and the principles of free trade? How can regional differences be taken into account in setting standards for sustainable forest management? Who decides what is acceptable practice and what is not? How can consumers be certain that the product they buy are really from a sustainably managed source? Because of intense public concern about tropical deforestation, the forest and timber sector has become a pioneer in finding and implementing practical solutions to these dilemmas, notably through systems to certify that forest products derive from sustainably managed forests.

Certification of sustainable forest management has now been in existence for over 10 years, however not without continued controversy. Certification systems address the three pillars of sustainability: economic, ecological and social. From the start, UNECE has provided an objective and open monitoring of processes and markets for certified forest products, working through member country governments, organisations and institutions.

This is the latest in a series of UNECE/FAO *Geneva Timber and Forest Discussion Papers* on certification which have provided objective, current information on forest certification and developments in certified forest products markets in the UNECE region as a basis for policy making.

We appreciate the contributions of the authors and the UNECE Timber Committee and FAO European Forestry Commission network of country correspondents on certified forest products markets and certification of sustainable forest management for providing current information for this publication. This is a good example of international cooperation to provide authoritative information on sustainable development and the links between trade and environment.

Brigita Schmögnerová

Executive Secretary

UN Economic Commission for Europe

Foreword

The UNECE Timber Committee (TC) has a mandate to monitor the market developments for certified forest products and the FAO European Forestry Commission (EFC) follows the developments in certification of sustainable forest management. This paper updates the developments in the region. The Committee and the Commission established a network of country correspondents on certified forest products markets and certification of sustainable forest management to provide current information for this publication. The Committee holds a discussion on certified forest products at its annual Forest Products Market Discussions. In preparation for that discussion, the UNECE/FAO *Forest Products Annual Market Review* has a regular chapter on certified forest products markets. Also in preparation for the market discussions, member countries submit market reports which include a section on certified forest products markets. All of this information on CFP markets may be found on the TC and EFC's website at: www.unece.org/trade/timber/mis/cfp.htm.

We express our sincere appreciation to the authors, Mr. Michael Poku-Marboah[1], Dr. Heikki Juslin[2] Dr. Eric Hansen,[3] and Mr. Keith Forsyth[4] for conducting the survey, gathering additional current information and writing this update for the UNECE region. We also thank the TC and EFC network of country correspondents on certified forest products markets and certification of sustainable forest management for providing current information for this publication.

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LIST OF ABBREVIATIONS

AF&PA	American Forest and Paper Association
ATFS	American Tree Farm System
CFP	Certified Forest Product
CSA	Canadian Standards Association
CSFCC	Canadian Sustainable Forestry Certification Coalition
DIY	Do-it-Yourself
DP	UNECE/FAO Geneva Timber and Forest Discussion Paper
EC	European Commission
ECE	Economic Commission for Europe
EFC	FAO European Forestry Commission
EFI	European Forest Institute
ENGO	Environmental Non-Governmental Organization
FAO	Food and Agriculture Organization of the United Nations
FERN	Forests and the European Union Resource Network.
FMB	Federation des Magasins de Bricolage (Federation of French do-it-yourself retailers)
FPAC	Forest Products Association of Canada
FSC	Forest Stewardship Council
GFTN	Global Forest and Trade Network
GTZ	German Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit)
ha	hectare
IAF	International Accreditation Forum
ISO	International Organization for Standardization
SFB	Sustainable Forestry Board
SFI	Sustainable Forestry Initiative
SFM	Sustainable Forest Management
TBFRA	Temperate and Boreal Forest Resources Assessment
TC	UNECE Timber Committee
PEFC	Programme for the Endorsement of Forest Certification Schemes
PEFCC	Programme for the Endorsement of Forest Certification Council
UKWAS	UK Woodland Assurance Scheme
UNECE	United Nations Economic Commission for Europe
WWF	Worldwide Fund for Nature

HIGHLIGHTS

- Currently, third-party certified forest area under PEFC, FSC, SFI, CSA and ATFS worldwide is over 171 million hectares.

- The United Nations Economic Commission for Europe (UNECE) region accounts for approximately 163.7 million hectares of these third-party certified forest areas and the distribution is as follows: Forest Stewardship Council (FSC) 33.1 million hectares, Programme for the Endorsement of Forest Certification Schemes (PEFC) 49.5 million hectares, Sustainable Forestry Initiative (SFI) 42.2 million hectares, Canadian Standards Association (CSA) 28.4 million hectares, and the American Tree Farm System (ATFS) 10.5 million hectares.

- Currently, there are about 4,100 chain of custody certificates which have been issued worldwide and the distribution is as follows: FSC 2,853, PEFC 1,204 and CSA 44. However, there is the apparent convergence of the multiple sources of chain of custody certificates into two main sources (i.e. PEFC and FSC).

- Regarding mutual recognition, conflicts remained, yet at the same time much happened by way of co-operation and endorsements. All the major forest certification schemes (except FSC) are congregating under the PEFC by seeking its endorsement.

- Spain and Romania had FSC certification for the first time between mid 2002 and 2003 while the Czech Republic, United Kingdom, Belgium, Denmark and Spain had PEFC-certified forestland for the first time in the same period.

- The countries which are the main sources of the supply of certified forest products are Sweden, Finland and Germany, and the most important export markets for certified forest products are considered to be the United Kingdom, Germany and the Netherlands.

- FSC-certified forest products are still estimated to have the largest proportion of demand (71%) although the PEFC certified forest products demand (29%) seems to have increased over the years.

- Supply and demand of certified timber from the UNECE region is moving towards a balance.

- The situation in the marketplace is more of a supply-push rather than a demand-pull and that is likely to be the status quo until the various forest certification schemes direct public relations efforts towards the consumers.

- There are clear indications that the number of chain of custody certificates issued could increase quite fast in the coming years.

- The most significant and the most widely used government measure in support of forest certification in the UNECE region has been the policy of public procurement but its use is seen to be in an indirect, rather than a direct way.

1. INTRODUCTION

Developments in forest certification in the UNECE region have been updated annually in the UNECE/FAO *Geneva Timber and Forest Discussion Papers*, "Forest Certification Update for the UNECE Region" since 1999. These annual updates started after the Discussion Paper on the Status of Forest Certification in the UNECE region was written in 1998. As a result, this *Discussion Paper* (DP) builds on five previous DPs (Hansen & Juslin 1998, Hansen et al. 1999, Hansen et al. 2000, Vilhunen et al. 2001, and Raunetsalo et al. 2002). However, it must be pointed out that there is a slight difference in the period covered by this DP as well as its content. The period for this update is between August 2002 and end of December 2003. Furthermore, even though this DP is designed to provide a summary of key forest certification developments between the period of August 2002 and end of December 2003, coverage of the major happenings (with the exception of hectares certified and chain of custody certificates issued) extends to the end of March 2004.

The issues covered in this DP are:

- Development of the major systems,
- Progress of forest certification in the UNECE region
- Status of the marketplace

The main forest certification developments between mid 2002 and the end of December 2003 were the crossing of the 170 million ha mark for PEFC, FSC, SFI, CSA and ATFS-certified forest areas worldwide; apparent convergence of otherwise multiple sources of chain of custody certificates into two main sources; issuance of over 4,100 chain of custody certificates worldwide; and the increasing awareness and supply of certified forest products.

2. APPROACH

Since the summer of 2000, the DP has been built on secondary data as well as primary data collected from an official network of country correspondents, which was formed by the UNECE Timber Committee and the FAO European Forestry Commission to provide a neutral source of information. Regarding data collection, this DP follows the same approach and assumes that the reader is familiar with the content of previous DPs on forest certification. For information regarding previous DPs, see http://www.unece.org/trade/mis/ cfp.htm.

The UNECE region covers the 55 countries of Europe, the Commonwealth of Independent States and North America. The main systems covered include the American Forest and Paper Association's Sustainable Forestry Initiative (SFI), Canadian Standards Association (CSA), Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification Schemes (PEFC), formerly Pan European Forest Certification Scheme. In this DP the American Tree Farm System (ATFS) which recently started third-party audits in the United States is not covered in detail though the total area of forest it has certified is briefly mentioned. Just like the previous DPs, this DP has not covered information concerning the ISO 14001 environmental management system but rather concentrated on systems specific to the forestry and wood products sector. Nevertheless, ISO remains an attractive option for forest industry companies and many have chosen to use the system for both their forestry and production operations.

Diagram 1 provides a framework for the DP and shows the topics covered as well as how they are related to each other. Compared with previous DPs the sub-heading "existence of preconditions and drivers of forest certification" has been dropped. This was because that topic, in addition to the drivers of demand and supply, was being covered by another UNECE study[5]. However, under the heading "status of the market place" a new sub-topic "influence of government policies" has been added to gauge how government policies have influenced the marketplace.

The discussion is based on both primary data received from the informal network of country correspondents and secondary data. The request for information (attached as annex) on certified forest products markets and forest certification was sent in late November 2003 to correspondents in 39 countries within the 55-nation UNECE region. Unlike some previous years, requests for information were not sent to FSC national initiative organisations, members of the PEFC Council, the CSA and SFI organisations or to members of the Global Forest and Trade Network in the UNECE region. These organisations were covered by the survey for *Forest*

[5] Kraxner, F. and Rametsteiner, E. "Public procurement policies boost demand for maturing certified forest products market: Certified forest products markets, 2003-2004". Chapter 9 "in "Forest Products Annual Market Review, 2003-2004", UNECE/FAO *Timber Bulletin*, www.unece.org/trade/timber, 2004.

DIAGRAM 1

Framework for the Discussion Paper

1) Status of the major systems (FSC, CSA, PEFC, SFI)

- *External Growth*
- *Internal Progress*

2) Progress of forest certification in countries

- *Development phase of the systems*
- *Expected future developments*

3) Status and developments of the marketplace

- *Demand for Certified Forest Products*
- *Supply of Certified Forest Products*
- *Influence of Government policies*

Products Annual Market Analysis 2002 - 2004 chapter on certified forest products market[6].

The informal network of country correspondents on certified forest products and certification of sustainable forest management was created in the spring of 2001 by the UNECE Timber Committee (TC) and the FAO European Forestry Commission (EFC). It was established through official nominations from the TC and EFC heads of delegation in the 55 countries in the UNECE region. Most of the countries in the region chose to nominate one correspondent. This approach is designed to provide more consistent, independent and comprehensive information about the developments of certified forest products markets and forest certification in the UNECE region. However, we do not claim that a survey of these correspondents provides complete information. Rather we feel that the information received from the correspondents is fairly comprehensive and reliable enough from which we can draw a current view of the status of forest certification in the UNECE region between the summer of 2002 and the end of 2003.

Unfortunately, no official statistics on certified forest products markets and forest certification exist yet, because they are not currently recognised in customs classification codes or product classifications.

By the end of January 2004, 34 correspondents had returned information about their countries. The following countries contributed to this report by returning one or more requests for information and we express our appreciation to them for responding. They are:

Albania	Austria	Belgium
Canada	Cyprus	Czech Republic
Denmark	Estonia	Finland
France	Germany	Greece
Hungary	Ireland	Italy
Liechtenstein	Lithuania	Luxembourg
Macedonia	Netherlands	Norway
Poland	Portugal	Romania
Serbia	Slovakia	Slovenia
Spain	Sweden	Switzerland
United Kingdom	United States of America	

Although Cyprus and Macedonia responded, their response was simply that forest certification was not relevant in their respective countries. The following countries which had nominated correspondents did not respond in time for this publication:

Croatia	Kyrgyzstan	Latvia
Malta	Russia	Turkey
Ukraine		

[6] UNECE/FAO Forest Products Annual Market Analysis 2002-2004, Chapter 9 on certified forest products marketplace by Dr. Ewald Rametsteiner and Mr. Florian Kraxner. (Source:http:// www.unece.org/trade/timber/docs/fpama/ 2003/fpama2003a.htm)

3. STATUS OF FOREST CERTIFICATION IN THE UNECE REGION: MID 2002 AND END OF 2003

3.1 Important developments of major systems

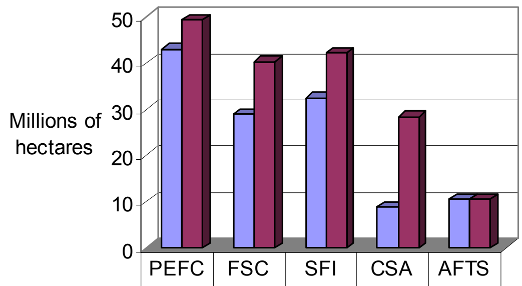
All the major forest certification schemes operating in the UNECE region managed to increase their certified forest areas between the summer of 2002 and the end of 2003. The overall forest area certified worldwide increased from approximately 124 million hectares to more than 171 million hectares between the summer of 2002 and the end of 2003 (figure 1). The growth in certified forest area for the four main certification schemes between mid 2002 and the end of 2003 were 11.4 million ha or 39% (FSC), 6.4 million ha or 14.8% (PEFC), 9.7 million ha or 29.8% (SFI) and 19.6 million ha or 222.7% (CSA). The American Tree Farm System (ATFS) which recently started third-party audits in the United States held on to the same certified area reported in mid 2002.

Within the various forest certification schemes there were several internal reviews carried out aimed at improving general field performance and effectiveness. These included field trials of some potential new policies and procedures - e.g. the Small and Low Intensity Managed Forests (SLIMF) of the FSC as well as development of labels that sought to assure consumers that they were buying wood products from sustainably managed forests. There were nine new PEFC Council members and two new accredited agents of the FSC. The PEFC managed to maintain its traditional support base while in the case of FSC the second and third strongest supporters changed to Governments and the forest industry from foreign retailers and foreign industrial customers respectively.

Regarding mutual recognition, conflicts remained, yet at the same time much happened by way of co-operation and endorsements. Many previously separate forest certification schemes appear to be congregating under the PEFC and seeking its endorsement.

FIGURE 1

Third-party certified forestland under the major systems, mid-2002 through 2003



	PEFC	FSC	SFI	CSA	AFTS
Mid 2002	43.1	29	32.5	8.8	10.5
End of 2003	49.5	40.4	42.2	28.4	10.5

Sources: Raunetsalo et al., 2002; PEFC, 2004; FSC, 2004; SFI, 2004; CSFCC, 2004; ATFS, 2004; TC/EFC Country Correspondents, 2004.

Most of the information used in sections 3.1.1 – 3.1.4 has been taken from the web sites of the respective forest certification schemes, however, a summary of a general assessment of the schemes as seen from the viewpoint of an external observer is presented in section 3.1.5. This assessment was conducted by FERN[7]. It is worth stating here that this assessment is not limited to the period of this update but rather covers the entire history of the schemes. Also worthy of note is the fact that the secretariat of PEFC disagrees with the conclusions of the report, stating they are contradictory, misleading and based on biased research (Certification Watch 2004).

3.1.1 American Forest and Paper Association's (AF&PA) Sustainable Forestry Initiative (SFI)

The SFI third-party certified forestland increased by 29.8% (9.7 million ha) between mid 2002 and end of 2003. As of December 2003, there were approximately 42.2 million hectares of SFI certified forestland, with the United States having 16.7 million hectares and Canada having 25.5 million hectares (SFMS 2004, AF&PA 2004).

In 2001, the SFI programme's independent External Review Panel (ERP) identified some major challenges for the SFI programme. Among them were: improving the analysis of data being gathered; better use of information management technology to speed up reporting and improve data accuracy; and successful completion of the 2002 studies to address forests of exceptional conservation value and Canadian

[7] FERN stands for Forests and the European Union Resource Network. It is a non-governmental organisation (NGO) created in 1995 by the World Rainforest Movement

adaptation. According to the SFI 8th annual report, the completion of the review and interpretations for application of the SFI System (SFIS) in Canada has been achieved. The report has been published by the Sustainable Forestry Board (SFB) on its website (www.aboutsfb.org). Progress was also made in the improvement of the collection and analysis of SFI programme data. A web-based system was implemented to collect, organize, and analyze data used by the office of Label Use and Licensing to determine if and when SFI programme participants qualify to use the on-product label. This system will soon serve as the clearinghouse for information regarding the number of acres enrolled in the SFI programme and all data surrounding third-party certifications (AF&PA 2004).

In 2002, work was completed on the SFI on-product labelling programme. SFI programme participants who successfully completed third-party certification to the enhanced 2002-2004 SFIS and met strict on-product label requirements began using the on-product label during 2002. The on-product labelling programme allows SFI programme participants the opportunity to give customers and consumers the visible stamp of assurance that they are purchasing products from organizations committed to sustainable forestry. The SFI has made four on-product labels available to participating companies that have satisfied the SFI label use guidelines. Each facility that applies an SFI label to a product must be individually approved by the Office of Label use and Licensing (AF&PA 2004).

A consumer-oriented website, www.aboutsfi.org, was launched in 2002. This website provides key information about the SFI programme, including a description of the labelling programme, the 2002-2004 SFIS, and many other key "Forest Facts" (AF&PA 2004).

3.1.2 Canadian Standards Association (CSA)

The CSA forest certification scheme which is only in use in Canada, as of December 2003, had 28.4 million hectares of CSA third-party forestland certified, up by 222.7% (19.6 million ha), when compared to mid 2002. The last Canadian industry survey of certification intentions was compiled in September 2001. However, in January 2002, the Forest Products Association of Canada (FPAC) announced that its members would pursue third-party independent certification to a forestry specific standard (CSA, SFI, and FSC) by the end of 2006. This commitment called for a new certification intentions survey to determine how this commitment has changed industry intentions. The results of the new December 2002 intentions survey showed that the FPAC commitment has in general increased certification intentions to forestry-specific standards significantly. For CSA in particular, the results showed over 100% increment from 33 million hectares (intentions target for 2005) to 71.7 million hectares (intentions target for 2006) (SFMS 2004).

The CSA has completed a review of its Sustainable Forest Management (SFM) Standard, originally published in 1996. An 18-month review process was conducted by CSA's SFM Technical Committee, which included representatives from academia, forest professionals, general interest (e.g. ENGOs, consumers, Aboriginal), government /regulatory authority, and producer interests, and a revised standard was announced in early 2003. The CSA and SFI standards are expected to be submitted for review and accreditation by the PEFC in 2004 (AF&PA 2004). The CSA has so far issued 44 chain of custody certificates covering 76 sites in Canada (FERN 2004).

3.1.3 Forest Stewardship Council (FSC)

As of the end of December 2003, the total forests certified by FSC-accredited certification bodies worldwide stood at 40.4 million hectares in 59 countries (table 1). This represented an increment of about 11.4 million hectares over the figure reported for mid 2002. The UNECE region accounts for 82% of the total FSC certified forest areas (i.e. 33.1 million hectares) and in terms of increment the region experienced a growth of 9.6 million hectares compared to the mid 2002 figures.

The number of chain of custody certificates also increased. The worldwide figure for chain of custody certificates from FSC stood at 2,853 as of the end of December 2003. However, there has been a draft policy developed and trials completed with a view to a significant change in the FSC chain of custody policy. The change would allow products with less than 70% of FSC-certified materials to be labelled. It has been discussed that the percentage allowed could even go down to as low as 10%, with the packaging of the products being labelled with the exact percentage. This draft policy was supposed to be discussed at the FSC Board in June 2004 with decision thereafter. If this policy change goes ahead, then it could mean a significant increase in FSC-labelled products.

TABLE 1

FSC-certified forestland and the number of chain of custody certificates, end of 2003

Country	Hectares certified	Number of chain of custody certificates
Canada	3 100 000	105
Croatia	*1 988 480	19
Estonia	1 063 554	12
Latvia	*1 685 932	77
Poland	6 786 978	224
Russia	*1 395 479	9
Sweden	10 033 973	131
United Kingdom	1 000 000	342
United States	3 805 668	503
Other UNECE	2 267 521	1002
Total UNECE region	33 127 585	2 424
Other countries	7 255 972	429
Grand Total	40 383 557	2 853

Source: Network of TC/EFC country correspondents, 2003; FSC 2004.

*FSC 2004 used as source only when information from TC/EFC country correspondent was not available.

FSC carried out field trials to test proposed changes to FSC certification procedures and requirements for Small and Low Intensity Managed Forests (SLIMF). The trials were conducted in collaboration with FSC-accredited certification bodies between April and September 2003. Within the UNECE region the trials were carried out in Vermont (USA), British Columbia (Canada), Lombardia (Italy) and the United Kingdom. The results showed that the proposed procedures reduce time and cost for the operations carried out (FSC 2004).

In the first quarter of 2003 FSC started the review of its Group and Multi-site Chain of custody policies, soliciting input on the success of implementation of specific concepts and assessing the overall effectiveness of these policies within the FSC system. Additionally, between July and September 2003, FSC started the pilot testing of new chain of custody standards as well as the production of new draft standards aimed at developing FSC National and Sub-National Standards. FSC Canada unanimously approved the boreal forest standard which was put out for public consultation in the fall of 2003. FSC Canada will now seek FSC International approval for the standard and it was expected to be approved around March 2004 (FSC 2004).

According to the TC/EFC country correspondents, the strongest supporter of the FSC scheme (the environmental groups), remained unchanged. However, the second and third places which were previously occupied by foreign retailers and foreign industrial customers did change. Governments and the forest industry were found to be the second and the third strongest supporters respectively of the FSC scheme. One of the probable reasons given by the country correspondents for this development is that the FSC is getting through with its message to the forest industry and governments. Others indicated that more environmentally sensitive governments as well as environmentally sensitive top executives have become holders of power.

The FSC world headquarters (i.e. FSC International Centre) started operations in its new office in Bonn, Germany in February 2003. One of the reasons for moving the office from Oaxaca (Mexico) to Germany was to bring the FSC closer to its key clients. At present there are 13 FSC accredited certification bodies and an additional three have applied for accreditation.

3.1.4 Programme for the Endorsement of Forest Certification Schemes (PEFC)

In the last quarter of 2003, the PEFC (formerly Pan European Forest Certification) decided to change its name to the Programme for the Endorsement of Forest Certification Schemes. This was in recognition of the extended geographical coverage of the scheme as well as the need to build worldwide importance.

The number of endorsed national schemes as of December 2003 was 13 with a total area of 49.5 million hectares being certified according to PEFC approved national standards (table 2). The most recent scheme endorsed by the PEFC Council (PEFCC) was the Danish Forest Certification Scheme. The Italian Forest Certification Scheme was still going through endorsement process at the time of writing. Compared to the 43.1 million hectares certified by mid 2002, the PEFC certified forest area has increased by 6.4 million hectares. By end of December 2003 the number of PEFC chain of custody certificates stood at 1,204 in 15 countries worldwide and the number of PEFC logo users was 10,586 (of which 56% were in Germany) (PEFC, 2004).

The recommendations of the independent consultants which audited the PEFC framework were adopted by the PEFCC. According to the PEFCC over 90% of the recommendations have been addressed and implemented in the revised PEFC Documentation. The other 10% which concern longer term issues such as organizational issues are dealt with elsewhere (PEFC 2004).

TABLE 2

PEFC-endorsed schemes and the number of chain of custody certificates, end of 2003

Schemes endorsed by PEFCC	Hectares certified	Number of chain of Custody **certificates
Austrian Forest Certification Scheme	3 924 000	243
Belgian Forest Certification Scheme	163 000	7
Czech Forest Certification Scheme	1 904 899	59
Danish Forest Certification Scheme	7 068	0
Finnish Forest Certification Scheme	21 910 000	76
French Forest Certification	3 000 000	307
German Forest Certification Scheme	6 497 509	341
Latvian Forest Certification Scheme	*25 696	13
Norwegian Forest Certification Scheme and Living Forest Standard	8 000 000	5
Spanish Forest Certification Scheme	90 000	2
Swedish Forest Certification Scheme	3 756 624	42
Swiss Q Label Holz Scheme	186 100	82
UK Certification Scheme for SFM	10 000	22
Total	**49 474 896**	*****1 199**

Source: Network of TC/EFC country correspondents 2003, PEFC 2004

* PEFC 2004 used as source only when information from TC/EFC country correspondent was not available.

**This number does not include companies participating in group chain of custody certification but only covers individual and group certificates.

***This total covers only countries located in the UNECE region.

Amongst the issues addressed in the documentation are: clarification of terms and definitions which have been placed in a new annex and are applicable to the whole documentation; clarifications on requirements for implementing regional and group certification; clarifications on standard setting processes and revisions including the provision of pilot testing; clarification of certification and accreditation procedures to ensure compatibility with national accreditation organizations represented by the International Accreditation Forum; and new procedures for the assessment of revised schemes including the involvement of a Panel of Experts to ensure quality assurance amongst other things (PEFC 2004).

The Czech Republic chain of custody was the first to be successfully assessed against the new rules endorsed at the last General Assembly and all schemes that had an existing endorsed chain of custody are currently having these reviewed by the Panel of Experts to ensure they meet the new PEFC Council requirements.

The PEFC has developed a framework document outlining all the basic principles, scope and structure required of an international chain of custody document. This framework document will be published on the PEFC website and is the result of a consultation process with members, extraordinary members and other interested parties. A draft international chain of custody document is now being prepared based on the framework document (PEFC 2004).

PEFC announced the start of the public consultation period for the assessment of CertforChile, the Chilean national forest certification scheme and the Australian Forestry Standard (AFS). The Portuguese Forest Certification scheme has also been submitted for assessment against PEFC requirements (PEFC 2004).

Compared to the 18 members as of mid 2002, there are currently 27 members (23 in the UNECE region) in the PEFC Council. The new members are Australian Forestry Standard Ltd (Australia), CertforChile Forest Certification Corporation (Chile), Estonian Forest Certification Council, Malaysian Timber Certification Council, National Institute of Metrology, Standardization and Industrial Quality (Brazil), PEFC Denmark, PEFC Lithuania, PEFC Luxembourg, PEFC Polska (Poland) and Slovak Forest Certification Association (Slovakia). In addition, there are nine extraordinary members in the PEFC Council. The European Network of Forest Entrepreneurs was the latest to be elected.

According to the TC/EFC country correspondents the three strongest supporters of the PEFC scheme are the forest owners, forest industry and governments. Thus they remained unchanged from that of the previous DP.

3.1.5 An External Observer's Viewpoint

Given the importance and complexity of certification issues, a number of observers monitor and assess schemes and developments, either through studies or by maintaining websites. Examples are *Certification Watch* (http://certificationwatch.org) and FERN, which has published a comprehensive, if controversial study, and maintains a website (http://www.fern.org). FAO also provides objective analysis on its website, for instance "Impact of market based initiatives on trade in forest products and sustainable forest management", by Kari Sann and Kirsti Thornber.[8] This section summarises FERN's assessment, as it is detailed and comprehensive, and provides an overview of the situation. Some certification schemes have severely criticized these judgments: it should be borne in mind that they are those of FERN, not of the authors of this study.

FERN 2004, has the following to say about the status of the four major forest certification schemes in 2003:

SFI

FERN believes that the quality of the SFI standard has improved, including some recognition that some critical forests need conservation. Measures have been taken to increase the independence of the SFI and its board from the AF&PA, and to widen participation on the SFI's board to include some environmental NGOs. With standards improvement, FERN considers that the SFI framework could potentially improve the practices of many US and Canadian forestry companies

However, FERN believes SFI does not have a meaningful minimum performance-based standard including preventing conversion of natural forests to plantations, adequately protecting rare and endangered species and addressing social issues, including indigenous peoples' rights and workers' rights. Companies can customise the standard used to assess them thereby compromising the independence of certification. Furthermore, FERN considers that although there is an 'independent board', this board is still dominated by forest industry interests (FERN 2004).

CSA

FERN notes that the revised CSA standard includes (some) minimum performance requirements. CSA has developed a well described participation process in which each certification includes broad stakeholder participation and consultation. The CSA has a well developed chain of custody system (FERN 2004).

However, FERN cites a drawback: Companies can develop their own certification standard on a case-by-case basis thereby not presenting a consistent minimum standard. It points out that although local stakeholder processes are well defined, they are nevertheless under the control of the company and their scope is so broad that they may or may not be effective in truly improving forest management. FERN considers that the CSA framework does not provide sufficient procedures for addressing the rights and interests of Indigenous Peoples (FERN 2004).

FSC

Among the positive things FERN found with the FSC scheme were: balanced participation of economic, social and environmental interests in decision making at all levels, including in the development of the standards; thorough and well formulated procedures; a credible performance-based standards that qualifies for a consumer label and affords the clear recognition of indigenous peoples' rights (FERN 2004).

But on the negative side, FERN noted that some certifications which have been done in the absence of national standards have been deemed problematic. Consultation processes have not always been implemented as required on paper. Current certification of large-scale industrial tree plantations has led to undermining of local and national campaigns in a number of countries (FERN 2004).

PEFC

The FERN report praises PEFC in the following areas: inclusion of core ILO standards as a requirement for all certification schemes under the PEFC umbrella; increased transparency in some member countries by (planning to) publish summary reports of certifications; and the requirement for revision of the national standards every 5 years (FERN 2004).

However, on the other side of the coin, the FERN report considers that the variability of PEFC's standards leads to a serious lack of consistency in what the PEFC delivers and stands for, making it "inappropriate for a consumer label". FERN also sees a question mark hanging over the independence of the scheme, as well as the development of its standards since both spheres are governed by forest owners and the forest industry. Furthermore, FERN notes that the programme does not require certification at the FMU (forest management unit) level. Most PEFC endorsed schemes certify at regional level (FERN 2004). However, the secretariat of PEFC disagrees with the conclusions of the FERN 2004 report. The PEFC states that the conclusions of the report are contradictory, misleading and based on biased research (Certification Watch 2004).

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[8] http://www.fao.org/forestry/foris/webview/forestry2/index.jsp?siteId=1141&sitetreeId=9607&langId=1&geoId=0

General discussion

The considerations of the FERN report illustrate the complexity of the issues which must be addressed and the difficulty of reaching objective conclusions about the effectiveness of individual certification schemes. There is room for honest disagreement between schemes, as long as debate is open and transparent. It does indeed appear that the competition between certification schemes, although confusing to the consumer, has improved the quality and performance of them all.

3.2 Mutual Recognition, Conflicts and Cooperation

3.2.1 Mutual recognition and endorsements

There are over 50 voluntary forestry certification schemes currently in use worldwide. While some see this development as a recipe for chaos in the marketplace, others regard the existence of divergent forest certification schemes as a healthy development (Fletcher et al, 2002). Those who favour multiplicity of schemes argue that it is unlikely that one standard or scheme could ever speak to the diversity of forest types and ecosystems across the world, to the diversity of tenure systems, to public ownership, to private ownership, to the different needs and operating systems within a business (including their varied sources of wood supply), or to the different needs and priorities of the users of wood products. They further argue that one standard could run the risk of not being applicable to the forest management realities of many operations. Conversely, multiple standards could result in more widespread application, and in the end, more improvements in forest management (SFMS 2003). However, those who favour a single worldwide scheme argue that multiplicity of schemes put retailers and consumers as well as other stakeholders in a difficult and confused position.

Nevertheless, the good news is that there are initiatives to help buyers, consumers and other stakeholders cope with the diversity of standards. For after all, to be useful to buyers and consumers, certification must remain a credible tool for communicating sustainable practices.

Many existing certification schemes are attempting to assemble under the PEFC umbrella. Demonstrating this, SFI, CSA, AFS (Australian Forestry Standard), CERFLOR (Sistema Brazileiro de Certificação Florestal), CertforChile (Certificación Forestal en Chile) and MTCC (Malaysian Timber Certification Council) are all represented on the PEFC Council with the aim of having their standard endorsed by the PEFC (FERN 2004). It is worth noting here that both CERFLOR and CertforChile are primarily involved in certification of plantations rather than natural forests, even though some developments are moving the schemes into the direction of natural forests.

The assessment process of AFS and CertforChile standards against PEFC requirements have begun while SFI and CSA intend to submit their programmes for PEFC endorsement in 2004. The PEFC has also joined the International Accreditation Forum (IAF) whose goal is “Certified once – accepted everywhere” and by this has committed itself to continue its promotion of the common application of requirements for certification and accreditation as internationally recognised by both IAF and ISO (International Organisation for Standardization) (PEFC 2004).

In the United Kingdom, the FSC national working group requested formal recognition of equivalence between the FSC national standard and a second standard document with a different structure (the UK Woodland Assurance Standard, UKWAS). Under normal circumstances, only standards developed by an FSC working group following FSC’s requirements for structure and content can be accredited by FSC. This recognition was achieved after an extensive evaluation period, involving technical analysis by the FSC Secretariat, FSC Board of Directors and the FSC UK working group. FSC is evaluating its protocol to address similar situations in the future (FSC, 2003). However, when it comes to mutual recognition between the two main schemes in Europe, i.e. PEFC and FSC, not much has changed and the discussion is almost at a dead end.

Some stakeholders have also tried to come out with their own solutions to the apparent lack of progress in the mutual recognition talks in various forms. For instance in Canada, the Forest Products Association of Canada (FPAC) has committed itself to 100% certification of member forestlands to any of three schemes namely CSA, SFI and FSC. In a recent study, “A Greenward Shift”[9], most of the buyers who were interviewed regarded the three schemes as equivalent. Trends also show that recent forest products procurement points towards the embracement of all the three schemes (SFMS 2004). In France the federation

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[9] A Greenward Shift in the Market for Forest Products from British Columbia. (Source: http://www.greenpeace.ca/e/campaign/forest/documents/ibm_report_0303.pdf)

of French do-it-yourself retailers Federation des Magasins de Bricolage (FMB) has decided to support all forest certification schemes (PEFC 2004).

In view of the difficulties in reaching agreement on mutual recognition of the chain of custody certificates issued by the various certification schemes other stakeholders are calling for an alternative approach which has been referred to as the "threshold of legitimacy". In short, the idea is about achieving an agreed minimum threshold of requirements based on which the various certification schemes would have to recognise forestlands and forest products certified by other schemes other than them.

3.2.2 Conflicts and Criticisms

Not much has changed from the previous years as far as conflicts and criticisms go. Over the period under review all certification schemes have been criticised by one or more ENGOs, with PEFC, CSA and SFI probably receiving the most criticism. In the latter part of 2002 the FSC was not spared either. In a 2002 report,[10] the Rainforest Foundation UK criticised the FSC on the field operations carried out in its name by some of its accredited certifiers. Even though the detected flaws were found to be linked to certain structural weaknesses in the FSC system, to specific political decisions within the organisation and to a lack of effective control mechanism the report presents a compelling case that urgent and fundamental reform is essential if FSC is to survive as a credible mechanism for the certification of forestry operations (Rainforest Foundation 2002).

Progress in mutual recognition is not becoming any easier as evidenced in the following quote: "Despite the fact that still very few certification schemes are bringing labelled forest products onto the market, forest industry associations are showing interest in reciprocal agreements that would allow 'label swapping' between schemes with equivalent standards. Also some governments are keen on mutual recognition. However, most ENGO's do not believe mutual recognition is an option as the certification schemes are too different to allow them to mutually recognise each other as 'similar'" (FERN 2004).

Furthermore, "Footprints in the Forest",[11] an update of the May 2001 "Behind the Logo" report, which covered eight forest certification schemes claimed that, while FSC "will have to improve its performance on the ground," it is the only credible scheme in operation. The conclusions of the report were endorsed by WWF. The secretariat of PEFC, however, disagreed with the new report saying it was contradictory, misleading and based on biased research (Certification Watch 2004).

In a related development, an article "German wood label favouritism challenged", which appeared in the Environment Daily[12], gives an idea of the ongoing battle between the various certification schemes. According to the article, the PEFC claims that the German government's preference for FSC certified timber is improper. It is said that after the election in September 2002 in Germany, the Social Democrats and the Greens agreed a target for all timber purchased by the federal government to be certified by the FSC within four years. The competing PEFC issued a legal opinion criticizing the favouring of FSC in such a way. The author of the document concluded that the two schemes were 'equivalent by procurement law standards' and therefore the government's target discriminated against PEFC (Environment Daily 2003). The challenge of the procurement policies and practices are not Germany-specific, but a major debate in many European countries as well as in the World Trade Organisation

3.2.3 Cooperation

Although the debate on mutual recognition seem to have come to a dead end, communication between the schemes "at the working level" has intensified over the past years. This is mainly due to the close cooperation between the international and the national levels. The current developments in cooperation are increasingly steered by the common interests of all certification schemes, namely market access and acceptance of products as well as sustainability at the origin of production. These interests certainly vary, but have become increasingly congruent in recent years, partly due to the fact that all certification schemes face the same difficulties in their operations on the ground. There have also been some kinds of cooperation between some certification schemes and other bodies from the international community for example, the Indonesian Ecolabelling Institute is benefiting from two International Tropical Timber Organisation (ITTO) projects aimed at assisting the development of the LEI forest certification scheme. In Africa, an ITTO project is helping to train forestry staff in the application of principles, criteria and indicators for sustainable forest management and in forest auditing, which are necessary steps in the process of certification. Such international cooperation agencies

[10] Trading in Credibility: The myth and reality of the Forest Stewardship Council. (Source: www.rainforestfoundationuk.com

[11] Source: http://www.fern.org

[12] Environment Daily 1372, 28 January 2003

have been primarily active at the interface of standard setting, policy making and operational support to forest management, including forest conservation.

3.3 Status of forest certification in the UNECE region (area and trends)

During the past year the FSC-certified forest area has grown by nearly 9.6 million hectares in the UNECE region (table 3).

The greatest growth has occurred in Canada, Croatia, Poland and the Russian Federation. Spain and Romania had FSC certification for the first time between mid 2002 and 2003. FSC certified forest area decreased in Belgium, Finland, Liechtenstein, Sweden and United Kingdom. A reason for the decrease could be, for example, a sale of forestland to a forest owner who did not hold the necessary certificate.

One significant development worthy of note in the FSC-certified forest areas is the growth in the certified areas in the Russian Federation. Developments in Russia are of particular interest due to the size of the forest resource and recent developments in terms of certified area. There has been significant increase in certified forest in Russia

TABLE 3

Certified forest area and its growth from mid 2002 to end of 2003 under the major certification schemes in the UNECE region (hectares)

COUNTRY	FSC		PEFC		SFI		CSA	
	Growth	2003	Growth	2003	Growth	2003	Growth	2003
Austria	678	4 044	0	3 924 000	0	0	0	0
Belgium	-58	4 400	163 000	163 000	0	0	0	0
Canada	2 126 144	3 100 000	0	0	17 300 000	25 500 000	19 605 000	28 405 000
Croatia	1 747 246	*1 988 480	0	0	0	0	0	0
Czech Republic	0	10 441	1 904 899	1 904 899	0	0	0	0
Denmark	14	386	7 068	7 068	0	0	0	0
Estonia	37	1 063 554	0	0	0	0	0	0
Finland	-28	92	0	21 910 000	0	0	0	0
France	4 637	20 000	2 800 000	3 000 000	0	0	0	0
Germany	61 434	444 035	912 917	6 497 509	0	0	0	0
Greece	0	0	0	0	0	0	0	0
Hungary	129 455	190 175	0	0	0	0	0	0
Ireland	2000	440 000	0	0	0	0	0	0
Italy	400	11 400	0	0	0	0	0	0
Latvia	779 715	*1 685 932	18 696	*25 696	0	0	0	0
Liechtenstein	-522	6 850	0	0	0	0	0	0
Lithuania	308 319	374 460	0	0	0	0	0	0
Luxembourg	0	0	0	0	0	0	0	0
Malta	0	0	0	0	0	0	0	0
Netherlands	30 122	127 627	0	0	0	0	0	0
Norway	94 900	100 000	-1 352 000	8 000 000	0	0	0	0
Poland	2 773 818	6 786 978	0	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0
Romania	31 611	31 611	0	0	0	0	0	0
Russian Federation	1 179 764	*1 395 479	0	0	0	0	0	0
Slovakia	1 841	50 000	0	0	0	0	0	0
Slovenia	0	0	0	0	0	0	0	0
Spain	800	800	90 000	90 000	0	0	0	0
Sweden	-96 337	10 033 973	1 704 509	3 756 624	0	0	0	0
Switzerland	171 585	248 200	128 910	186 100	0	0	0	0
Turkey	0	0	0	0	0	0	0	0
Ukraine	0	**203 000	0	0	0	0	0	0
United Kingdom	-51 366	1 000 000	10 000	10 000	0	0	0	0
United States	296 434	3 805 668	0	0	-7 597 682	16 702 318	0	0
Yugoslavia	0	0	0	0	0	0	0	0
TOTAL	**9 592 643**	**33 127 585**	**6 387 99**	**49 474 896**	**9 702 318**	**42 202 318**	**19 605 000**	**28 405 000**

Source: Network of TC/EFC country correspondents, 2003

* = FSC 2004, PEFC 2004 used as sources only when information from TC/EFC country correspondent was not available

** = 2002 information repeated because no information was available for 2003 during the period reviewed. As at the end of 2003, approximately 1.4 million ha had been certified (all according to FSC), an increase of nearly 1.2 million ha when compared to mid 2002. Many additional forest areas in Russia are known to be in the process of being evaluated for certification at present and it is believed by some that there will be a significant increase in certified forest products available from Russia in the coming years as sawmills already start to plan to bring certified material to the market

PEFC has the largest area under certification and about 44% of this area is located in Finland. The PEFC certification system saw a growth of about 6.4 million hectares with over 70% of these areas coming from the Czech Republic, France and Sweden. The other significant contributor was Germany. The Czech Republic, United Kingdom, Belgium, Denmark and Spain had PEFC-certified forestland for the first time between mid 2002 and 2003. In Norway the PEFC experienced a significant loss of certified area. The main reason was the withdrawal of "*Naturvernforbundet*" from PEFC in Norway because of differences in criteria and standards interpretation etc.

Both SFI and CSA systems saw significant growth in the United States and Canada during the period. The CSA system's growth of 19.6 million hectares was the largest growth of all the systems during the period. The statistics on SFI may give the impression that SFI gained 9.7 million hectares overall, but lost almost 7.6 million hectares in the United States between the summer of 2002 and the end of 2003. However, according to Mr. Allison Welde, Programme Coordinator of SFI, this is not the case. He explains that the source of the figure quoted as the SFI certified area in the USA in the 2002 DP may have included areas which are enrolled in the SFI programme but are not third-party certified. He further stated that, in all, there are about 13.4 million hectares of forestland which are enrolled in the SFI but are not third-party certified (Personal communication 2004).

Current status of FSC and PEFC activities in the UNECE region as at end of 2003, with comparable information provided for mid 2002, are shown in Tables 4 and 5. It may be observed in both tables that in a few countries the status of activities of FSC and the PEFC seem to have moved in a reverse direction. There are various reasons for this situation.

Among the reasons was the rejection of the developed national standards by the concerned forest certification scheme in which case the countries involved had to re-establish working groups to develop new national standards. In other cases, there were expectations that the developed national standards would have been presented to the concerned certification schemes and be approved by mid 2002 but this was not to be due to lack of funds or some administrative bottlenecks or review/renewal of the already developed criteria in some countries. All such situations have been marked with a double asterisk (**) sign. The tables also include information on certified forest products (CFPs) markets in the last two columns.

3.4 Individual and group certification versus regional certification – debate and trends.

From the responses received from the country correspondents it appears there are no real on-going debates on individual certification, group certification and regional certification as such, even though discussions on the strengths and weaknesses of these types of forest certification surface from time to time. However, the concern at stake is the ability of small private forest owners to individually certify their forest. In this regard, the PEFC requirements are found to be more convenient according to most (about 60%) of the country correspondents. The revision of the requirements for the SLIMF initiative could turn the scale somewhat in favour of FSC. Nevertheless, regional certification is regarded as less credible. In countries like Italy, FSC stakeholders are against regional certification and in Denmark, regional certification has not even been accepted as a means of forest certification. The distribution of the types of forest certification found in the UNECE region is as shown in Figure 2.

TABLE 4

Status of FSC activities in the UNECE Region, mid 2002 and end of 2003

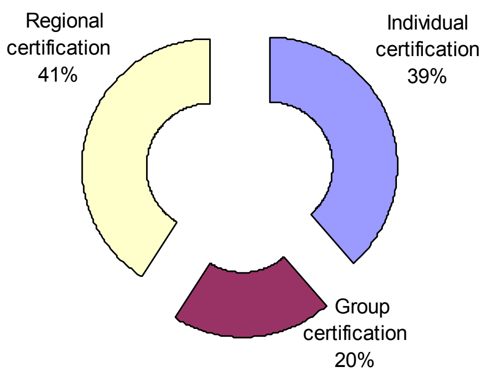
COUNTRY	Working group establishment		Standard development		Forest auditing and certification		Chain of custody certification		CFPs produced domestically sold in domestic markets	CFPs produced domestically sold in export markets
	2002	2003	2002	2003	2002	2003	2002	2003		
Albania	*	not started	*	not started						
Austria	ongoing	completed	ongoing	completed	x	x	x	x	x	x
Belgium	endorsed	ongoing**	endorsed	ongoing**	x	x	x	x	x	x
Canada	endorsed	completed	endorsed	ongoing**	x	x	x	x	x	x
Czech Rep.	completed	completed	ongoing	ongoing	x	x	x	x	x	x
Denmark	endorsed	ongoing**	ongoing	ongoing	x	x	x	x	x	
Estonia	endorsed	ongoing**	ongoing	ongoing	x	x	x	x	x	x
Finland	completed	ongoing**	ongoing	ongoing	x	x	x	x		
France	ongoing	ongoing	not started	ongoing	x	x	x	x	x	
Germany	endorsed	completed	endorsed	completed	x	x	x	x	x	x
Hungary	ongoing	completed	ongoing	ongoing	x	x	x	x	x	x
Ireland	endorsed	completed	ongoing	ongoing	x	x	x	x	x	x
Italy	completed	completed	ongoing	ongoing	x	x	x	x	x	x
Liechtenstein	*	completed	*	completed	x	x			x	x
Lithuania	completed	*	*	not started	x	x	x	x	x	x
Luxembourg	*	not started	*	not started	x	x	x	x		
Netherlands	endorsed	completed	completed	ongoing**	x	x	x	x	x	x
Norway	ongoing	ongoing	ongoing	ongoing	x	x	x	x	x	
Poland	completed	completed	ongoing	ongoing	x	x	x	x	x	x
Portugal	*	ongoing	*	*						
Romania	ongoing	completed	ongoing	ongoing	x	x	x	x	x	x
Slovakia	ongoing	ongoing	ongoing	ongoing	x	x	x	x	x	x
Slovenia	*	ongoing	*	ongoing	x	x	x	x		
Spain	endorsed	ongoing**	ongoing	ongoing		x	x	x		
Sweden	endorsed	completed	endorsed	completed	x	x	x	x	x	x
Switzerland	ongoing	completed	ongoing	ongoing	x	x	x	x	x	x
U.K.	endorsed	completed	endorsed	completed	x	x	x	x	x	x
U.S.A.	endorsed	completed	ongoing	completed	x	x	x	x	x	x

Sources: Network of TC/EFC country correspondents, 2003; Raunetsalo et al., 2002.

* = Information not available; ** = process appears impeded

FIGURE 2

Distribution of types of forest certification in the UNECE region



Source: Network of TC/EFC country correspondents, 2003.

4. STATUS OF CERTIFIED FOREST PRODUCTS IN THE MARKETPLACE: UNECE REGION, MID 2002 AND END OF 2003

4.1 Supply and demand of certified timber from the UNECE region – Movement towards a balance?

A recent study conducted in the United Kingdom suggests that demand for certified timber is driven more by DIY (Do-It-Yourself) retailers than by individual consumers (Tradeforum 2003). Demand by private end-consumers remains an insignificant factor in the market for certified forest products (Rametsteiner and Kraxner 2003).

TABLE 5

Status of PEFC activities in the UNECE Region, mid 2002 and end of 2003

COUNTRY	**Working group establishment**		**Standard development**		**Forest auditing and certification**		**Chain of custody certification**		**CFPs produced domestically sold in domestic markets**	**CFPs produced domestically sold in export markets**
	2002	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**		
Austria	completed	completed	endorsed	endorsed	x	x	x	x	x	x
Belgium	completed	completed	endorsed	completed		x		x	x	x
Czech Republic	completed	completed	endorsed	completed		x		x	x	x
Denmark	completed	completed	ongoing	completed		x		x		
Estonia	completed	ongoing**	ongoing	ongoing						
Finland	completed	completed	endorsed	completed	x	x	x	x	x	x
France	completed	completed	endorsed	completed	x	x		x	x	x
Germany	completed	completed	endorsed	completed	x	x	x	x	x	x
Greece	*	completed	*	*						
Hungary	ongoing	ongoing	ongoing	completed					x	x
Italy	completed	completed	ongoing	completed				x	x	x
Lithuania	ongoing	ongoing	ongoing	ongoing		x				
Luxembourg	*	completed	*	completed		x			x	x
Norway	completed	completed	endorsed	completed	x	x	x	x	x	x
Poland	ongoing	ongoing	not started	ongoing						
Portugal	completed	completed	completed	ongoing**		x				
Slovakia	ongoing	ongoing	ongoing	completed		x				
Slovenia	ongoing	ongoing	ongoing	ongoing						
Spain	completed	ongoing**	endorsed	completed	x	x		x	x	x
Sweden	completed	completed	endorsed	completed	x	x	x	x	x	x
Switzerland	completed	completed	endorsed	ongoing**	x	x	x	x	x	x
United Kingdom	completed	completed	endorsed	completed		x		x		

Sources: Network of TC/EFC country correspondents, 2003; Raunetsalo et al., 2002;

*= Information not available

As indicated earlier, no tracing of certified forest products through official figures is possible because certified forest products have no separate customs' classification code numbers. However, the number and types of chain of custody certificate holders is one indication of the amount and characteristics of demand for certified forest products in business-to-business markets.

As of the end of 2003, about 4,100 chain of custody certificates had been issued worldwide, of which about 2,853 or 70% were FSC, 1,204 were PEFC and the rest from CSA. The countries that accounted for most of the chain of custody certificates at the end of 2003 were Germany, Austria and France (PEFC certificates); and United Kingdom, United States and Poland (FSC certificates). The number of FSC chain of custody certificates increased from 2,014 to 2,853 (41%) and that of PEFC increased from 142 to 1,204 (747%) between mid 2002 and end of 2003 (FSC 2004, PEFC 2004). As of the end of 2003, the CSA had issued 44 chain of custody certificates (FERN 2004).

In relation to geographical distribution of business-to-business demand for certified forest products, according to the number of chain of custody holders in total, the United States leads the table followed by United Kingdom, Germany and then France (FSC 2004, PEFC 2004).

As few as 400 companies are entitled to process or sell certified and labelled forest products, which is a very small fraction of businesses involved in wood processing and trade in these countries as a whole. The United Kingdom, Austria and the Netherlands each have more than 150 companies. Brazil and South Africa, developing countries with large shares of certified plantation forests, have more than 100 companies with chain of custody certificates (Rametsteiner and Kraxner 2003).

On the supply side**,** it's been claimed by FSC that over the past few years, the supply base of certified wood products has increased. The FSC estimates that about 20,000 certified wood and non-timber forest product items are being sold, commanding an annual trade of around US $1 billion (Tradeforum 2003). In 2003, the potential timber supply from the world's certified forests was estimated at close to

300 million m^3 on an annual basis.[13] The roundwood supply of several large producing countries in Europe was up to 100% from certified forests, for example in Finland and Austria. The majority of certified forest products are temperate softwood, where supply from some countries exceeds actual demand from the manufacturing and trade sectors. Tropical certified forest products are currently available only from a limited number of countries, in comparatively small quantities, and often from lesser-traded species. Anecdotal information suggests that tropical wood and some temperate semi-finished certified forest products also suffer from unstable supply (Rametsteiner and Kraxner 2003).

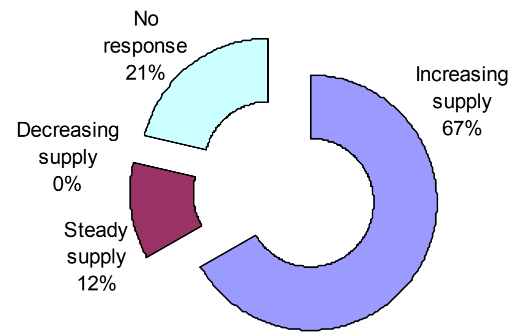
Only a small fraction of the potential annual supply of wood from certified forests is actually traded as certified forest products, and a large majority is marketed without reference to certification status from some point in the processing chain. This is due to several factors, including low interest in some manufacturing sectors and the "own-label" policies of some major retailers, e.g. in the United States and Europe. In the absence of official trade figures, due to lack of coding, the actual volume or share of certified forest products is difficult to estimate (Rametsteiner and Kraxner 2003).

From the perspective of the country correspondents no consistent estimates could be given for demand and supply of certified forest products. However, more than 78% of correspondents indicated that supply of certified forest products in their country has been increasing or, at least, has remained at the same level over the last three years (figure 3). None of them stated that supply of certified forest products has been decreasing. Nevertheless, the view from some few correspondents is that the supply-demand balance for certified forest products varies by product, and that often it is not the problem of oversupply or lack of it, but rather a problem of matching sellers and buyers. Estimated status of certified forest products' current demand and supply, and estimated future demand and supply trends for the UNECE region are represented in figures 4 and 5. In figures 3-5 the percentages expressed represent one country correspondent for each country and not the market size of the country within the UNECE.

The countries which are the main sources of the supply of certified forest products are Sweden, Finland and Germany. For the United States the main suppliers have been Canada, Brazil and the Scandinavian countries. The most important export markets for certified forest products are considered to be the United Kingdom, Germany and the Netherlands. This remains the same as the last two years. These three countries have strong organizations that are members of the Global Forest and Trade Network[14] and forest certification has also received relatively greater publicity in these three countries (Raunetsalo et al. 2002). For Canada and United States the main destination for offshore exports of certified forest products are Japan and western Europe.

FIGURE 3

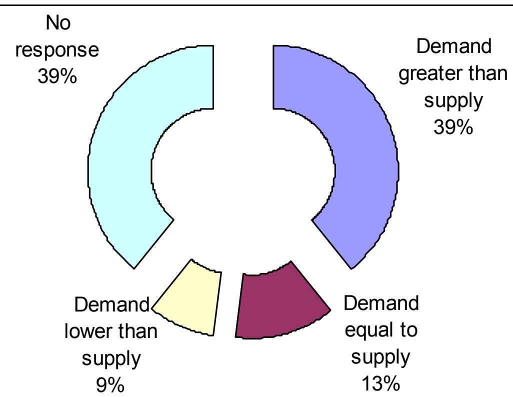
Change in supply of certified forest products in the UNECE region from 2001 - 2003



Source: Network of TC/EFC country correspondents, 2003.

FIGURE 4

Current state of demand and supply of certified forest products in the UNECE region



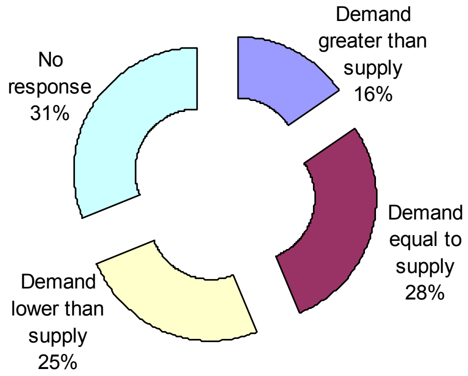
Source: Network of TC/EFC country correspondents, 2003.

[13] The estimation is based on UNECE/FAO TBFRA statistics for each country's average annual removals per hectare on forests available for wood supply multiplied by the certified forest area.

[14] The Global Forest and Trade Network (GFTN) is a group of organizations around the world that share the common aim of promoting trade in certified forest products as a means of improving forest management practices. It was initiated by the WWF.

FIGURE 5

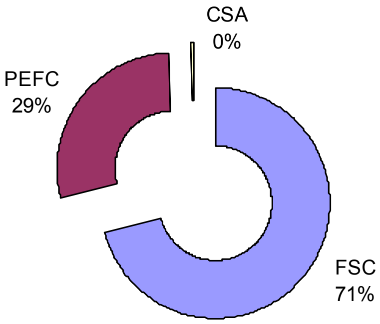
Estimated future state of demand and supply of certified forest products in the UNECE region



Source: Network of TC/EFC country correspondents, 2003.

FIGURE 6

Distribution of demand for certified forest products among different certification schemes

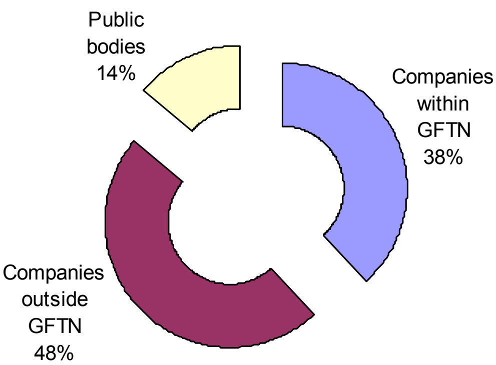


Source: Network of TC/EFC country correspondents, 2003.

Note: The 0% demand for CSA-certified forest products is an expression of the relative frequency when compared with the others and does not mean that there is no demand for CSA-certified forest products in absolute terms

FIGURE 7

Distribution of demand for certified forest products among different bodies



Source: Network of TC/EFC country correspondents, 2003.

Country correspondents were also requested to estimate how the demand for certified forest products is divided among different bodies (market segments) and among different forest certification schemes (figures 6 and 7). In both cases the distribution of demand was to be measured as an estimate of the share that different schemes and bodies represent out of the total demand for certified forest products in their respective countries. Owing to the lack of consistent data to respond to this question, correspondents based their responses on estimations. Please note that the estimations do not distinguish between demand for raw material, secondary and finished products.

FSC-certified forest products are still estimated to have the largest proportion of demand although the PEFC certified forest products demand seems to have increased over the years. CSA-certified forest products have the lowest demand in the UNECE region. This is probably because it is operational only in Canada.

With regard to the different bodies, correspondents estimated that the WWF Global Forest and Trade Network, which currently has about 740 members operating in over 30 countries (GFTN 2004), creates about 38% of demand for certified forest products. [15]

From the responses of the country correspondents, one thing stands out clear and that is the firm belief of the country correspondents that there will be enough supply to meet the demand for certified forest products in the future. In other words, based on the information received from the TC/EFC country correspondents, supply and demand of certified timber from the UNECE region are moving towards a balance.

4.2 Consumer behaviour – does forest certification matter?

According to some observers, demand by private end consumers remains an insignificant factor in the market for certified forest products. Nevertheless, general consumer sentiment on deforestation, forest degradation, loss of biodiversity and, notably, on tropical deforestation, keeps the sector under pressure to act. Research also shows that price, size, and quality being equal, consumers prefer certified forest products over identical non-certified products (Anderson and Hansen 2003).

A recent study conducted in the United Kingdom suggests that demand is driven more by DIY retailers

[15] Please note that 11 countries did not respond to the question on distribution among different bodies.

than by individual consumers, who still give priority to quality and price over environmental sustainability. Other consumer surveys reveal that there is little willingness to pay any premium for certified wood products. This has caused concern among forest industries that the benefits of getting certificates may not offset the additional costs (Tradeforum 2003),

One of the few places where forest certification seem to have generated a premium was in Sabah, Malaysia where the GTZ (the German Agency for Technical Co-operation) reveals that FSC-certified logs sold for 44% more than uncertified logs at a 2002 timber auction in the Deramakot Forest Reserve in Sabah, Malaysia. Both batches of logs (certified and uncertified) were of the same tree species and log quality (FSC 2003). Historically, premiums have been paid for some certified products, normally in niche markets with premiums only being achieved in the short-term. Similar to all markets, premiums can be achieved when market conditions favour the supplier.

Forest certification is increasingly becoming a main instrument for communication on sustainable forest management throughout the forest and wood products trade sectors, with enhanced public relations efforts by programmes such as PEFC. However, consumer awareness of even the longest established logo on certified forest products (that of the FSC), is still low in key markets such as those in Germany, the Netherlands and Austria. Somewhat higher rates of logo recognition occur in the more established United Kingdom market according to FSC, based on data from surveys (Rametsteiner and Kraxner 2003).

In central and eastern Europe, the driving force for certification is not domestic consumer demand, but rather from export markets including certain major retailers. This retailer-driven demand can also be recognized in North America, although, according to experts, certification is not necessary for market access, and will not be in the near future. Many players active in the market see the lack of consumer awareness and interest as a major obstacle for market growth (Rametsteiner and Kraxner 2003).

In summary, the situation existing now is such that consumers are not driving the market but rather retailers. The situation is more of a supply-push rather than a demand-pull and that is likely to be the status quo until the various forest certification schemes get more public relations to the consumers.

4.3 Chain of custody verification and its labels – current trends in the marketplace.

Chain of custody or wood flow tracking (as SFI prefers to call it) or forest products marking (as CSA prefers to call it), has been defined and described by various experts and groups in various ways. Likewise, the two main forest certification schemes which currently issue most of the certificates for them (i.e. FSC and the PEFC) also have their own definitions for the term.

The FSC defines it as the path taken by raw materials, processed materials and products, from the forest to the consumer, including all successive stages of processing, transformation, manufacturing and distribution, while the PEFC defines chain of custody certification as an assessment from an independent, qualified and accredited expert who verifies in writing that the wood flow accounting system applied by an enterprise to trace the flow of wood from certified forests through the enterprise, meets the exacting requirements of the certification scheme.

It is obvious that in spite of the apparent and/or semantic differences in the definitions and descriptions given above, one central theme runs through each of them: a wood-processing enterprise, business-to-business customer/supplier, trader or retailer who has put in place an independently certified wood flow verification system can reassure customers that its product sources are verifiable. The chain of custody certificate and associated documentation will inform the customer on, the next enterprise in the chain, about the fact that all the wood or a stated proportion of the wood in the products are from certified sources. FSC labelled products are reportedly available in 14 UNECE countries while that of PEFC are available in 7 UNECE countries.

The FSC label can only be used on products where the chain of custody has been audited and is monitored annually. If there are several stages of processing in different plants or even different countries, each stage must be audited to ensure that wood that is claimed to be FSC certified, is in fact genuinely FSC certified and originates from a specific certified forest. Any FSC-labelled product will have a chain of custody certificate number on the label and this can be used to identify the certificate holder in the event of a question arising (FSC 2004).

With the PEFC, chain of custody certification is currently based on the following three approaches: (a) inventory control and accounting of wood flows via a ‘percent in - percent out’ system, (b) inventory control and accounting of wood flows via minimum average percentage system and (c) physical segregation. It is only when the third approach is used that the claim "from sustainably managed forests" can be made. When approaches (a) or (b) are used only the claim "promoting sustainable forest management" is allowed (PEFC 2004).

Within the CSA International Forest Products Marking Programme there are three marking options. These marking options are based on how the inventory of certified forest products is managed. In all the options the mark appears on the product and/or the packaging (SFMS 2004).

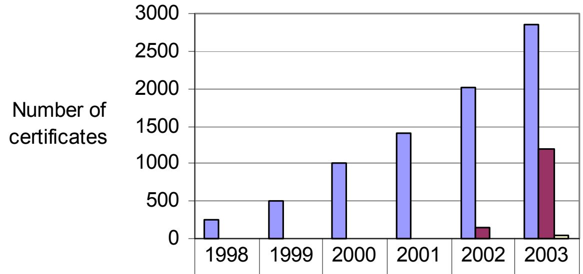
SFI does not use a traditional chain of custody system as a basis for product labelling hence it does not require segregation and tracking of SFI certified wood from the forest through manufacturing and labelling to assure the certified content of labelled products. Instead SFI has a wood procurement accountability system (AF&PA 2004).

Until 2002, FSC was the only major forest certification scheme that issued chain of custody certificates for its clients worldwide. Starting from a modest figure of about 250 certificates in 1998, the FSC had issued 2,853 certificates worldwide as of the end of 2003 (figure 8). This gives an average of 433 certificates per year for the six-year period. On the other hand, the PEFC which started issuing its chain of custody certificates in 2002 had issued 1,204 certificates as at the end 2003 beginning with 142 certificates in the year 2002.

Comparing the two schemes between 2002 and 2003, FSC managed a growth of 41% in the number of certificates issued whilst PEFC managed a growth of 747%. There are clear indications that the PEFC's chain of custody certificates could increase quite fast in the coming years since it started the issuing of its certificates only in 2002 and managed to increase its share of chain of custody certificates by almost eight-fold between 2002 and the end of 2003. The other reason for the expected rapid growth is the fact that a lot of the other schemes which currently do not issue chain of custody certificates are under its umbrella. On the other hand, if the FSC's proposal to lower the percentage of certified material required as input in a product before it can qualify for its' label is approved, then it could also see a marked rise in the number of chain of custody certificates issued in the coming years. The CSA has 44 chain of custody certificates to its credit.

FIGURE 8

Growth in number of chain of custody certificates, 1998-2003



	1998	1999	2000	2001	2002	2003
FSC	250	500	1000	1405	2014	2853
PEFC	0	0	0	7	142	1204
CSA	0	0	0	0	0	44

Sources: Rametsteiner et al 2003; FSC 2004; PEFC 2004; FERN 2004.

5. GOVERNMENT POLICIES AND FOREST CERTIFICATION IN THE UNECE REGION BETWEEN MID 2002 AND END OF 2003

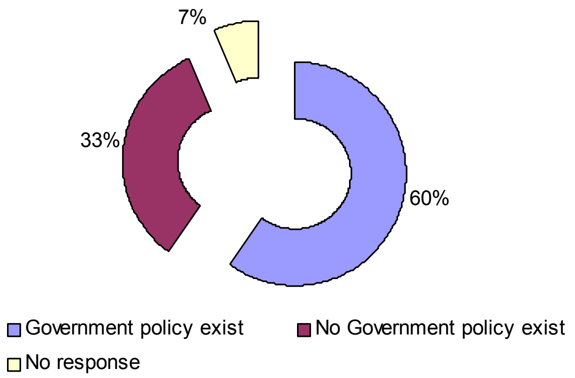
5.1 Governmental measures to support forest certification – policies and other means currently used

According to the TC/EFC country correspondents, there are various instruments and measures being used by governments in the UNECE region to support forest certification. These include the provision of free consultation and information in the Czech Republic; financial support for the development of national schemes in Denmark; economic incentive to forest owners and wood processing companies in Italy and Slovenia; use of legal instruments in the Netherlands and Denmark; and the use of public procurement of wood products as an instrument in these and other countries. However, by far, the most significant and the most widely used measure has been the policy of public procurement.

In the UNECE region 60% of governments have in place general policies that support forest certification, 33% have no such policies in their countries, and the situation with 7% of the governments is unclear since some country correspondent did not respond to the question from which the figure was generated (figure 9).

FIGURE 9

Existence of government policies in support of forest certification in the UNECE region



Source: Network of TC/EFC country correspondents, 2003.

Seventy-nine percent (79%) of country correspondents perceive that existing policies support forest certification very well, 16% perceive it as doing so moderately well, while 5% perceive the existing policies as not supporting forest certification well at all (figure 10). Please note that figure 10 was derived from the responses of only the countries which indicated that their governments had existing policies that supported forest certification.

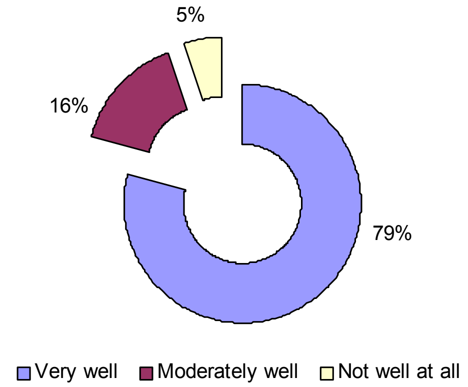
5.2 Public procurement – an instrument to support forest certification, chain of custody verification and the promotion of certified forest products?

Public procurement policies for wood products either newly introduced or currently under discussion by governments, continue to be a driving force for certification and a growing source of potential demand for certified forest products. Several national governments in European markets, including those of the United Kingdom, the Netherlands, Denmark, France and Germany, have announced public procurement policies that include criteria favouring the purchase of certified forest products, especially when buying tropical timber. Similar policies exist at municipal levels in several European countries (Rametsteiner and Kraxner 2003).

The United Kingdom government was one of the first to set up a procurement policy and issue a guidance document on timber procurement in 2000. However, systematic evidence of any significant change in the pattern of timber procurement still seems to be lacking, and the government conceded that implementing its timber procurement policy has been more of a challenge than initially anticipated (UK House of Commons 2003). More recently, the German Ministry of Environment announced support for sourcing timber from forests managed according to FSC standards by 2006 but the propriety of a government specifying a particular scheme is being challenged.

FIGURE 10

How well existing policies support forest certification



Source: Network of TC/EFC country correspondents, 2003.

While not all policies are implemented fully, they indicate the direction of policy development, especially as the underlying situation in the tropics is unchanged (Rametsteiner et al 2003). At the European Union (EU) level the European Court of Justice confirmed a landmark decision in September 2002 on the need to amend the current public procurement directives of the EU to include wider social and environmental concerns (WWF UK 2002). In Canada and the US, many government agencies at all levels have implemented environmentally preferable procurement (EPP) programs that among other goals, institute the procurement of recycled paper and other certified forest products. Another important issue in the US is the implementation of the Leadership in Energy and Environmental Design (LEED) standard – created by the Green Building Council. Many public buildings are following this standard which often leads to specification of FSC wood. Some members of forest industry feel this is the biggest driver of demand for certification in the US.

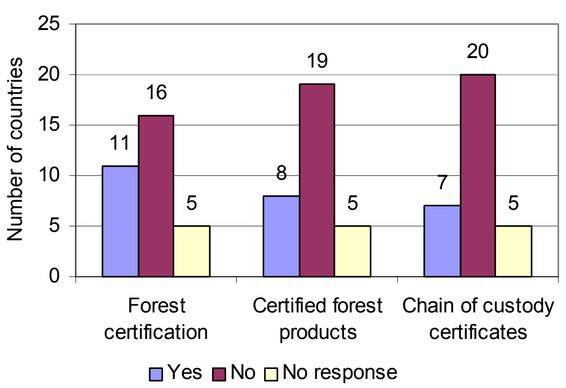
From the perspective of the country correspondents, even though public procurement policy is used as an instrument to support forest certification, chain of custody verification and the promotion of certified forest products, this happens in an indirect rather than a direct way. Many of the correspondents stated that the use of public procurement policies is more directed towards the achievement of sustainable development or sustainable forest management but they invariably end up supporting forest certification, chain of custody verification and the promotion of certified forest products.

Correspondents were asked to indicate whether public procurement rules referred specifically to forest certification, certified forest products and chain of custody certificates (figure 11). The results confirmed the indirect link between sustainable development and sustainable forest management policies of governments on one hand, and forest certification, chain of custody verification and the promotion of certified forest products on the other. In all three areas, the number of governments which have policies making direct reference to forest certification, chain of custody verification and the promotion of certified forest products is less than those where there is no direct reference. In fact, about 41% (11 out of 27) of governments referred directly to forest certification, 30% (8 out of 27) to promotion of certified forest products and only 26% (7 out of 27) referred to chain of custody verification in their policies. The above percentages exclude the correspondents who gave no response.

With regard to the effect that the procurement policies have had on forest certification, promotion of certified forest products and verification of chain of custody certificates the responses were more on the neutral to positive side (figure 12). Sixty–six percent (14 out of 21) of the correspondents regarded the overall effect to be at least neutral, if not positive. Not more than 33% (7 out 21) indicated that the effect was negative. The above percentages also exclude the correspondents who gave no response.

FIGURE 11

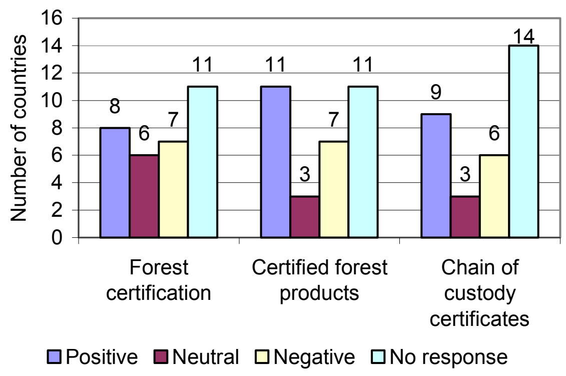
Direct reference of public procurement policy to forest certification, certified forest products, chain of custody certificates



Source: Network of TC/EFC country correspondents, 2003.

FIGURE 12

Effect of public procurement policy on forest certification, certified forest products and chain of custody certificate



Source: Network of TC/EFC country correspondents, 2003.

6. OUTLOOK FOR FOREST CERTIFICATION AND CHAIN OF CUSTODY VERIFICATION IN THE UNECE REGION

6.1 What will be future developments in the marketplace?

After more than a decade of development, since the introduction of forest certification and certified forest products, forest certification seems to have set sail into less turbulent waters and has made some smooth progress. However, the journey has not been without much heated debate. The journey has resulted in increased awareness among the general population. This increased awareness has not only been with the general populace but has also been catching up with the various competing schemes as series of studies have tried to compare their standards, requirements, field operations and the like. One significant consequence of these studies has been that as competing schemes have tried to improve upon their performance, the more they begin to look alike. This has been hailed by some experts in the field as a good sign for much-needed harmony and cooperation in the forest certification arena. In the recognition of certified forest products the awareness is reflected much more at the business-to-business level than at the business to consumer level particularly in the environmentally-sensitive market place.

Certification schemes have acknowledged the fact that persistent and effective communication is necessary if the awareness of the general public and the private consumer is to be raised. They have also acknowledged that forest certification is indeed a key tool to position wood as a renewable resource and to improve the green image of the forest sector. Several correspondents reported that certification is not yet well known among consumers. Consumer-targeted public relations campaigns are likely to become more common and will increase consumer awareness.

One sticking point to further development appears to be mutual recognition. The prevailing situation where many of the certification schemes are seeking endorsement by PEFC in one way or the other is a positive development for the advocates of mutual recognition of forest certification schemes. This implies that even if full and complete reciprocal recognition of all schemes by all others is not attained in the near future, the number of “accepted” sources of certified forest products could be effectively reduced to two (those from PEFC-endorsed sources and those from FSC sources) thereby reducing the scope of confusion among stakeholders in the marketplace. It is the view of many of the country correspondents that if all the forest certification schemes seeking PEFC endorsement, actually achieve endorsement then the “accepted” sources will be PEFC and FSC for some time to come until the two schemes find common ground. However, a common ground for FSC and PEFC on mutual recognition is not expected in the near future, though there have been some cooperation between the two on the ground.

Concern for forest law enforcement, governance and trade issue, and its key concern of illegal logging, appears to be gaining ground and some ENGOs appear to be shifting their focus to this issue and away from forest certification. This concern is expected to continue. In any case, it is the view of some that intensive and transparent forest certification could be an important tool against illegal logging.

Certified forest area in the UNECE region grew by almost 45.3 million hectares to reach over 163.7 million hectares between mid 2002 and the end of 2003. This trend is expected to continue but for some schemes the rate of growth will be slower. Much of the growth in certified forest areas is expected to come from countries from eastern Europe and North America. For instance the Forest Products Association of Canada projects that by 2006 there will be 71.7 million hectares of certified forest areas in Canada (CSFCC 2004).

The volume of certified forest products in the marketplace is increasing and this trend is expected to continue though specific volumes and values cannot be accurately forecast. The focus on forest certification seems now to shift more to awarding of chain of custody certificates and it is very likely that consumer awareness will continue to increase as the number of chain of custody certificates increases. With a worldwide figure of 4,100 chain of custody certificates issued, it is still thought of as being too low and it is expected that this figure will increase significantly bringing more certified products to the market. All indications point to a significant rise in the number of chain of custody certificates to be issued in the coming years by the key international schemes (i.e. FSC and PEFC).

Governments of several countries are now setting specifications for certified timber as well as introducing policies including public procurement for the purchase of forest products. As a result governments will play a part in deciding which schemes develop and to what extent. Governments are expected to become increasingly important players in the forest certification marketplace through public procurement policies for wood products. However, some correspondents were of the view that forest certification is a purely market-induced concept and as such governments should not intervene.

Several schemes and national standards have had revisions recently and these developments will ensure continual improvement as well as result in new certified forestland bases and new certified products. These revisions and the evolution of the forest certification schemes, in general, have put more emphasis on stakeholder participation. Furthermore, the certification schemes are now finalizing the standard development work in several countries in the UNECE region and endorsement by the schemes will take place in the near future of many standards that are not yet endorsed.

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ANNEX 1: REQUEST FOR INFORMATION

REQUEST FOR INFORMATION ON CERTIFIED FOREST PRODUCTS MARKETS AND FOREST CERTIFICATION IN THE UNECE REGION 2003

Contact details of the respondent:______________________________________

Name: ____

Address: ____

____

Country: ________________________**Telephone number** ________________________

Fax: ________________________________ **E-mail:** ________________________

ACREAGE AND TRENDS OF FOREST CERTIFICATION

1. Please give your estimate of the current area covered by Forest Certification in your country according to the various certification systems

Certification system	**Area of forest (hectares)**
Forest Stewardship Council (FSC)	
Pan European Forest Certification (PEFC)	
Other system, please specify	
Other system, please specify	
Other system, please specify	
Other system, please specify	

2. What is the stage of each of the ongoing initiatives in your country? Please answer separately for each system

	FSC	PEFC	Other system, please state ________	Other system, please state ________
Formation of a stakeholder group for consultation	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed
Developing standards	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed
Forest auditing and certification	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed
Certified forest products produced domestically and sold in domestic markets	(_) yes (_) no	(_) yes (_) no	(_) yes (_) no	(_) yes (_) no
Certified forest products produced domestically but sold in export markets	(_) no (_) no	(_) no (_) no	(_) no (_) no	(_) no (_) no
Other initiative, please state ________________ ________________	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed	(_) not started (_) ongoing (_) completed

3. Which stakeholder groups would you consider to be the strongest supporters of each of the following certification systems in your country? Please rank the 3 most important. (1= most important, 2 = second most important, 3 = third most important)

	FSC	PEFC	Other system, please state ________	Other system, please state ________	Other system please state ________
Forest owners	_____	_____	_____	_____	_____
Environmental groups	_____	_____	_____	_____	_____
Forest industry	_____	_____	_____	_____	_____
Government	_____	_____	_____	_____	_____
Domestic retailers	_____	_____	_____	_____	_____
Foreign retailers	_____	_____	_____	_____	_____
Domestic industrial customers	_____	_____	_____	_____	_____
Foreign industrial customers	_____	_____	_____	_____	_____
Domestic final consumers	_____	_____	_____	_____	_____

TYPE OF CERTIFICATION AND DEBATES

4. Out of the total certified forest area in your country, what is the estimated percentage that is made up by the following types of forest certification?

PERCENTAGE

Individual forest holding certification ________ %

Group certification ________ %

Regional certification ________ %

5. Is there any ongoing debate about these types of certification in your country? Yes ____ No ____

6. If yes, could you briefly describe the kind of debate, including which type of certification the debate favours?

____
____
____
____
____
____
____

SUPPLY AND DEMAND OF CERTIFIED FOREST PRODUCTS (CFPs)

7. What is the estimated quantity of (labelled) CFPs that is supplied in your country?

Paper Products (tonnes) Domestic[16] ________________ Imported __________________

Wood Products (cubic metres) Domestic ________________ Imported __________________

8. Which countries are the most important countries of origin for your imported CFPs?

RANK COUNTRY

1. ____
2. ____
3. ____
4. ____

[16] Domestic is used here to indicate domestic supply to domestic market

9. What is the estimated quantity of (labelled) CFPs that is exported from your country?

Paper products (tonnes) ________________

Wood products (cubic metres) ________________

10. Which countries are the most important destination countries for your exported CFPs?

RANK COUNTRY

1. ____
2. ____
3. ____
4. ____

11. In which product groups are certified forest products available in your country? Please indicate availability separately for each forest certification system in your country.

	FSC	PEFC	Other system, please state ____________	Other system, please state ___________
Pulp and paper products	(_)	(_)	(_)	(_)
Sawn wood	(_)	(_)	(_)	(_)
Furniture	(_)	(_)	(_)	(_)
Construction materials	(_)	(_)	(_)	(_)
Wood-based panels	(_)	(_)	(_)	(_)

12. What is the trend of the total supply of CFPs in your country for the last 3 years?

Increasing ____________ Same levels _______________ Decreasing ______________

13. What is the estimated quantity for the demand of CFPs in your country?

Paper products (tonnes) ________________

Wood products (cubic metres) ________________

14. How is the demand in your country for CFPs shared among the following bodies? Please estimate the share as the percentage of the total demand for certified forest products in your country.

PERCENTAGE

Companies within the WWF Global Forest and Trade Network ________%

Companies outside the WWF Global Forest and Trade Network ________%

Public bodies ________%

100 % TOTAL

15. How is the demand for forest products certified by the following certification systems shared? Please estimate the share as the percentage of the total demand for certified forest products in your country.

PERCENTAGE

FSC ________ %

PEFC ________ %

Other system, please state___________________________________ ________ %

Other system, please state___________________________________ ________ %

100 % TOTAL

16. In your opinion which of the following statements describes best the *current* supply and demand situation for CFPs in your country?

Demand is higher than supply ________

Supply is higher than demand ________

Demand and supply are at the same level ________

17. In your opinion which of the following statements will describe best the supply and demand situation for CFPs in your country *in 3 years time*?

Demand will be higher than supply ________

Supply will be higher than demand ________

Demand and supply will move towards a balance ________

GOVERNMENT POLICIES AND FOREST CERTIFICATION

18. Are there any local, regional or national government policies in your country intended to support forest certification?

Yes _____ No _____

19. If yes, how well do you think these support forest certification? Very well Not at all

(_) (_) (_) (_) (_)

20. If your government does not have policies that support forest certification, could you briefly give possible reasons why?

____
____
____
____
____
____
____
____

21. Does your government (local, regional or national) use public procurement as an instrument to support any of the following;

Forest certification	Yes _____	No _____
Promotion of CFP markets	Yes _____	No _____
Chain of Custody verification	Yes _____	No _____

22. If yes, please briefly describe them giving quantitative figures wherever possible.

____
____
____
____
____
____
____
____

23. How effective do you consider the use of public procurement in the support of the following activities?

Forest certification Very Effective Not at all Effective

(_) (_) (_) (_) (_)

Promotion of CFP markets Very Effective Not at all Effective

(_) (_) (_) (_) (_)

Chain of custody verification Very Effective Not at all Effective

(_) (_) (_) (_) (_)

24. If your government does not use public procurement as an instrument to support forest certification, promote CFP markets and/or chain of custody verification, could you briefly give possible reasons why?

Forest certification

CFP markets

Chain of custody verification

25. Are there any other measures that your government use to support forest certification forest certification, markets for CFPs and/or chain of custody verification? Please describe them briefly:

Forest certification

CFP markets

Chain of custody verification

MAIN DEVELOPOMENTS AND OUTLOOK

26. Please list the main developments regarding forest certification, which have taken place in your country over the past 12 months.

27. Please list the main issues relating to forest certification you expect in your country over the next 12 months.

28. Do you have any additional information regarding forest certification development that would be useful to share as well as any comments and feedback for the researchers?

THANK YOU VERY MUCH FOR YOUR TIME

Some facts about the Timber Committee

The Timber Committee is a principal subsidiary body of the UNECE (United Nations Economic Commission for Europe) based in Geneva. It constitutes a forum for cooperation and consultation between member countries on forestry, forest industry and forest product matters. All countries of Europe; the former USSR; United States, of America, Canada and Israel are members of the UNECE and participate in its work.

The UNECE Timber Committee shall, within the context of sustainable development, provide member countries with the information and services needed for policy- and decision-making regarding their forest and forest industry sector ("the sector"), including the trade and use of forest products and, when appropriate, formulate recommendations addressed to member Governments and interested organizations. To this end, it shall:

1. With the active participation of member countries, undertake short-, medium- and long-term analyses of developments in, and having an impact on, the sector, including those offering possibilities for the facilitation of international trade and for enhancing the protection of the environment;
2. In support of these analyses, collect, store and disseminate statistics relating to the sector, and carry out activities to improve their quality and comparability;
3. Provide the framework for cooperation e.g. by organizing seminars, workshops and ad hoc meetings and setting up time-limited ad hoc groups, for the exchange of economic, environmental and technical information between governments and other institutions of member countries that is needed for the development and implementation of policies leading to the sustainable development of the sector and to the protection of the environment in their respective countries;
4. Carry out tasks identified by the UNECE or the Timber Committee as being of priority, including the facilitation of subregional cooperation and activities in support of the economies in transition of central and eastern Europe and of the countries of the region that are developing from an economic point of view;
5. It should also keep under review its structure and priorities and cooperate with other international and intergovernmental organizations active in the sector, and in particular with the FAO (Food and Agriculture Organization of the United Nations) and its European Forestry Commission and with the ILO (International Labour Organisation), in order to ensure complementarities and to avoid duplication, thereby optimizing the use of resources.

More information about the Committee's work may be obtained by writing to:

Timber Branch

Trade Development and Timber Division

UN Economic Commission for Europe

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UNECE/FAO

Publications

Timber Bulletin* Volume LVI (2003) ECE/TIM/BULL/2003/...

1. Forest Products Prices, 2000-2002 (tables available on web, no hard copy available).
2. Forest Products Statistics, 1998-2002.
3. Forest Products Annual Market Analysis, 2002-2004.
4. Forest Fire Statistics, 2000-2002 (web data release expected October 2004, hard copy available December 2004).
5. Forest Products Trade Flow Data, 2000-2001 (tables available on web, no hard copy available).
6. Forest Products Markets: Prospects for 2004.

**Timber Bulletin series is currently under review*

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UNECE/FAO GENEVA TIMBER AND FOREST DISCUSSION PAPERS

The objective of the Discussion Papers is to make available to a wider audience work carried out, usually by national experts, in the course of UNECE/FAO activities. The Discussion Papers do not represent the final official outputs of particular activities but rather contributions, which because of their subject matter or quality, deserve to be disseminated more widely than to the restricted official circles from whose work they emerged. The Discussion Papers are also utilized when the subject matter is not suitable (e.g. because of technical content, narrow focus, specialized audience) for distribution in the UNECE/FAO Geneva *Timber and Forest Study Paper* series. Another objective of the Discussion Papers is to stimulate dialogue and contacts among specialists.

In all cases, the author(s) of the discussion papers are identified, and the papers are solely their responsibility. The designation employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries. The UNECE Timber Committee, the FAO European Forestry Commission, the governments of the authors' country and the UNECE/FAO secretariat, are neither responsible for the opinions expressed, nor the facts presented, nor the conclusions and recommendations in the Discussion Paper.

In the interests of economy, Discussion Papers are issued in the original language only, with only minor language editing and final layout by the secretariat. They are distributed automatically to nominated forestry libraries and information centres in member countries. It is the intention to include this discussion paper on the Timber Committee website at: http//www.unece.org/trade/timber.

The Discussion Papers are available on request from the secretariat. Those interested in receiving them on the continuing basis should contact the secretariat as well. Your comments are most welcome and will be referred to the authors:

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Forest Certification Update for the UNECE region, 2003

Forest Certification Update for the UNECE region, 2003 provides a comprehensive report of developments in the certification of sustainable forest management in the UNECE region, including the Commonwealth of Independent States, Europe and North America. This update from 2003 has chapters on developments in the major international certification systems, mutual recognition between systems, status of forest certification, status of the marketplace for certified forest products, consumer behaviour and forest certification, government policies and forest certification, future developments and a list of references.

Forest Certification Update for the UNECE region, 2003 and its predecessor publications have been published annually since 1998 by the UNECE/FAO Timber Section. Its goal is to provide a neutral reporting of the developments in forest certification and the certified forest products marketplace. This information is intended for policy makers, researchers, investors and forest products marketing specialists in governments, research institutions, universities and the private business sector. This *Discussion Paper* is also intended as a background document for the UNECE Timber Committee's annual Forest Products Market Discussions, which include certified forest products. The FAO European Forestry Commission follows the developments in certification of sustainable forest management and regularly discusses them at their sessions.

Further information about certified forest products markets, including former *Discussion Papers* on the status of forest certification in the UNECE region, may be found on the Market Information Service of the Committee's website. Information about the UNECE Timber Committee and the FAO European Forestry Commission is available on their websites (www.unece.org/trade/timber and www.fao.org /forestry/FO/STATBOD/Regional/Efc/efc-e.stm). Information about the UNECE may be found at www.unece.org and information about FAO may be found at www.fao.org.

UNECE Timber Committee and FAO European Forestry Commission

Further information about forests and forest products, as well as information about the UNECE Timber Committee and the FAO European Forestry Commission is available on the website www.unece.org/trade/timber. Information about the UNECE may be found at www.unece.org and information about FAO may be found at www.fao.org.

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