United Nations
Economic Commission for Europe

Food and Agriculture Organization
of the United Nations

ECE/TIM/DP/23

GENEVA TIMBER AND FOREST DISCUSSION PAPERS

FOREST CERTIFICATION UPDATE FOR THE ECE REGION, SUMMER 2001

By

Ms. Laura Vilhunen, Dr. Eric Hansen, Dr. Heikki Juslin and Mr. Keith Forsyth

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Timber Section,
Geneva, Switzerland

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Note

Abstract

"Forest Certification Update for the ECE Region, Summer 2001" is the fourth in 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 from summer 2001 has chapters on developments in international certification systems, preconditions and drivers for forest certification, status of forest certification, status of the marketplace for certified forest products, future developments and a list of references.

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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 ECE/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 UN-ECE/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 ECE Timber Committee, the FAO European Forestry Commission, the governments of the authors' country and the FAO/ECE 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. They are available on request from 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. 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.

Preface by the secretariat

Over the last year the area of certified forestland has doubled and markets for certified forest products are growing in the UNECE region of Europe, North America and the Commonwealth of Independent States. The ECE Timber Committee (TC) has a mandate to follow 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.

In 2001, in order to provide more comprehensive information, the TC and EFC formed an informal network of country correspondents on certified forest products markets and certification of sustainable forest management, mainly to provide information for this publication. The secretariat sent requests to heads of delegations to the TC and EFC and 39 of 55 countries nominated correspondents. In June 2001 the secretariat sent a request for information (annexed) to the nominated correspondents, the results of which provided part of the basis for this paper. More information on the survey is contained in the "approach" section.

The Committee holds an annual discussion at its session on the markets for certified forest products. In preparation for that discussion, the *Forest Products Annual Market Review*, an issue of the *Timber Bulletin*, now has a regular chapter on certified forest products markets. Partial results from the survey described above were used for the chapter. Also in preparation for the market discussions, member countries submit market reports which include a section on certified forest products markets. The reports received in electronic format may be found on the Committee's website at the address below. Following the Timber Committee Session a press release is issued which contains a section on certified forest products markets. The press release is also on the website.

The Commission and the Committee had a joint Team of Specialists on Certification whose final activity in 1998 was a workshop on "Certification of Sustainable Forest Management in Countries in Transition". At that workshop a "continued exchange of information both within and between countries was recommended to monitor progress in certification throughout Europe." This *Discussion Paper* serves as an important step towards that goal.

The secretariat would like to thank the authors, Ms. Laura Vilhunen[1], Dr. Eric Hansen[2], Dr. Heikki Juslin[3] and Mr. Keith Forsyth[4] for conducting the survey, gathering additional current information and writing this update of the many certification initiatives in the ECE region. This *Discussion Paper* is not meant to be an all-inclusive source of information on certification. For example, information in their three previous *Discussion Papers*, i.e., *The Status of Forest Certification in the ECE Region* (1998), *Forest Certification Update for the ECE Region, Summer 1999* and *Forest Certification Update for the ECE Region, Summer 1999* is not repeated (these former papers may be found on the Timber Committee website). Rather the authors chose developments to report which have occurred since their last paper. It was through their generosity, and that of their employers, that we are able to continue to discuss and publish current, objective information regarding the status of certification of sustainable forest management and their impacts on forest products markets.

Your comments on this update will be referred to the authors. Likewise information for future updates would also be welcome.

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LIST OF ABBREVIATIONS

AF&PA	American Forest and Paper Association
AFF	American Forest Foundation
ATFS	American Tree Farm System
CEPI	Confederation of European Paper Industries
CSA	Canadian Standards Association
CSFCC	Canadian Sustainable Forestry Certification Coalition
DFA	Defined forest area
EFC	FAO European Forestry Commission
ENGO	Environmental non-governmental organisation
FAO	Food and Agriculture Organization of the United Nations
FFCS	Finnish Forest Certification Scheme
FS	Finnish Standard
FSC	Forest Stewardship Council
GFTN	Global Forest and Trade Network
GNFNL	Greenpeace Nordic and the Finnish Nature League
IFIR	International Forest Industry Roundtable
SIC	State Implementation Committee
SFB	Sustainable Forestry Board
SFI	Sustainable Forestry Initiative
SFM	Sustainable forest management
SS	Swedish Standard
TC	UNECE Timber Committee
PEFC	Pan European Forest Certification
PEFCC	Pan European Forest Certification Council
UNECE	United Nations Economic Commission for Europe

HIGHLIGHTS

- Currently in the United Nations Economic Commission for Europe (UNECE) region[5], third party certified forest area is 12.4 million hectares for the Sustainable Forestry Initiative (SFI), 5.4 million hectares for the Canadian Standards Association (CSA), 24.1 million hectares for the Forest Stewardship Council (FSC), and 36.8 million hectares for the Pan European Forest Certification Scheme (PEFC).

- In addition to the major forest certification systems, there are several national certification initiatives, some of which will eventually be endorsed by the FSC or the Pan European Forest Certification Council.

- The most important developments for SFI have included developing a multi-stakeholder Sustainable Forestry Board to increase independence and technical credibility and an SFI on-product labelling system.

- CSA is developing chain-of-custody requirements through a consultation process.

- FSC continues to be the dominant system in the marketplace because of heavy support from environmental non-governmental organizations and large retailers and a lack of alternatively labelled certified forest products.

- PEFC certified forest area has almost doubled to 36.8 million hectares. The first PEFC certified products entered the markets in November 2000.

- Mutual recognition remains as a controversial issue despite several attempts to facilitate progress.

- According to information submitted by the UNECE region country correspondents, prerequisites for forest certification are least well met with respect to domestic demand and benefits versus costs.

- Environmental groups are perceived to be the most favourable towards the concept of forest certification. Foreign customer groups are considered to be more favourable than domestic customer groups.

- Forest certification is considered to be driven more by market reasons than ENGO pressure.

- The impact of WWF’s Global Forest and Trade Network (GFTN) remains significant perhaps creating over half of the demand for certified forest products.

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[5] UNECE region is Europe (41 countries), North America and the Commonwealth of Independent States.

Chapter 1 - INTRODUCTION

Forest certification has seen important developments during the past year. This *Geneva Timber and Forest Discussion Paper* (DP) builds on three previous *Discussion Papers* (Hansen & Juslin 1998, Hansen et al. 1999, Hansen et al. 2000). It is designed to provide a summary of key certification developments during the period of August 2000 to July 2001. Previous DPs have been based mainly on secondary data. For this DP, however, an informal network of country correspondents was formed by the UNECE Timber Committee and the FAO European Forestry Commission. The contents are based on secondary data as well as data collected from those correspondents. This DP assumes the reader is familiar with previous forest certification DPs. For information in the previous DPs, see http://www.unece.org/trade/mis/cfp.htm.

The UNECE region covers the countries of Europe, the Commonwealth of Independent States, and North America. There are no new major systems to report since the last certification DP. The systems we cover include those of the American Forest and Paper Association (SFI), Canadian Standards Association (CSA), Forest Stewardship Council (FSC), and the Pan European Forest Certification System (PEFC). Although previous DPs included information concerning the ISO 14000 environmental management system, we have chosen not to include it in this DP and only concentrate on systems that are specific to the forestry and wood products sector. ISO remains an attractive option for forest industry companies (especially multinationals) and many have chosen to use the system for both their forestry and production operations. The complexity caused by numerous systems has resulted in many calls for, and some efforts to explore possibilities for mutual recognition among systems.

This DP focuses on three issues:

- development of systems
- country-level forest certification progress
- status of the marketplace

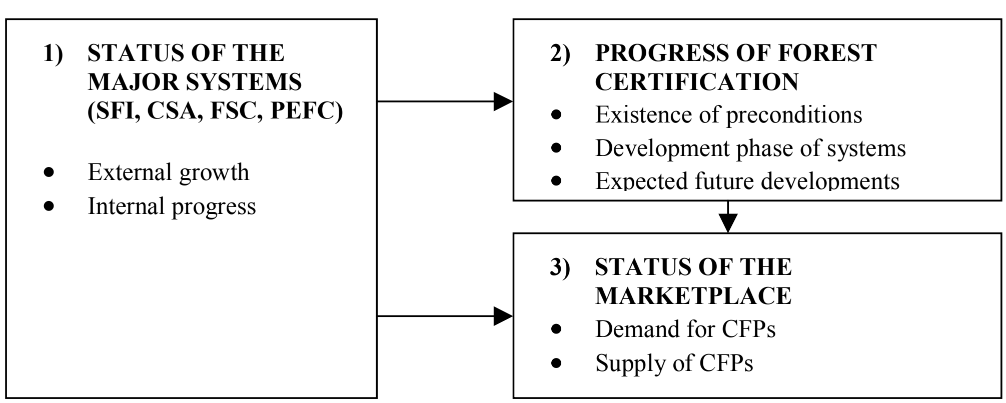
Chapter 2 - APPROACH

Diagram 1 shows the topics covered in this report and how they are related.

The discussion that follows regarding the status of forest certification in the UNECE region is based on both secondary data and a survey on forest certification and forest products markets carried out during May-July 2001 in the UNECE region. In the spring of 2001 the UNECE Timber Committee (TC) and the FAO European Forestry Commission (EFC) formed an informal network of correspondents on certified forest products and certification of sustainable forest management. Each of the TC and EFC heads of delegations in the 55 countries in the UNECE region was asked to nominate one or two correspondents. Most of the countries in the UNECE region chose to nominate a correspondent. The Committee and the Commission hope that this approach will provide more consistent and comprehensive information about the developments

DIAGRAM 1

Framework for the study



of certified forest products markets and forest certification in the UNECE region. We do not claim that a survey of these 44 correspondents provides complete information. Rather, we feel that the information received from the correspondents is fairly comprehensive and reliable enough from which to draw a current view of the status of forest certification in the UNECE region in mid-2001.

The request for information (attached in the annex) on certified forest products markets and forest certification was sent in May 2001 to 44 correspondents in 39 countries. The request was also sent to FSC national initiative organisations, to the members of Pan European Forest Certification Council (PEFCC), to the CSA and SFI organisations and to the members of the Global Forest and Trade Network (formerly known as Buyers' Groups) in the UNECE region. By July 17, 2001, 31 correspondents and 14 representatives of different forest certification schemes had returned the questionnaire. Additionally, four of the respondents stated that forest certification is not in any way relevant in their country or that they had already contributed to another's response. The following countries contributed to this report by returning one or more questionnaires:

- Austria
- Belgium
- Canada
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Italy
- Ireland
- Latvia
- Luxembourg
- Malta
- Norway
- Poland
- Portugal
- Romania
- Russian Federation
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- United Kingdom
- United States

The following countries had nominated a correspondent, but did not respond in time for this publication:

- Albania
- Croatia
- Kyrgyzstan
- Liechtenstein
- Lithuania
- The former Yugoslav Republic of Macedonia
- Yugoslavia

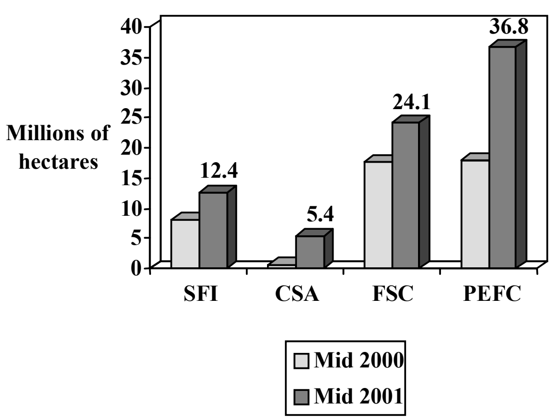
Chapter 3 - STATUS OF THE MAJOR SYSTEMS AND MUTUAL RECOGNITION

3.1. Developments in the Major Systems

The area of forest certified according to all the major systems has significantly increased during the past year (Graph 1). The third party certified area in the SFI system increased by 55% over last year reaching a total of 12.4 million hectares. The area certified under the CSA system has seen an almost ten-fold increase to 5.4 million hectares. The area in the FSC system increased by 37% to 24.1 million hectares. Finally, the area certified under PEFC more than doubled to 36.8 million hectares and now exceeds the area certified according to the FSC system.

GRAPH 1

Third party certified forestland under the major systems, 2000 and 2001



Sources: Network of UNECE region country correspondents; SFI, 2001; Canadian Sustainable Forestry Certification Coalition, 2001; FSC, 2001; PEFC, 2001; Hansen et al., 2000.

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

In its Sixth Annual Progress Report, SFI concentrates on five key challenges for the immediate future. These challenges have been the central focus of the ongoing work during the past year. Those challenges are:

- Independence
- Third Party Certification
- On-Product Labelling
- Communications & Outreach
- International & Mutual Recognition (AF&PA, 2001)

To increase the independence of the program, a multi-stakeholder Sustainable Forestry Board (SFB) was introduced in September 2000. It consists of fifteen members, 60 percent of whom are from outside AF&PA membership. The SFB works with SFI Standard and Verification Procedures, but also takes care of monitoring and resolving any non-compliance issues with the AF&PA Board. The board is designed to increase the independence and technical credibility of the SFI program. In 2001 the aim is to develop a structure for the board, which enables a fully independent operation (AF&PA, 2001).

As a part of SFI procedural developments, an inconsistent practices program was implemented. If the activities of an SFI member are inconsistent with the SFI Standard, an investigation will result. The SFI member can be required to take corrective actions or to leave the program (AF&PA, 2001).

Changes to the SFI 2000 Standard and the 1999 SFI Verification documents were made. One of the most significant changes to the 1999 SFI Verification documents involved the adoption of 75 core indicators for performance measures (AF&PA, 2001).

Currently there are approximately 8.5 million hectares of SFI third party certified forests in the United States. The SFI licensing program has also expanded to Canada, which has nearly 4 million hectares under third party SFI certification. The total number of hectares enrolled in the SFI program is nearly 38 million (AF&PA, 2001).

SFI recognises an increase in the adopting of third party certification as an important trend, which must be encouraged to continue. A challenge for the future will be to extend third party certification also to procurement policies. Currently almost one-third of the AF&PA member company and SFI program licensee forestlands have undergone third party certification. It is estimated that by the end of 2001, 85% of the forestland under the SFI program will be independently certified (AF&PA, 2001).

There has been an increase in adopting environmentally conscious procurement policies among forest product industry customers. With an on-product labelling system, SFI hopes to provide customers and consumers with a visible standard, something considered to be critical to the future of the SFI program. Those parties, that seek to use the SFI on-product label, are required to complete a third party certification (if they have not already done so) and comply with the recently published on-product label use requirements. The program also recognises other standards, which are considered to be capable of independent third party certification. The acceptable standards include:

- American Tree Farm System (ATFS)
- Canadian Standards Associations Sustainable Forest Management System Standard (CAN/CSA Z809)
- Finnish Standard (FS)
- Forest Stewardship Council (FSC)
- Pan-European Forest Certification (PEFC)
- Swedish Standard (SS)
- United Kingdom Woodland Assurance Scheme (UKWAS) (AF&PA, 2001).

It is important to note that most of these are one-way agreements and do not represent mutual recognition.

SFI aims to build greater awareness of its certification system within the forestry community. This includes State Implementation Committees (SICs) that work on the local level, logger training programs, and communications with private landowners. SFI also aims to increase awareness among forest products industry customers and consumers (AF&PA, 2001).

The compatibility of the SFI program with other sustainable forestry standards is considered important. To help form an international framework, AF&PA is working closely with several forest certification schemes. Collaboration with the American Forest Foundation (AFF) resulted in a mutual recognition agreement between the SFI and the AFF's American Tree Farm System in 2000 (AF&PA, 2001).

3.1.2. Canadian Standards Association (CSA)

The CSA forest certification scheme is currently in use only in Canada, where over 5 million hectares of forestland have been CSA certified. This roughly equals an annual allowable cut of 11 million m^3 (CSFCC, 2001).

The National SFM System Standard, which was developed in 1996, is under revision. Continual improvement means that all standards must be revisited within five years of publication. As in the standard development phase, the review is being conducted by a multi-stakeholder technical committee. The goal is to improve the clarity, flexibility and efficiency of the standard implementation (CSFCC, 2001).

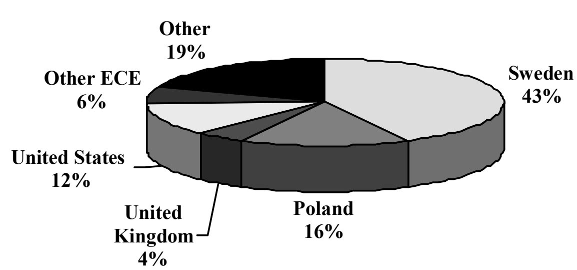
CSA chain-of-custody requirements are being developed. A draft CSA chain-of-custody document (CSA plus 1163) that defines the chain-of-custody is currently undergoing consultation. It recognises several types of certified forest products, other chain-of-custody processes, and integration with existing systems. The minimum threshold percentage for both solid wood and composite products is set to 70% by volume or weight. As stated in the document: "It is anticipated that the public, consumer groups and the marketplace will continue to drive the demand for certified forest products originating from a registered DFA (defined forest area)". According to CSA, it is anticipated that increased demand will motivate more organizations to implement and register their DFA's and obtain chain-of-custody certification (CSA, 2001).

3.1.3. Forest Stewardship Council (FSC)

At the end of June 2001 there were just over 24 million hectares of FSC certified forests in 46 different countries (Graph 2). Of the total area, 19.5 million hectares (81%) are in the UNECE region. Within the UNECE region, Sweden has the largest area (over 10 million hectares) followed by Poland (nearly 4 million hectares). Compared to the 17.6 million hectares reported in the 2000 paper, FSC certified area has increased approximately by 6.5 million hectares. Currently there are 11 FSC accredited certification bodies and a further six have applied for accreditation (FSC, 2001).

GRAPH 2

Distribution of FSC-certified forestland, mid-2001



Source: FSC 2001

FSC reports that in the first quarter of 2001, the forest industry's acceptance of certified wood significantly increased as indicated by the number of companies becoming members of FSC. There was a 30% increase in the number of companies holding FSC certificates during the first two months of the year, during which 331 new companies were added. Companies can apply for FSC membership if they are actively committed to FSC and to the FSC Principles and Criteria. The total number of companies with chain-of-custody certificates was 1,405 (FSC, 2001).

At the 22nd board meeting in 2001, the establishment of a separate legal entity, FSC Global Fund, was approved. It is designed to attract donations from major corporations and other organizations. The proposal to move the FSC headquarters to Europe was also approved, but the location has not been decided yet. The Oaxaca office will remain as the overall office for the Americas. FSC plans to start the revision of its Percentage Based Claims Policy as soon as possible. The work on the FSC Pesticide Policy continues, although some parts have already been accepted for final revision and approval. In the future, a new proposal for implementing all ILO conventions relevant to forestry will be introduced (FSC, 2001).

To help companies source FSC endorsed products, every six months the FSC publishes a directory of manufacturers around the globe that offer FSC certified products. The directory features an extensive range of products from paper to garden furniture (FSC UK, 2001). In Nordic countries there are over a hundred companies offering FSC certified forest products. However, there are significantly fewer companies offering certified paper products than wood products (FSC-Sweden, 2001).

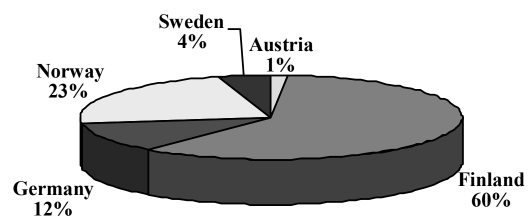
Many large retailers still heavily support the FSC system. This is especially true of those companies participating in the Global Forest and Trade Network. Although retailers are also calling for mutual recognition among systems, they clearly hope for one dominant, credible label they can use in their marketing.

3.1.4. Pan European Forest Certification Scheme (PEFC)

The first national PEFC schemes were endorsed by the PEFC Council in May 2000. The Finnish, Swedish and Norwegian forest certification schemes then accounted for 18 million hectares of certified forests. The number of endorsed national schemes is now eight with the addition of Austrian, German, Czech, Latvian and French schemes. The total certified area is nearly 37 million hectares with Finland accounting for the largest part with 21.9 million hectares (Graph 3). Schemes from Belgium, Portugal, Spain, Switzerland and the UK are currently undergoing assessment for endorsement (PEFC, 2001).

GRAPH 3

Distribution of PEFC-certified forestland, mid-2001



Source: PEFC 2001, Network of UNECE region country correspondents, 2001.

At the end of 2000, four Finnish companies were awarded chain-of-custody certificates and thus granted the use of the PEFC logo. The first of those to manufacture PEFC certified products was Schaumann Wood Oy. As of May 2001 there were 26 PEFC logo licence holders among the Finnish forest industry, including some chemical pulp and paper manufacturers. The first German, Swedish and Norwegian PEFC chain-of-custody certificates were awarded in 2001 (PEFC, 2001). In the future more products with a PEFC logo can be expected in the market, but the potential demand for PEFC certified products is unclear.

At its fourth general assembly, the PEFC Council accepted several amendments to its Technical Document. The most important change was the incorporation of the International Labour Organisation's conventions into the PEFC guidelines on standard setting (PEFC, 2001).

3.2. Mutual Recognition

3.2.1. More Conflict

Many stakeholders feel that ideally, forest certification should be developed through a mutual recognition framework. Although considerable effort has been invested toward building such a framework, recent conflicts suggest that staunch FSC supporters are quite unwilling to recognise other forest certification schemes in their current status. The CSA and SFI certification systems have been targeted by environmental non-governmental organisations (ENGOs) in the past and the last year has seen concentrated attacks on PEFC.

Soon after the Finnish Forest Certification Scheme (FFCS) reached an operational level, Greenpeace Nordic and the Finnish Nature League published a report called "Anything Goes?". Based on examination of concrete examples, the report addresses issues where the ENGOs consider that shortcomings are present regarding the ecological reliability of PEFC (GNFNL, 2001). The ENGOs claim that old-growth forests are destroyed, the level of conservation is too low, biodiversity is not enhanced by Finnish forest management and that individual forest owners are not committed to the FFCS (FFSC, 2001). One reason why the FFCS is targeted so heavily may be that it was the first and most developed system accepted by the PEFCC.

The Finnish Forest Certification Council states that they were already aware of most of the considerations in the report. If the deviations from the standard are minor, a certificate can still be awarded, but the owner is required to take corrective actions. This is also a common practise in other certification systems. All FFCS certificates, which have been issued in Finland, have contained provisions. The FFCS also considers that a strong motive for ENGO criticism was to influence the amount of forests protected by environmental legislation in Finland (FFCS, 2001).

PEFC has also been heavily criticised by other ENGOs. The World Wide Fund For Nature (WWF) released a report in April 2001 that claims deficiencies in the PEFC system. ”PEFC – An Analysis” contains heavy criticism of PEFC requirements and in conclusion the report states that PEFC fails to meet the basic requirements for forest certification. Thus, WWF claims, it may threaten the credibility of retailers (WWF, 2001).

According to PEFC, its endorsed schemes do meet the basic requirements for forest certification. Nationally agreed standards, which are developed by multi stakeholder involvement, are used. PEFC lists several points to support its credibility (e.g. clear label statements, independent accredited certifiers, compliance with national laws, and comprehensive mechanism to ensure stakeholder views) (PEFC, 2001).

Generally, ENGOs such as Greenpeace, Friends of Earth, and WWF continue to regard FSC as the only credible certification system. They cite a recent report, "Behind the Logo – An environmental and social assessment of forest certification schemes" to support their position. The report, which was produced by an international forest campaign group, "Fern", is based on six case studies. It concludes that currently only FSC fulfils the basic requirements (e.g. objective performance-based standards, transparency, global applicability) necessary for credible forest certification. The report concludes that PEFC, CSA and SFI contain substantial deficiencies (WWF Finland, 2001; Fern, 2001a).

PEFC regards the criticism as unconstructive, emphasising that the money and effort could be concentrated on promoting sustainable forest management (PEFC, 2001). FFCS called for impartial research claiming that Fern's report is biased and fails to meet the requirements set for a credible research report (FFCS, 2001).

3.2.2. Cooperation

The second international seminar on mutual recognition was organised by the Confederation of European Paper Industries (CEPI) in November 2000. The objective of the seminar was to clarify the current status, explore how mutual recognition could be arranged, and propose the next steps to be taken. One clear outcome of the seminar was evidence of strong marketplace demand for mutual recognition. To work in this direction, trust among various stakeholders must be created. It was concluded that technically it would be easiest to start with chain-of-custody certification. However, further work is still needed before any significant results can be expected (CEPI, 2001).

FAO, the German development agency GTZ and the International Tropical Timber Organization, hosted a meeting called ”Building Confidence Among Forest

Certification Schemes and their Supporters" in February 2001. The aim was to extend discussions about mutual recognition to a wider audience than had participated in other meetings, particularly in developing countries. It also aimed to develop increased cooperation and understanding between various parties. Different approaches being taken to mutual recognition were mentioned, for example the proposals of the International Forest Industry Roundtable (IFIR). IFIR is a network of industry associations from Australia, Brazil, Canada, Chile, Finland, France, Mexico, New Zealand, Norway, Sweden, South Africa, the UK, and the US, that is working on mutual recognition. The proposal for creating an international framework for mutual recognition was rejected by Greenpeace and WWF, who claim that mutual recognition would be a step backwards since they see FSC as the only credible system (WWF, 2001). ENGOs are concerned that mutual recognition arrangements are considered without a sufficient analysis of differences among schemes' standards and this poses a threat to credibility (Fern, 2001b).

One step closer to mutual recognition could be jointly conducted forest audits between two different systems. The first joint FSC-LEI (the Indonesian national system) certificate was awarded to PT Diamond Raya Timber in Indonesia. Several years of groundwork were needed before the certification took place (WWF, 2001). In another example, the Estonian State Forest Management Centre is responsible for managing approximately 830,000 hectares of forest and has selected a joint ISO 14001 and SmartWood FSC forest management assessment for its forests. This will be the first simultaneous certification including FSC and ISO 14001. SmartWood and Bureau Veritas plan to implement the assessment in November 2001 and the certification decision can be expected by the end of the year (SmartWood, 2001).

PEFC works through the mutual recognition of national schemes in different PEFC member countries. Currently there are eight schemes, which have been endorsed by the PEFCC: the Austrian, Czech, Finnish, French, German, Latvian, Norwegian, and Swedish forest certification scheme. Schemes from Belgium, Portugal, Spain, Switzerland and the UK are currently undergoing evaluation. Switzerland is seeking endorsement through its national Q-Label, whereas PEFC UK is currently working to have the UK Woodland Assurance Scheme (UKWAS) Standard endorsed, a standard which has been previously approved by FSC (PEFC, 2001).

CSA will seek PEFC recognition for its Sustainable Forest Management Standards CAN/CSA-Z808-96 and CAN/CSA-Z809-96. It is likely that not only normal assessment procedures will be used, but also the Criteria and Indicators of the "Montreal" and "Helsinki"[6] process will be compared. The reason for this is that instead of using the Pan European Operational Guidelines from the "Helsinki Process" as a reference basis, CSA has been developed using a parallel political process called the "Montreal Process". Recently the American Tree Farm System and SFI were accepted as full members of the PEFC Council (PEFC, 2001).

Chapter 4 - PRECONDITIONS AND DRIVERS FOR FOREST CERTIFICATION

Except where noted, the following results are based on responses from the Network of Correspondents. The number of responses ranges from 37 to 44, except in Graphs 13 and 14, which are based on 29 responses.

4.1. General Prerequisites

Respondents were asked to evaluate how well different preconditions for forest certification are met in their country. The options consisted of market, institutional and political prerequisites as shown in Graph 4. The scores assigned represent the average score.

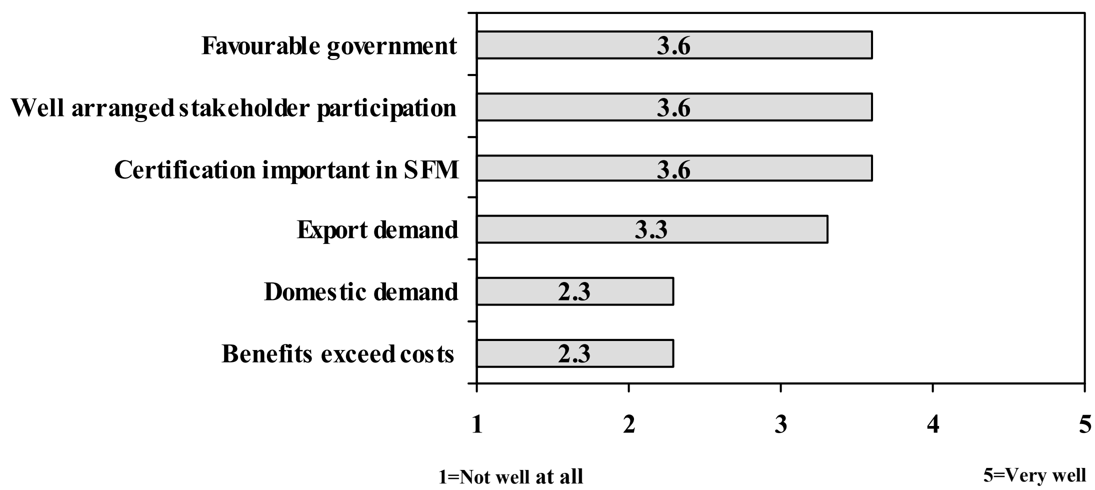
While political and institutional prerequisites for forest certification are perceived to be met rather well, strong market prerequisites for forest certification do not yet exist. Governments are perceived to be favourable towards certification. Interestingly, respondents feel that certification is an important tool in pursuing sustainable forest management (SFM). This suggests that environmental legislation is not considered to be the only tool for pursuing SFM. The responses indicate that export demand for certified forest products exists, but on the other hand, domestic demand is still insufficient. In fact, over a third of the

[6] Formally the second Ministerial Conference for the Protection of Forests in Europe, held in Helsinki, Finland in 1993.

respondents state that this prerequisite for forest certification is not met well at all. The respondents clearly feel that demand is concentrated in a few export countries. Currently the costs of certification are perceived to be greater than the benefits.

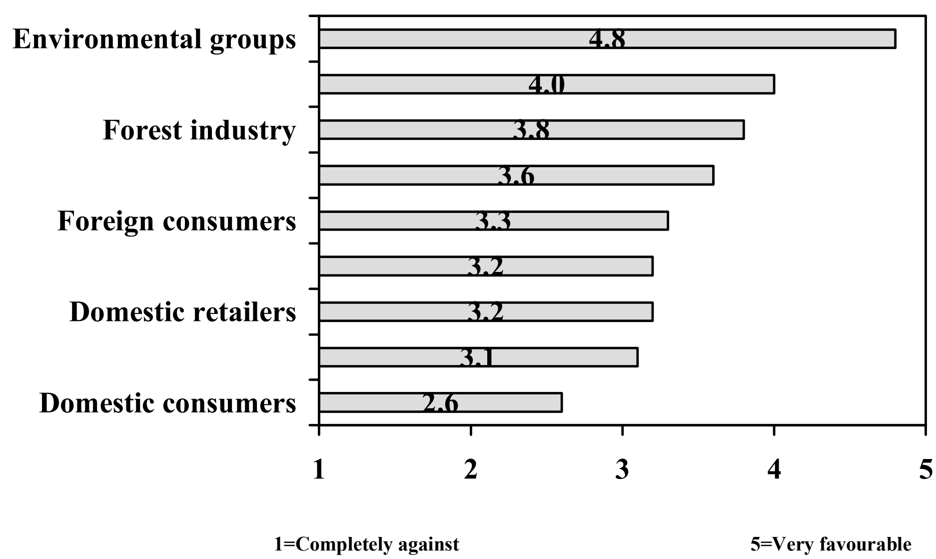
GRAPH 4

How well the prerequisites for forest certification are met



GRAPH 5

Attitudes towards forest certification



4.2. Stakeholder Attitudes

Attitudes towards forest certification were examined by asking how different stakeholder groups favour the concept of forest certification. We asked for general attitudes regardless of system (Graph 5).

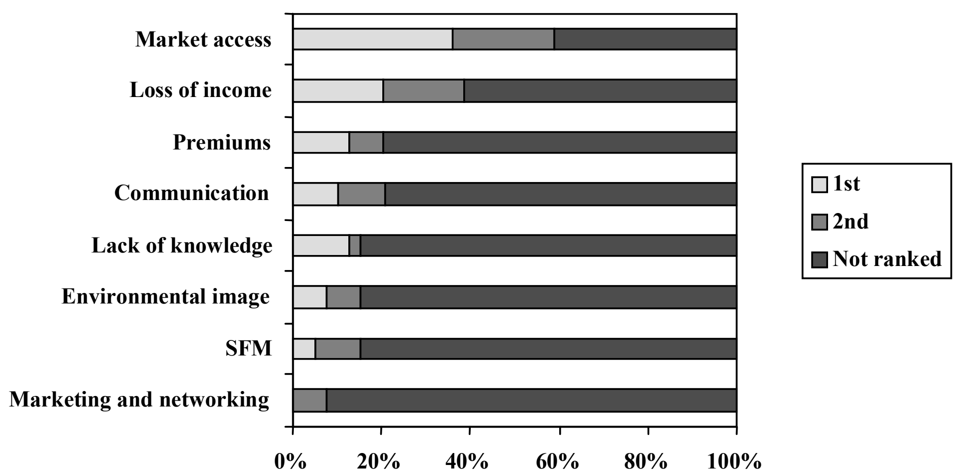
Generally, foreign customer groups are considered to have a more positive attitude towards the concept of forest certification than the domestic ones. As expected, environmental groups are perceived to be the most favourable towards forest certification. However, none of the stakeholder groups were considered to be completely against forest certification. Foreign retailers are seen as the second most favourable group towards certification. This is likely a direct reflection of the activities of the Global Forest and Trade Network members.

Respondents were also requested to rank the two most important drivers behind these stakeholder attitudes individually for forest owners (Graph 6), forest industry (Graph 7) and industrial customers (Graph 8).

Forest owner attitudes are not considered to be driven by environmental causes. Respondents did not feel that the possibility of promoting sustainable forest management with forest certification is motivating forest owners. The importance of environmental image does not have an important impact on attitudes either. The most important drivers of attitudes for forest owners were considered to be improved market access and expected loss of income. Improved marketing and networking was considered to be the least significant.

GRAPH 6

Main drivers of forest owner attitudes



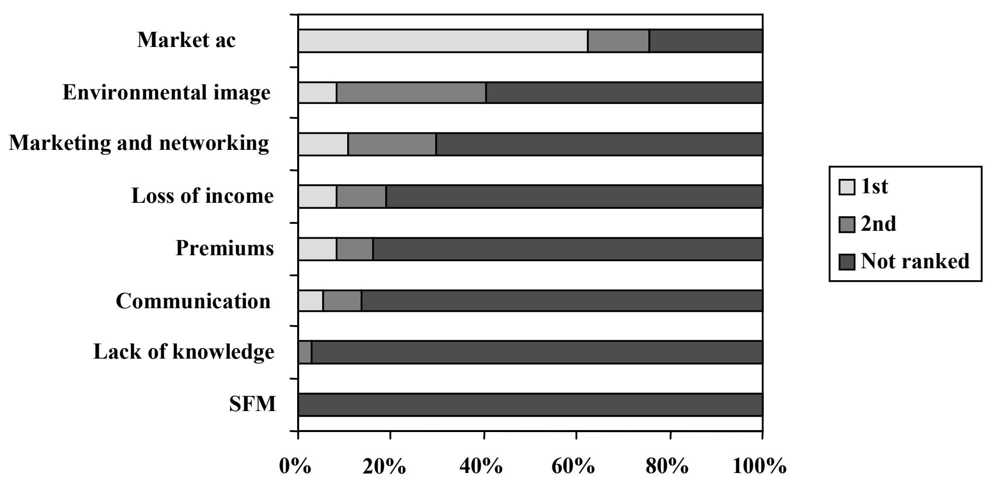
Market access was seen as the main driver of forest owner attitudes followed by loss of income. This may suggest that respondents see owners fearing loss of markets as well as the costs of certification. Although approximately 20% of respondents state that forest owner attitudes are driven by expected premiums from certified timber, currently there is little evidence to suggest that forest certification results in increased income for forest owners.

Forest industry attitudes are perceived to be driven by marketing opportunities. Improved market access is considered to be the most important driver of attitudes. More than two-thirds of respondents rank this as the most or second most important driver. Importance of environmental image for forest industry companies is also considered to have an impact on their attitude towards certification. The sustainability of forests, accomplished through forest certification, is not considered to be an important driver of forest industry attitudes.

For industrial customers, the importance of an environmental image appears to dictate attitudes. This may be a direct result of past experiences with ENGO pressures. Generally, industrial customer attitudes are considered to be driven by marketing opportunities. Sustainable forest management, which could be accomplished by using forest certification, is not however considered to be an important driver for industrial customer attitudes.

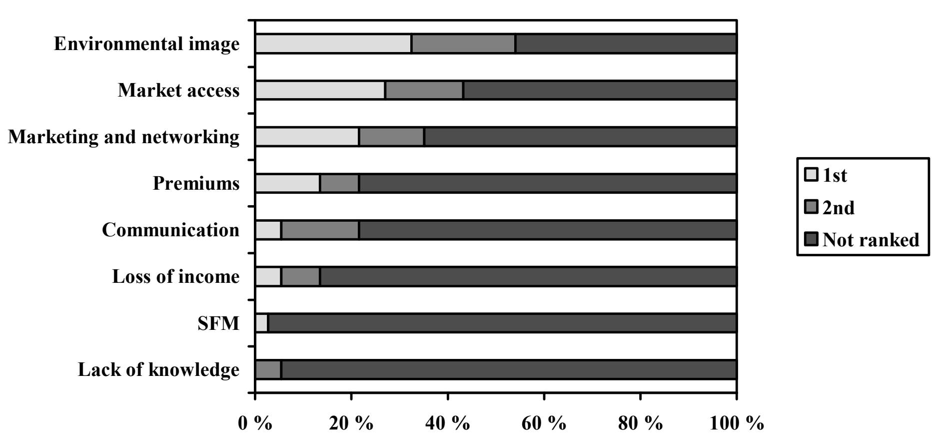
GRAPH 7

Main drivers of forest industry attitudes



GRAPH 8

Main drivers of industrial customer attitudes



4.3. Driving and Hindering Factors for Forest Certification

The drivers of forest certification were examined by asking how important respondents consider six different drivers in their country. This differs from the earlier question where we asked about drivers of attitudes. Here we consider what is driving forest certification at the country level (Graph 9).

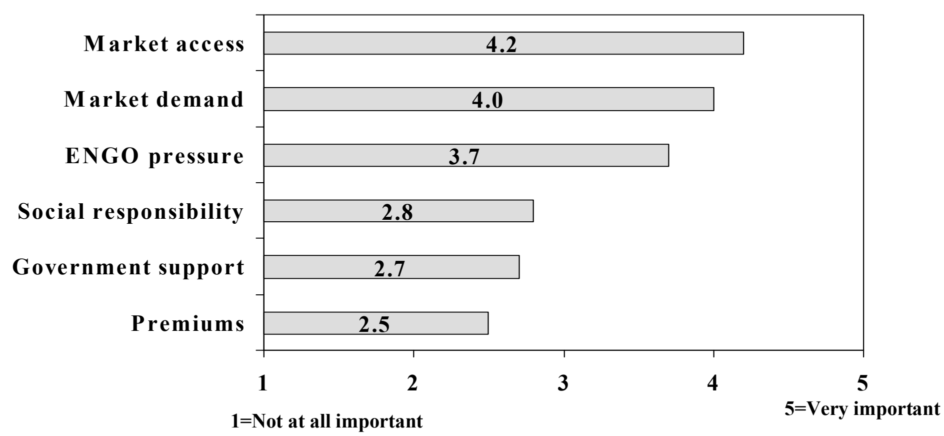
Forest certification is considered to be market driven. Despite the fact that ENGO pressure is often cited as a major driver for certification, respondents rated improved market access and market demand as the two most important drivers. ENGO pressure was rated as the third most important driver. Expected premiums was not seen as a major driver.

Respondents also rated the importance of ten different factors in hindering the development of forest certification in their country (Graph 10). The level of certification costs and the lack of domestic demand are seen as the most important factors hindering the development of forest certification. This matches well with earlier findings that the two of the least well met prerequisites for certification were with respect to benefits versus costs and domestic demand.

There is a clear difference between domestic and export demand. Lack of export demand is considered to hinder development less than lack of domestic demand. This parallels a general perception that demand for certified forest products is primarily export driven. Government attitudes are considered to be of minor importance in limiting the development of forest certification.

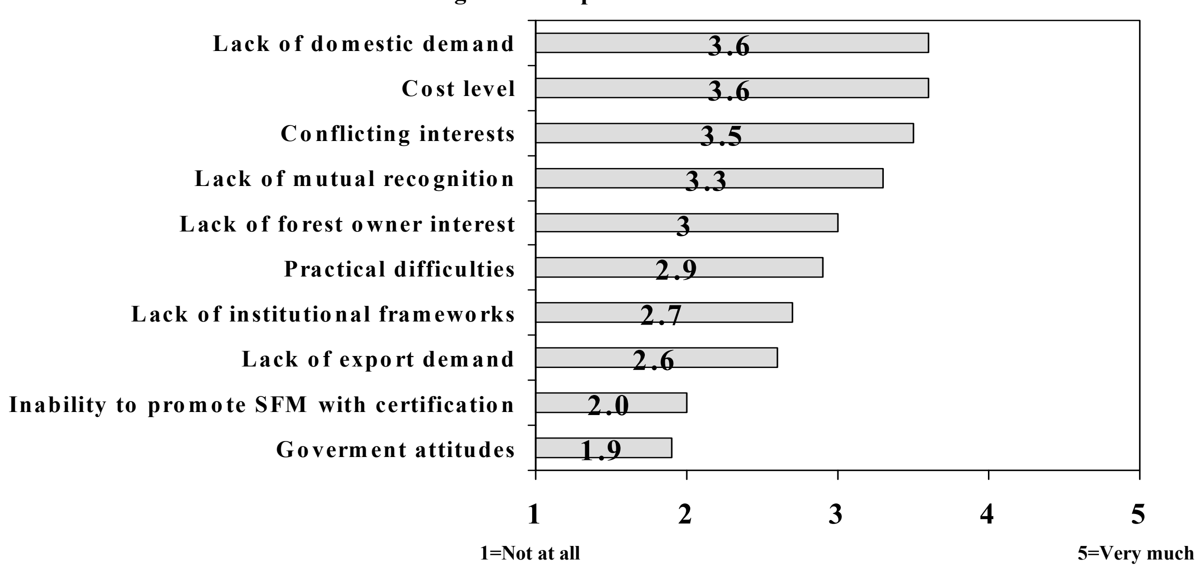
GRAPH 9

Drivers of forest certification



GRAPH 10

Factors hindering the development of forest certification



Chapter 5 - STATUS OF FOREST CERTIFICATION

5.1. Certified Area

Forestland certified under the major certification systems was presented in Graph 1. In addition, there are several national initiatives in the UNECE region. Several of those initiatives are already (or will be in the future) endorsed by PEFC or FSC. Table 1 provides an overview of certified forest area in the UNECE region. The largest certified forest areas are located in Canada, Finland, Norway, Sweden and the United States.

TABLE 1
Forest area under different certification schemes in the UNECE region, mid 2001 (hectares)

COUNTRY	FSC	PEFC	SFI	CSA
Austria	3,366	550,000	0	0
Belgium	4,342	0	0	0
Canada	35,553	0	3,940,000	5,350,000
Croatia	245,798	0	0	0
Czech Republic	10,441	0	0	0
Denmark	408	0	0	0
Estonia	517	0	0	0
Finland	0	21,900,000	0	0
France	13,263	0	0	0
Germany	315,839	4,328,537	0	0
Greece	0	0	0	0
Hungary	60,720	0	0	0
Ireland	438,000	0	0	0
Italy	11,000	0	0	0
Latvia	3,088	0	0	0
Luxembourg	0	0	0	0
Malta	0	0	0	0
Netherlands	70,075	0	0	0
Norway	5,100	8,400,000	0	0
Poland	3,806,160	0	0	0
Portugal	0	0	0	0
Romania	0	0	0	0
Russian Federation	184,515	0	0	0
Slovakia	0	0	0	0
Slovenia	0	0	0	0
Spain	0	0	0	0
Sweden	10,138,298	1,600,000	0	0
Switzerland	60,535	0	0	0
Turkey	0	0	0	0
Ukraine	0	0	0	0
United Kingdom	1,051,233	0	0	0
United States	2,992,850	0	8,500,000	0
TOTAL	**19,451,101**	**36,778,537**	**12,440,000**	**5,350,000**

Sources: Network of UNECE region country correspondents, 2001.; FSC, 2001; PEFC, 2001

5.2. Status of Ongoing Initiatives

Tables 2 and 3 present the status of FSC and PEFC initiatives respectively in the UNECE region. Regarding both FSC and PEFC, establishing a working group is planned in several countries. Although national or regional FSC standards have been finalised only in few countries, most of the FSC working groups are currently developing national and/or regional standards. For example, drafts of national FSC standards have been published in Estonia, Finland, Latvia and Poland.

TABLE 2
Status of FSC in the UNECE region, mid 2001

COUNTRY	*Working group establishment*	*Standard development*	*Forest auditing and certification*	*Chain of custody certification*
Austria	ongoing	ongoing	X	X
Belgium	endorsed	endorsed	X	X
Canada	endorsed	endorsed (some regional standards)	X	X
Croatia			X	
Czech Republic	ongoing	ongoing	X	
Denmark	endorsed	ongoing	X	X
Estonia	completed	ongoing	X	
Finland	ongoing	ongoing		
France	ongoing		X	X
Germany	endorsed	endorsed	X	X
Hungary			X	X
Ireland	endorsed	ongoing	X	X
Italy	ongoing	ongoing	X	X
Latvia	completed	ongoing	X	X
Netherlands	endorsed	completed	X	X
Norway	completed	completed	X	X
Poland	completed	ongoing	X	X
Romania	ongoing	ongoing		
Russian Federation	completed	ongoing	X	X
Slovakia	ongoing	ongoing		
Spain	ongoing	ongoing		
Sweden	endorsed	endorsed	X	X
Switzerland	ongoing	ongoing	X	X
Turkey	ongoing			
UK	endorsed	endorsed	X	X
Ukraine	ongoing	ongoing		
USA	endorsed	completed (some regional standards)	X	X

Sources: FSC, 2001; Network of UNECE region country correspondents, 2001.

TABLE 3
Status of PEFC in the UNECE region, mid 2001

COUNTRY	*Working group establishment*	*Standard development*	*Forest auditing and certification*	*Chain of custody certification*
Austria	completed	endorsed	X	
Belgium	completed	completed		
Czech Republic	completed	endorsed		
Denmark	ongoing	ongoing		
Estonia	ongoing			
Finland	completed	endorsed	X	X
France	completed	endorsed		
Germany	completed	endorsed	X	X
Greece	completed			
Hungary	ongoing	ongoing		
Italy	completed			
Latvia	completed	endorsed		
Luxembourg	completed	ongoing		
Norway	completed	endorsed	X	X
Poland	ongoing			
Portugal	completed	completed		
Russian Federation	ongoing	ongoing		
Slovakia	ongoing	ongoing		
Slovenia	ongoing	ongoing		
Spain	completed	completed		
Sweden	completed	endorsed	X	X
Switzerland	completed	completed		
UK	completed	completed		
Ukraine		ongoing		

Sources: PEFC, 2001; Network of UNECE region country correspondents, 2001.

According to respondents, there are also several national certification schemes in the UNECE region. Some of these have already been or will be endorsed by FSC or PEFCC. In Russia the National Mandatory Forest Certification System has been tested in some regions. In Ukraine, the National Forest Certification System has been initiated. Some areas in Germany have been certified with the Naturland system (25,000 ha).

With 10,530,000 hectares in the United States, the American Forest Foundation's (AFF) American Tree Farm System continues to evolve. The most remarkable development has involved a third party ISO- type audit to verify the certification processes. The audit is a part of continuous improvement, which was agreed upon in the mutual recognition agreement between the American Tree Farm System and SFI in May 2000 (The American Tree Farm System, 2001).

Chapter 6 - STATUS OF THE MARKETPLACE

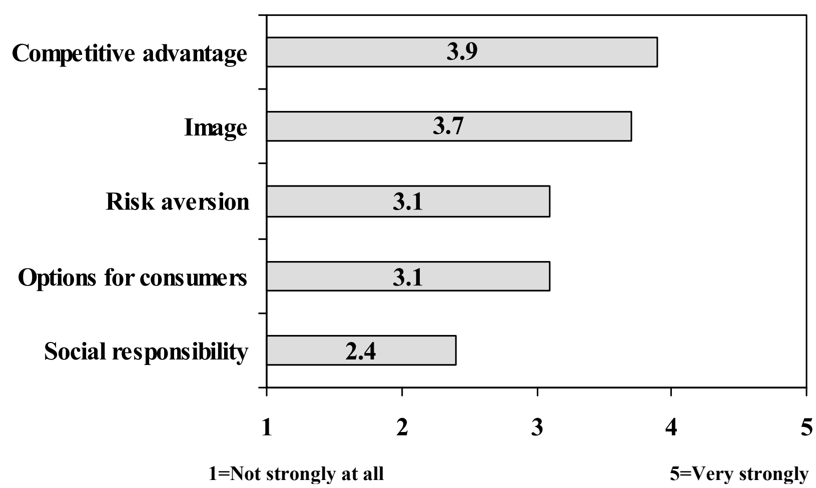
6.1. Development of Demand for Certified Forest Products

The development of demand was considered in the survey through five factors that may drive demand for certified forest products (Graph 11).

Certified forest products have significant potential to provide a company with a competitive advantage and respondents saw this as a strong demand driver. Image enhancement is also considered to be a strong demand driver. The low rating for social responsibility suggests that respondents do not feel that demand originates from idealistic, "do the right thing" mentalities.

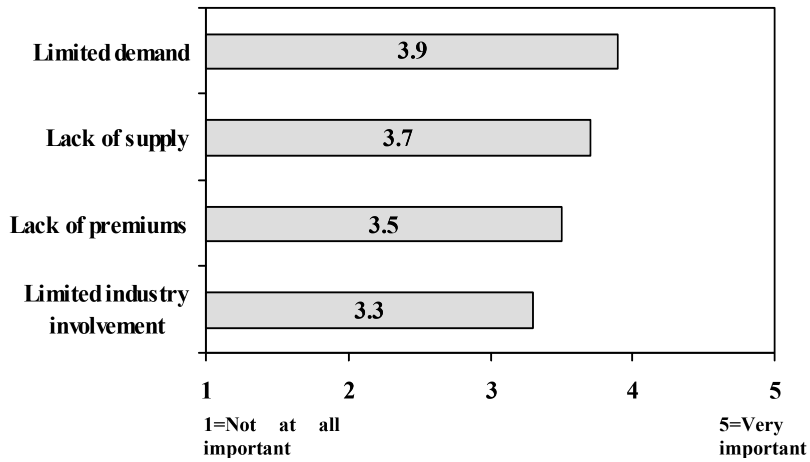
GRAPH 11

Drivers of demand for certified forest products



GRAPH 12

Factors limiting market development for certified forest products

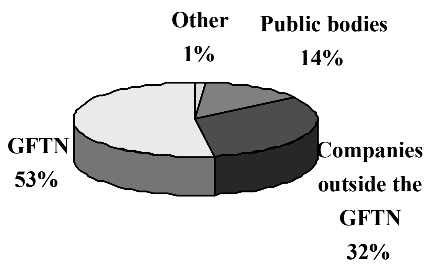


Respondents rated four factors that may limit market development (Graph 12). All four factors were considered to be relatively important in limiting market development. The most important is limited demand, as the respondents currently see demand as very low. On the other hand, there are many examples of companies experiencing difficulties in procuring FSC certified forest products, something resulting from the relative infancy of the market as discussed in previous DPs. Lack of supply was rated very similarly to limited demand, another indicator of this new and underdeveloped market.

Regarding demand, respondents were also requested to estimate how the total demand for certified forest products is divided among different bodies. Respondents felt that over half of demand is created by the WWF Global Forest and Trade Network (Graph 13).

GRAPH 13

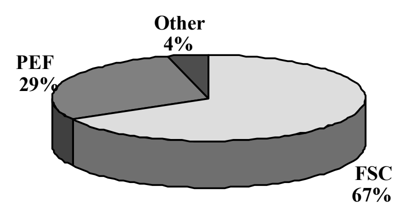
Distribution of demand for certified forest products among different bodies



The distribution of demand among different certification schemes was considered by asking respondents to estimate the share that different schemes represent of the total demand for certified forest products (Graph 14). Over two-thirds of demand is considered to be for FSC labelled products. This is a larger proportion than the demand represented by the Global Forest and Trade Network (Graph 13). However, certified forest products as a proportion of total consumption was reported to be very low (over 90% of the respondents state that the consumption is 5% or less of the total paper and wood products consumption). Thus, the results regarding the distribution of demand apply to only a small percentage of the total forest products trade.

GRAPH 14

Distribution of demand for certified forest products among different schemes



The most important export markets for certified forest products are considered to be the United Kingdom, Germany, and the Netherlands. The UK, Germany, and the Netherlands each have strong organisations that are members of the Global Forest and Trade Network. Members of these groups represent significant volumes of demand. In addition, the publicity and press received by the actions of these groups likely creates a strong perception of the existence of demand.

6.1.1. The Global Forest and Trade Network

Thus far considerable demand for certified forest products has been created by the Global Forest and Trade Network, whose members are committed to buying from sustainably managed resources. This commitment currently means a preference for FSC certified products. There are 14 different groups (formerly referred to as Buyers' Groups) and nearly 700 companies in the Network. The Network is being constantly developed by WWF. In many cases the demand for FSC products represented by members of the Network has been greater than the supply. As a response, WWF aims to increase production by forming producer networks in different countries. The first such group was established in Russia in April 2000 (WWF, 2001).

New Network members are planned in Japan, Hong Kong, and Italy. Country correspondents also reported that producer networks are being initiated in Slovakia and the Czech Republic. An overview of members is provided in Table 4.

TABLE 4
Global Forest and Trade Network Membership

Country	Group Name	Member Companies	
		2001	2000
Australia	WWF's Oceania Forest and Trade Network	6	4
Austria	WWF Gruppe '98	28	25
Belgium	WWF Club 97	52	41
Brazil	Compradores de Madeira Certificada	50	38
France	WWF Club Proforets	11	9
Germany	WWF Gruppe 98	56	58
Ireland	Irish Sustainable Timber & Forests Initiative	7	6
Netherlands	Stichting Goed Hout!	48	41
North America	Certified Forest Products Council (CFPC)	231	239
Russia	WWF Russian Timber Producers Group	19	6
Spain	WWF-Grupo 2000	11	13
Denmark, Finland, Norway, Sweden	WWF Skog 2000	38	33
Switzerland	WWF WOOD GROUP	25	20
United Kingdom	WWF 95+ Group	106	102

Source: WWF, 2001; Network of UNECE region country correspondents 2001; Hansen et al. 2000

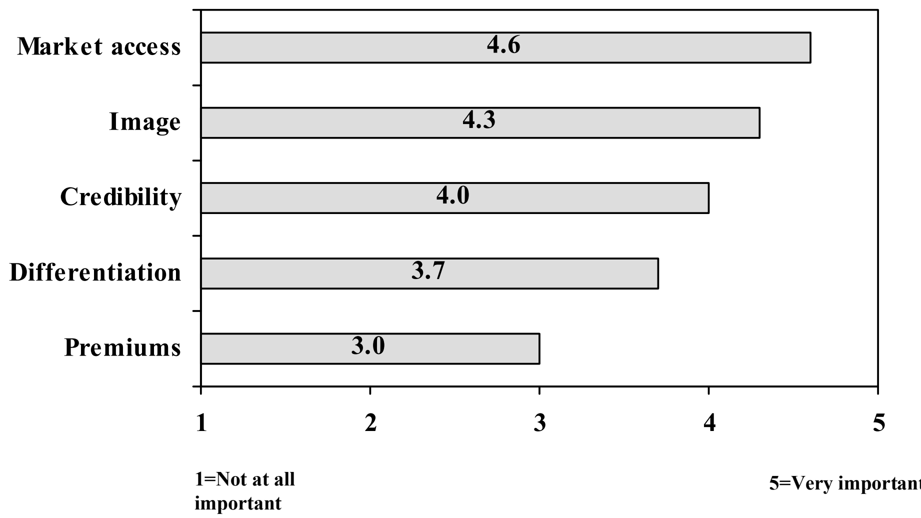
Many Network member companies have announced their commitment to buy only FSC certified forest products. For example, the leading German DIY chain, Obi, has made this commitment. The company requires a credible and widely accepted system and it currently sees FSC as the only competitive alternative. The company will gradually shift from non-certified to certified forest products (OBI, 2001). Praktiker, another German DIY retailer, set a goal of 30 percent FSC certified timber of its total wood products turnover for the coming years. The company is prepared to source its timber from abroad if the supply of German FSC certified timber does not meet its needs. Another large European DIY group, Castorama, has also stated its preference for wood products with the FSC label and aims to buy only FSC certified forest products within five years (WWF, 2001). In Switzerland, one of the country's leading retailers, Jumbo-Markt, made a commitment to offer only FSC certified wood products by 2005 in order to reduce confusion among customers (WWF, 2001). The largest producer of veneer panelling in Europe, Decospan, is committed to buying wood from sustainably managed forests and sees buying FSC certified timber as a response to customer demands for environmentally friendly products (Decospan, 2001).

6.2. Supply of Certified Forest Products

Respondents rated five different issues regarding why a company would choose to supply certified forest products (Graph 15).

GRAPH 15

Reasons to supply certified forest products



Market access was again perceived to be the most important motive for supply. In fact, none of the respondents considered it as unimportant. Image is considered to be the second most important reason for suppliers. The mean rating for premiums was exactly on the scale midpoint suggesting that it is not currently a very important reason for choosing to supply certified products.

Respondents found it difficult to estimate which countries may be the most important suppliers of certified forest products to their country. Sweden, Finland and Germany were mentioned most often, but many respondents stated that there are no countries currently supplying certified forest products to their countries.

On the other hand, the demand and supply can be considered as system specific. Whereas the demand for FSC certified forest products is growing, the first PEFC certified products were only recently introduced to the marketplace. Since PEFC certified area is increasing rapidly, the ability to deliver certified forest products to the marketplace will also increase in the future.

Chapter 7 - FUTURE DEVELOPMENTS

The respondents emphasise very strongly the importance of mutual recognition for the success of certification in the future. Several correspondents report that establishing working groups or finalising forest certification can be expected in the near future. It is likely that certified forest area under different schemes will continue to increase. For example, if estimates by AF&PA hold, the area of third party certified SFI forestland could double during the next year. More certified forest products can also be expected in the marketplace. Although certification development in the forests is progressing, several respondents state that the slow progress of mutual recognition is causing confusion in the marketplace and that existence of competing schemes is deteriorating communication.

Especially PEFC has grown dramatically during the past year. Until recently, the development has mainly involved increase in the certified forest area. As the first PEFC certified forest products have recently entered the marketplace, the need to activate the demand for PEFC certified forest products has emerged. While PEFC has been a success in the forests, FSC has the leading position in the markets for the present. The Global Forest and Trade Network has significantly contributed to this, as it actively promotes FSC. In order to gain market acceptance, other certification schemes need similar initiatives in the marketplace to activate demand for their products.

As with the historical development of forest certification, it can be expected that ENGOs will continue to play a significant role. Continued concentration by ENGOs on the forest certification issue will force all systems to continue to develop. It must be remembered that a majority of demand for certified products is a direct result of ENGO efforts in establishing the GFTN. Demand for certified forest products is a very small proportion of total demand and final consumer demand has yet to materialise.

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ANNEX 1: REQUEST FOR INFORMATION

Note: The "European version" of the request for information below was slightly modified, either in names of schemes, or by the adjoining cover letter, when sent to the United States, Canada and individual certification schemes and GFTNs.

REQUEST FOR INFORMATION ON CERTIFIED FOREST PRODUCTS MARKETS AND FOREST CERTIFICATION IN EUROPE IN 2001

Contact details of the respondent:

Name: ____

Address: ____

____

Country: ____________________ **Telephone no.:** ____________________

Fax: ____________________ **E-mail:** ____________________

1. How well are the following prerequisites for forest certification met in your country? Please answer each statement by checking the appropriate box.

PREREQUISITE	Very well				Not well at all
Domestic demand for certified forest products exists.	(__)	(__)	(__)	(__)	(__)
Export demand for certified forest products exists.	(__)	(__)	(__)	(__)	(__)
Current benefits of certification exceed costs.	(__)	(__)	(__)	(__)	(__)
The government is favourable towards certification.	(__)	(__)	(__)	(__)	(__)
Broad-based stakeholder participation for standard development has been well arranged.	(__)	(__)	(__)	(__)	(__)
Certification has an important role to play in striving for sustainable forest management.	(__)	(__)	(__)	(__)	(__)

2. What are the general attitudes of different stakeholder groups regarding the concept of forest certification (regardless of system) in your country?

	Very favourable				Completely against
Forest owners	(__)	(__)	(__)	(__)	(__)
Forest industry	(__)	(__)	(__)	(__)	(__)
Domestic retailers	(__)	(__)	(__)	(__)	(__)
Foreign retailers	(__)	(__)	(__)	(__)	(__)
Domestic industrial customers	(__)	(__)	(__)	(__)	(__)
Foreign industrial customers	(__)	(__)	(__)	(__)	(__)
Domestic consumers	(__)	(__)	(__)	(__)	(__)
Foreign consumers	(__)	(__)	(__)	(__)	(__)
Environmental groups	(__)	(__)	(__)	(__)	(__)
Other, please state ______________________	(__)	(__)	(__)	(__)	(__)

3. What are the main drivers of ATTITUDES for each of the following stakeholder groups? Please rank the 2 most important for each group. (1 = the most important driver, 2 = the second most important driver)

DRIVER	***GROUP*** Forest owners	Forest industry	Industrial customers
Expected premiums	___	___	___
Expected loss of income	___	___	___
Importance of environmental image	___	___	___
Importance of certification as a communication tool	___	___	___
Improved market access	___	___	___
Contribution of certification to sustainable forest management	___	___	___
Improved marketing and networking	___	___	___
Lack of knowledge	___	___	___
Other, please state ______________________________	___	___	___

4. What area of forest is covered by certification in your country at present? Please give your best estimate.

Certification system	**Area (hectares)**	**Percentage increase of certified forest expected by the end of 2003**
FSC		
PEFC		
ISO 14001		
Other, please state		
Other, please state		
Total		

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

	FSC	*PEFC*	*Other, please state* ________________
Formation of a stakeholder group for consultation	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed
Standard development	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed
Accreditation of domestic certifiers	(__) 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
Chain of custody certification	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed
Certified products sold in domestic or export market by domestic suppliers	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed
Other, please state ______________________ ______________________	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed	(__) not started (__) ongoing (__) completed

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

	FSC	PEFC	ISO 14001	Other, please state ____________________
Forest owners	___	___	___	___
Environmental groups	___	___	___	___
Forest industry	___	___	___	___
Government	___	___	___	___
Domestic retailers	___	___	___	___
Foreign retailers	___	___	___	___
Domestic industrial customers	___	___	___	___
Foreign industrial customers	___	___	___	___
Domestic final consumers	___	___	___	___

7. Which of the following factors do you consider to be the most important in driving forest certification in your country?

	Very important				Not at all important
Market demand	(__)	(__)	(__)	(__)	(__)
Improved market access	(__)	(__)	(__)	(__)	(__)
Desire to be socially responsible	(__)	(__)	(__)	(__)	(__)
Support from government	(__)	(__)	(__)	(__)	(__)
Pressure from environmental groups	(__)	(__)	(__)	(__)	(__)
Expected premiums	(__)	(__)	(__)	(__)	(__)
Other, please state	(__)	(__)	(__)	(__)	(__)

____

8. How much do the following factors hinder the development of forest certification in your country today?

	Very much				Not at all
Conflicting stakeholder interests	(__)	(__)	(__)	(__)	(__)
Lack of institutional frameworks	(__)	(__)	(__)	(__)	(__)
Lack of domestic demand	(__)	(__)	(__)	(__)	(__)
Lack of export demand	(__)	(__)	(__)	(__)	(__)
Level of certification costs	(__)	(__)	(__)	(__)	(__)
Lack of forest owner interest	(__)	(__)	(__)	(__)	(__)
Lack of mutual recognition between certification systems	(__)	(__)	(__)	(__)	(__)
Government attitudes	(__)	(__)	(__)	(__)	(__)
Inability to promote sustainable forest management with forest certification	(__)	(__)	(__)	(__)	(__)
Practical level difficulties (e.g. difficulties in standard development or in organising auditing)	(__)	(__)	(__)	(__)	(__)

9. Please list the main developments regarding forest certification that have taken place in your country over the past 12 months.

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10. Please list the main issues of forest certification you expect in your country over the next 12 months.

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FOR QUESTIONS 11, 12, 13 AND 14, PLEASE PROVIDE YOUR BEST ESTIMATES.

11. How is the demand for certified forest products divided 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	____ %
Other, please state ________________________________	____ %
	100% TOTAL

12. How is demand divided among the following certification systems? Please estimate the share as the percentage of the total demand for certified forest products in your country.

	PERCENTAGE
FSC	____ %
PEFC	____ %
Other, please state ________________________________	____ %
Other, please state ________________________________	____ %
	100% TOTAL

13. Of the paper and wood products consumed in your country, which percentage is certified (carrying forest certification label)?

	PERCENTAGE
Paper industry	____ % certified products of the total consumption
Wood industry	____ % certified products of the total consumption

14. What percentage of certified forest products produced in your country are exported as labelled certified forest products?

________ %

15. What are the major export markets for certified forest products from your country? Please list in order of importance.

RANK	COUNTRY
1.	______________________
2.	______________________
3.	______________________
4.	______________________
5.	______________________

16. In your opinion, how strongly are the following factors driving demand for certified forest products in your country?

	Very strongly				Not strongly at all
Desire to be socially responsible	(__)	(__)	(__)	(__)	(__)
Competitive advantage	(__)	(__)	(__)	(__)	(__)
Risk aversion	(__)	(__)	(__)	(__)	(__)
Image enhancement	(__)	(__)	(__)	(__)	(__)
Providing options for final consumers	(__)	(__)	(__)	(__)	(__)

17. Is The WWF Global Forest and Trade Network currently active in your country?

(__) A buyers' network is in operation.

(__) A buyers' network is being planned.

(__) A producers' network is in operation.

(__) A producers' network is being planned.

(__) No, the network is not currently active in my country.

18. How important would you consider the following factors in limiting market development for certified forest products?

	Very important				Not at all important
Lack of supply	(__)	(__)	(__)	(__)	(__)
Limited demand	(__)	(__)	(__)	(__)	(__)
Limited industry involvement	(__)	(__)	(__)	(__)	(__)
Lack of premiums	(__)	(__)	(__)	(__)	(__)
Other, please state	(__)	(__)	(__)	(__)	(__)

____

19. In which product groups are certified forest products available in your country? Please estimate availability separately for each scheme in use in your country.

	FSC	PEFC	Other, please state ____________________
Pulp and paper products	(__)	(__)	(__)
Sawn timber	(__)	(__)	(__)
Furniture	(__)	(__)	(__)
Construction materials	(__)	(__)	(__)
Wood-based panels	(__)	(__)	(__)

20. How important would you consider the following reasons for a company choosing to supply certified products?

	Very important				Not at all important
Premiums	(__)	(__)	(__)	(__)	(__)
Market access	(__)	(__)	(__)	(__)	(__)
Differentiation	(__)	(__)	(__)	(__)	(__)
Image	(__)	(__)	(__)	(__)	(__)
Credibility	(__)	(__)	(__)	(__)	(__)

21. Which countries are the most important suppliers of certified wood-based products to your country? Please list in order of importance.

RANK	COUNTRY
1.	______________________________
2.	______________________________
3.	______________________________
4.	______________________________
5.	______________________________

22. Do you have any additional information regarding certification developments that it would be useful to share?

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THANK YOU VERY MUCH FOR YOUR TIME!