



EU

Forest Watch

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www.fern.org

Informing NGOs, MEPs and European Commission officials. Issue 53, May and June 2001.

New report finds major flaws in PEFC claims

Fern's new report on forest certification has exposed serious flaws in the environmental and social claims of three of the biggest certification schemes.

Behind the Logo makes an in-depth comparison of the four biggest certification schemes – the Forest Stewardship Council (FSC), the Pan European Forest Certification (PEFC), the Canadian Standards Association (CSA) and the Sustainable Forestry Initiative (SFI). The comparison uses a set of criteria reflecting the demands of governments, industry and NGOs and concludes that, despite some flaws, the FSC is currently the only independent and

credible certification scheme on the market. Of the remaining schemes, the PEFC receives the most criticism, especially for its on-going logging of old-growth forest, its systems-based procedures that differ from country to country and its unbalanced voting system, which favours economic interests over environmental and social concerns. In the context of PEFC's aggressive push for market visibility and access, these issues are of particular concern.

In addition to the PEFC, the CSA and SFI are also criticised in the report. All three schemes fail to recognise the rights of forest peoples, and certify wood

from old-growth forests.

In a joint statement issued with Fern's report, more than 40 NGOs including WWF, Greenpeace and Friends of the Earth endorsed the FSC as "the only credible forest certification system that we can recommend to consumers or promote among forest managers, policy makers and the public."

Behind the Logo is based on six in-depth case studies investigating certification schemes in Germany, Finland, USA, Canada, Sweden and France. For a copy of the statement, summary, full report and case studies, visit Fern's web site at www.fern.org.

UNFF kicks off Greenwash for carbon sinks

As *EU Forest Watch* goes to print the first substantive session of the United Nations Forum on Forests (UNFF) is ending. Hope as well as cynicism accompany the birth of UNFF, which has still to prove it is more than a talking shop. The Collaborative Partnership on Forests, whose members include the World Bank, the FAO, UNEP and others, will guide key UNFF activities, including implementation of the IPF Proposals for Action. Watch this space for a report on the outcome of UNFF1 or catch up at:

www.fern.org

www.wrm.org.uy

www.forestpeoples.org

www.un.org/esa/sustdev/

www.iisd.ca

Even before the future of carbon sinks in the Clean Development Mechanism (CDM) is debated at COP6b in Bonn, DG Environment has entered this controversial arena with a workshop exploring the "synergies" between forest certification and carbon sinks.

Reports from the April meeting suggest that a narrow spectrum of interests was represented, with NGOs limited to a token two out of sixty invitees. However, the anticipated outcomes – support for merging forest and carbon certification and enthusiasm for mutual recognition for certification schemes – were not forthcoming.

One EU official said it may "be fatal for certification if governments messed

with this private sector tool" – which cautions against premature calls for a European Framework on certification. On mutual recognition Fernand Thurmes, Director of the DG's Global Affairs Unit which funded the workshop, noted that: "Between the world's existing forest certification schemes, quite a bit of difference exists".

Doubts such as these echo the findings of Fern's report *Behind the Logo* (see above) and we urge the Commission to carefully consider its position before its follow-up workshop on mutual recognition in September.

For details of the workshop see www.northsea.nl/jiq/forestcertification.



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Carmanah Valley, Canada.

Like many tropical forests, this temperate rainforest is the focus of a land rights

dispute and an environmental campaign. NGOs and forest peoples have joined forces to protect the valley from clear cutting.

NEWS IN BRIEF

New figures on global forest cover

Figures showing an annual loss of 16.1m hectares of the world's natural forest have been released by the Food and Agriculture Organisation (FAO). Comparing forest cover in 1990 and 2000, the findings show a staggering loss of 93,974,000 hectares of all forest areas in ten years. See www.fao.org for details.

DGs put management plans online

DG Environment and DG Enterprise have made their management plans available to the public online. The plans offer an overview of the agenda for the coming two years, including the review of the EU's Forestry Strategy; the integration of environmental concerns into regional policy; and DG Environment's work on UNFF, CBD and UNFCCC. Both plans are available at the DGs websites at: <http://europa.eu.int/comm/dgs/>

New briefing on certification

Fern's new briefing note on forest certification within the European Community will soon be available. Included is a list of EU documents, directives and regulations referring to forest certification and an overview of relevant initiatives taken by the European Institutions. There are also details of recent discussions on misleading claims and public procurement, both of which are likely to have an impact on certification within the EU. See www.fern.org.

Sixth EAP adopted

The Environment Council has approved the Sixth Environmental Action Programme (EAP) which sets out the environmental priorities for the Community Strategy on sustainable development, to be adopted in Gotenborg in June. Disappointingly, the forest sector is hardly mentioned (see *Forest Watch* 50).

New rules for ECAs

The OECD countries are close to announcing new environmental 'recommendations' for Export Credit Agencies (ECAs). Although still confidential, sources report that the draft recommendations are a far cry from the binding guidelines demanded by environmental and social NGOs. Furthermore, there has been almost no consultation with NGOs on these recommendations.

ECAs are nationally supported financial institutions that provide financial export credits and guarantees to encourage the overseas trade and investment activities of private companies. During the 1990s,

ECA financing averaged \$80-\$100 billion or more per annum – roughly twice the level of the world's total official development assistance. ECAs are involved in many destructive projects, from pulp and paper mills to nuclear power plants and large dams.

Currently, European ECAs are subject to no binding environmental, human rights or development guidelines.

A coalition of NGOs, including Fern, have decided to step up their ECA campaign to push ECAs to adopt new and binding guidelines and to increase awareness of ECA practices at the EU level.

Sold Down the River

In a major new report from Forests Monitor, 16 of Europe's major log processing companies are accused of exacerbating poverty, causing illegal deforestation and contributing to the erosion of local people's rights in six Central African countries.

Sold Down the River investigates the habitual business practices of companies from Italy, Germany, the Netherlands, Denmark, France, Portugal and Spain, and describes the environmental and social destruction wreaked by these companies - many of whom are breaking international regulations.

Sold Down the River is available from Forests Monitor, fmonitor@gn.apc.org.

Green claims

The European Commission has proposed a new way to stop companies making unsubstantiated green claims, that could impact on forest products. The Commission states that unreliable or misleading green claims limit the potential of serious eco-label schemes, discourage companies to invest in more environmentally friendly products and services and de-motivate consumers to look for 'greener' products and services.

Further details of the April workshop are available at: http://europa.eu.int/comm/consumers/policy/developments/envi_clai/.

Forest Agenda

21 June: Meeting of the European Working Group on Amazonia at the European Parliament, Brussels.

28 June: NGO meeting on forests and trade, organised by Fern, Brussels.

29 June: European Commission

meeting on forests and trade, Brussels.

16-27 July: COP6b of the UNFCCC, Bonn.

18 July (provisional): Meeting of NGOs and IP support groups to discuss implementation of the EU resolution on Indigenous Peoples. Organised by Rainforest Foundation.