

The use of public procurement policy to achieve sustainable development objectives has increased steadily over the past decade. Amongst the various “green procurement” initiatives, forestry is a sector which received much attention. However, unlike areas such as product safety or energy efficiency, the use of public procurement to enhance sustainable forest management (SFM) is extremely complex – largely because the elements of SFM are broad ranging, variable, and to some extent controversial.

Recent developments at European and national levels indicate the increasing importance of forest certification schemes in public procurement policies. At the national level, several EU Member States have already implemented or are going to implement public procurement policies aimed to support well-managed forestry, in which certification schemes may play a central role.

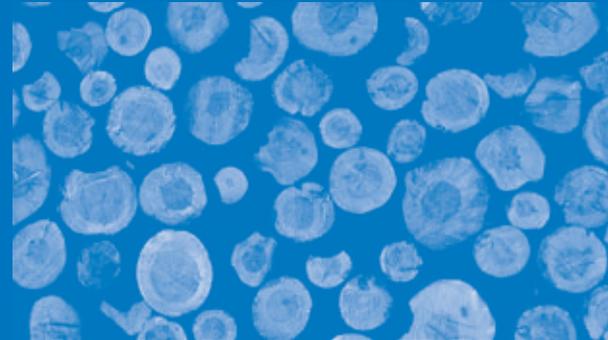
Against this background, this brochure analyses the linkages between public procurement and forest certification. It contains also a survey and comparison of some of the major forest certification schemes: FSC, PEFC, CSA, MTCC and SFI. This brochure is based on a study which was generously co-funded by the European Commission.

## Ecologic Briefs

### Public Procurement and Forest Certification:

#### Assessment of the Implications for Policy, Law and International Trade

#### Comparing major certification schemes: FSC, PEFC, CSA, MTCC and SFI



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## Public Procurement and Forest Certification:

### Assessment of the Implications for Policy, Law and International Trade

### Comparing major certification schemes: FSC, PEFC, CSA, MTCC and SFI

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## Introduction

The use of public procurement policy to achieve sustainable development objectives has increased steadily over the past decade. Amongst the various “green procurement” initiatives, forestry is a sector which has received much attention. However, unlike areas such as product safety or energy efficiency, the use of public procurement to enhance well-managed forestry or sustainable forest management (SFM) is extremely complex – largely because the elements of SFM are broad ranging, variable, and to some extent controversial.

Recent developments at European and national levels indicate the increasing importance of forest certification schemes in public procurement policies. At the national level, several EU Member States have already implemented or are going to implement public procurement policies aimed to support well-managed forestry, in which certification schemes may play a central role.

Against this background, the European Commission commissioned a study to analyse the linkages between public procurement and forest certification. Ecologic – in co-operation with Peter Sprang, Frederike Mechel and Chatham House – conducted this study which forms the basis of this brochure.

The first part of the brochure provides a summary of an assessment of the implications for policy, law and international trade. The following points are discussed:

- the possible contributions of public procurement rules to sustainable forest management,
- legal and policy obstacles to and opportunities for making such procurement rules fully effective,
- practical possibilities for and obstacles in the way of making procurement policies fully effective ,
- the implications of such policies for exporters, particularly from developing countries,
- the emerging challenges to and opportunities for using forest certification in the context of public procurement policy.

The second part of this brochure focuses on some of the central instruments grounding these policies. It summarises a survey of some of the major forest certification schemes: FSC, PEFC, CSA, MTCC and SFI and compares their various qualities.

The third part of this brochure offers a summary of an expert workshop on public procurement and forest certification, held on June 7th and 8th, 2005 in Berlin.

## Implications for Policy, Law and International Trade

### Project's Key Findings

Forest certification can be seen as a combination of three elements: standard setting, assessment and accreditation. The historic background to forest certification has been described as an alternative tool to the boycott of forest products, particularly from the tropics. Forest certification is frequently described as a market based incentive to encourage better management of forests. In this context, special emphasis is placed on the differences between performance-based and system-based certification approaches. The performance-based approach is seen as a key component in the discussion, as it provides the opportunity for procurement policies to be based on actual performance, for example, compliance with national law.

A survey of public procurement schemes with respect to their reference to forest certification identifies that as long ago as the 1970s, public procurement actions were aimed at achieving environmental objectives. In general, however, such action has been introduced more recently with the development of procurement policies in the UK, Denmark, France, the Netherlands and Germany, stimulated by the G8 Action Plan on Forests, and the Forest Law Enforcement and Governance (FLEG) process. An overview of developments in these countries identifies significant differences in the approaches taken. The UK compares favourably to the other countries since an analysis of different certification schemes was conducted by a Central Point of Expertise on Timber (CPET), classifying those which assure legality and sustainability.

### Certification and Public Procurement as a tool for sustainable forestry management

Defining "sustainability" poses significant difficulties and ISO guidelines do not favour this term for claims. This study uses consequently the term well-managed forestry. Therefore, the issues covered by international processes and debates on sustainable forest management can function as a reference basis. These issues range from technical and economic to social and environmental aspects. While both Denmark and the UK define legality as compliance with laws in the country of origin of the products, Denmark has taken the lead, maintaining that the social aspects for forestry must be addressed in addition to economic and environmental issues in order to ensure future supplies. The UK public procurement policy does not allow timber purchasers to insist on criteria that are not directly related to the subject matter of the contract. According to the UK, social criteria are subject to this exclusion.

There are different options for the scope of a procurement policy. While the Danish procurement policy applies only to tropical timber and excludes paper, British and Dutch (and in future the French) policies apply to all sources. In general, European countries have adopted different approaches which have resulted in a number of controversies. Furthermore governments are consumers (through public procurement) as well as regulators (through policies favouring forest products from sustainable sources) which may lead to a conflict of interests.

Different countries may vary in their approaches to public procurement; their judgements of individual schemes and what role certification should play. Questions have arisen over what documentary evidence, other than certification should be acceptable for public procurement. While different countries have come up with different answers to this question, all appear to demand that an independent assessment by an external body.

### Certification and Public Procurement: Issues of international and EU law

Regarding the impact of international law, there have been no legal rulings issued by WTO dispute settlement bodies that interpret the Agreement on Government Procurement (AGP) provisions relevant to this inquiry – therefore no authoritative views can yet be asserted. However, it appears that the AGP does allow considerable flexibility to procurement authorities to add sustainable development conditions to public procurement tenders. It is of critical importance that whenever there is a reference to a particular "trademark, etc", the words "or equivalent" are to be included in the tender documentation. Furthermore, it is stated that technical specifications should not have the purpose or effect of creating unnecessary obstacles to international trade. It is suggested that international standards should be used as technical specifications where they exist. Apart from tender specifications, additional entry points for SFM criteria are in the supplier qualification and award stages. All of this might allow procurement authorities to favour suppliers who can provide definite certification of well-managed forestry.

It therefore appears that certification schemes can be used as a basis for a public procurement policy as long as it is voluntary or if a reference is made to provisions for alternative documentation. Furthermore there is an option under WTO law to make exceptional provisions for the protection of animal, plant life, or health.

Regarding EU law, public procurement is covered by two new Directives<sup>1</sup>, which have to be transposed by member states into national law by the 31st of January, 2006. Traditionally, environmental criteria could only be considered to a very limited extent at the award stage. In 2002, the European Court

<sup>1</sup> Directive 2004/17/EC and Directive 2004/18/EC.

of Justice ruled that non-economic factors (such as noise levels or pollution) could be taken into account at the award stage as long as they follow certain criteria. These criteria were taken into consideration during the development of the new Directives, how exactly they can be applied, however, is as yet unknown.

The position of the EU law allows production methods to be specified, and criteria set out in Eco-labelling schemes can be referred to (without requiring a specific label to be used), though the methods must be relevant to the product being purchased. Alternatively, specific green requirements can be added to previous technical specifications. Furthermore, selection criteria and contract performance criteria, such as environmental factors, may be included in the contract or awards even if they are not of direct advantage to the contracting authority.

A guiding handbook has been issued by the European Commission which states that only those specifications which are related to the subject matter of the contract may be included. Purchasing authorities are given the green light to indicate in the contract notice or tender documents that a forest certification scheme will be accepted as a possible means of proof of fulfilment of these requirements, so long as equivalent means of proof are also acceptable.

While the subject is still under discussion, the Directives are viewed by some as broad enough to cover all sustainability criteria, including social issues. Certification schemes may cover areas not related to the performance and functional characteristics of the product (such as social issues involving forest-dependent people). This could cause difficulties since award criteria may not relate to matters of no direct economic concern to the contracting authority.

Some are in favour of a different approach, i.e. allowing national governments more flexibility in setting their own additional requirements, but requesting that they meet the non-discriminatory and transparency requirements of the Directives and the EC treaties.

### **Certification and Public Procurement: Practical possibilities and obstacles**

There are practical possibilities to making public procurement policies fully effective but also obstacles stand in the way. The policies are effective in that they exclude illegal timber from the market and ensure the use of timber from well managed forests. Choosing forest and chain of custody (CoC) certification has particular benefits and problems when used for a public procurement scheme. Forest certification may be a more effective tool than the equivalent alternatives, which have to be respected. If alternative methods are chosen for public procurement schemes, it may well be that these schemes are very efficient but at the high risk of not being effective at all. This is because of the difficulties faced in identifying the origin of the wood without the certification tools. An emphasis is placed on the importance of chain of custody certifi-

cation. In contrast a certificate of origin is useless for a public procurement scheme unless the complete link between the forest and the final buyer is established and independently verified.

A specific obstacle is the low level of natural forest management practised in many tropical countries, resulting in a lack of certified material from certain countries or specific types of wood for particular product groups. Special attention is given to the option to mix certified and non-certified material as long as this material can be verified to be from "uncontroversial" origins or is clearly "controlled wood".

A look at the impacts on developing country exporters, highlights the fact that the area of credibly certified forestry in the tropics is significantly lower than those in the temperate and boreal zones. While countries such as Brazil and Bolivia with exceptional large areas of certified tropical forestry exist, a general picture for the situation can be drawn which calls for special status for developing countries with certain minimum criteria, offered as a starting point on the path to full certification.

The fact that some certificates in the tropics have had to be suspended, clearly demonstrates how socio-political circumstances can work in opposition to good forestry management. Developing countries face many constraints, in particular lack of funding or qualified staff to improve forest management practices. Those companies which have committed time and money to achieving certification should receive the market benefits by receiving public procurement orders first. However these are few and far between and thus, the use of certified forest products from developing countries in meeting public procurement targets will be rather small. This means that exporters from developing countries need alternative methods of documentation to demonstrate their compliance to lower standards in order to satisfy the demands from procurement authorities. Methods of alternative documentation have been established, such as the participation in forest certification support programmes, stepwise certification or compliance with the FSC controlled wood standard.

## Conclusions from the project

Given that most wood in developing countries is not certified, there must be viable opportunities for non-certified wood, lest the procurement policy be subject to challenge in the WTO by those parties to the AGP from countries where certification, or the certification system of choice, has not been mainstreamed.

Issues relating to the equivalence of different certification schemes are still very real. This could become problematic, given that in some EU countries, such as Austria, Belgium, Germany, Finland, and France, governments<sup>2</sup> seem to have been rather involved in the process of establishing the PEFC, while in others, apart from market demand, ENGOs exert sufficient influence to shift public opinion towards FSC.

The differences between the ways different procurement approaches handle the social aspects of “sustainable” forest management are very significant and, in several respects, very complex. On the one hand, in principle, there is no reason for including some of the more indirect environmental or ecosystem impacts in the category of legitimate factors, while excluding the social impacts. It has also been speculated, that the social impacts of certification are probably positive. However, the reality is that there is much less international consensus on social issues and assessing social impacts than there is on environmental impacts and their assessment. There are also significant differences between the main certification schemes on social issues. These differences would need to be examined more closely by those countries that include social issues in their procurement policy. It is therefore suggested that the EC facilitates independent processes to help develop harmonized standards. Special attention may be given to clarify controversial social and environmental aspects.

Using forest certification as a basis for a public procurement scheme, is seen as a practical possibility, which gives full recognition to those suppliers who have invested in and reached a high level of performance. There is an opportunity for the further development of the “step-wise” approach to certification in recognition of the difficulties experienced by forest stakeholders, especially in developing countries, as well as the desirability of providing short-term incentives. This is a complicated and controversial approach, since it involves a delicate balance that should not compromise existing standards and processes. An ITTO workshop on this topic recommended that a first step might be to focus on legality. There appears to be some private initiatives, such as the CSP and TFT, which have developed procedures for identifying forests that are on their way to sustainability. Governments could build on this.

<sup>2</sup>In the case of Germany, it was not the federal government, but rather states who supported PEFC certification.

## A survey and comparison of major certification schemes

### Project's Key Findings

There has been both a proliferation of forest certification schemes and an increase in their complexity over the last 15 years. Distinguishing between the schemes from their technical documents is becoming increasingly difficult. The comparison below therefore tries to include aspects of implementation of schemes. The major forest certification schemes: FSC, PEFC, CSA, MTCC and SFI are discussed.

### Forest Stewardship Council (FSC)

The first forest certification scheme was established in 1989. This directly evolved into the Forest Stewardship Council (FSC) which was set up with its current name and form in 1989. The FSC applies one system of certification worldwide. A separate unit of the FSC accredits certification bodies and standards but so far has not endorsed or mutually recognized any other scheme.

FSC is exceptional in that it has received continuous support from a large range of different interest groups (some whom previously had problems coming to a compromise with each other). This meaningful participation is possible due to the balance of powers within the FSC voting system and the transparency of report findings which support the possibility of suspension.

Findings indicate that the FSC operates exclusively under publicly available performance standards which are generally more strict than those of other schemes. FSC carries out more audits than other schemes.

The FSC allows certification bodies to use interim standards in countries without a national scheme/standard. This can lead to inconsistencies in the development of FSC standards. In the Baltic states, FSC certification using the interim standard seems to have worked well with the particular problems and type of forestry found here. However, in other countries such as the Ukraine where the participation of interest groups is not so well established, such an approach is problematic.

A review of publicly available Corrective Action Requests (CARs) allows the performance of the FSC as a certification body to be measured. In most cases, a significant improvement of forest management is apparent.

Unlike other forestry certification schemes, the FSC uses a chain of custody (CoC) approach to certification and claims that certified wood comes from “well managed forestry”. This claim is consistent with the ISO guideline mentioned above. FSC has developed new options for companies which mix FSC and non-FSC material, including a system and standard for the “control” of the non-FSC part (shall not include timber which is illegally harvested, genetically

modified, from high conservation value forest or from areas where the rights of indigenous people are violated).

Finally, FSC has a greater range and quantity of products available than other schemes, and the FSC logo has a higher level of consumer recognition than any other certification scheme.

### PEFC (Platform for the Endorsement of Forest Certification schemes)

The PEFC (Platform for the Endorsement of Forest Certification schemes) has provided a world-wide framework for mutual recognition of forest certification schemes since 2002 (on the European level since 1999). PEFC offers a link between certification and processes which was initially started as policy guidelines. One example is the Ministerial Conferences for the Protection of Forests in Europe (MCPFE) which uses the Pan European Operational Level Guidelines (PEOLG) as a reference basis for PEFC certification standard development. In 2005, PEFC was the largest scheme in terms of certified area and the fastest in terms of growth.

Subject to successful endorsement of standards and procedures, the control of implementation of the certification and accreditation process lies at a national level. The PEFC trade-mark licences are issued centrally by the PEFC secretariat in Luxembourg.

In terms of key supporters, the PEFC is favoured by forest owners' associations and several members of the forest industry, but various international ENGOs persistently refuse to support or even participate in the scheme. They point out that decision making mechanisms do not ensure that a major stakeholder group cannot dominate the decision making process.

One of the major differences between the PEFC and the FSC is the larger degree of variation among its endorsed schemes and standards, auditing or accreditation. Transparency issues have been a problem for PEFC. Until 2005, only one PEFC member (Germany) had made report findings publicly available. For many states of Germany, these reports did not identify any significant changes. This information, if available in more detail and for more countries, could have been helpful to measure the impact of PEFC certification. PEFC's latest revision of the certification procedures includes the requirement that such findings should be made available to the public. At the time of writing this report, it was too late to benefit from the new information. In addition, it was too early to assess if this requirement will actually be implemented<sup>3</sup>.

There is evidence that PEFC has endorsed schemes and standards which are system based and only show weak performance elements. At least one PEFC endorsed standard (CERFFLOR of Brazil) allows the use of genetically modified

<sup>3</sup>So far only one example is recorded of the PEFC suspension of the Swiss Q-label scheme for three reasons, one the failure to provide public summaries of certification reports. PEFC-News, dated 18th of November, 2005.

organism (GMO), and another PEFC standard (France) allows the use of GMO after public debate. This does not prove that there are not systems under the PEFC, which have developed clear performance standards with a higher level of ecological requirements.

One example from a PEFC endorsed certification on Tasmania (AFS – Australia) is chosen to illustrate that logging in ancient, high conservation value forests and converting them partially into plantations is acceptable under PEFC.

The PEFC Council permits a claim including the word "sustainable", which should not be done according to ISO guidelines. Consequently, a claim of "sustainability" should not be made, since it is not certifiable. Details of the PEFC CoC requirements, indicate that there is no effective system in place to exclude controversial sources from PEFC labelled products of mixed (certified and non-certified) origin.

### Canadian Standard Association (CSA)

The Canadian Standard Association (CSA) scheme is a classical example of a system based approach to certification, a finding supported by researchers, which included field tests at the end of 2004 and statements on the CSA webpage. Performance is defined locally, but little evidence exists that the performance requirements have been meaningful.

CSA was endorsed by PEFC in March 2005. CSA certified products may carry a PEFC label, since there is a strong CoC system, but no CSA logo. CSA itself does not make a claim of sustainability. The UK public procurement scheme has already recognised CSA at its first round of evaluation as ensuring both legality and sustainability.

### Malaysian Timber Council Certification (MTCC)

The Malaysian Timber Council Certification (MTCC) was founded in 1999 and is based on the International Timber Trade Organisation's (ITTO) Criteria and Indicators and the FSC's Principles and Criteria, but does not guarantee meaningful recognition of indigenous people's rights.

The MTCC includes a certification committee which selects auditors and peer reviewers and decides whether to certify based on their independent reports. MTCC is accredited on a national level and if the forest owner agrees, a summary of the certified FMU is made publicly available on MTCC's web site.

The Danish public procurement guidelines suggest the MTCC as proof of "legal and progressing to sustainable" forestry, but the FERN report<sup>4</sup> does not recognise its standard as performance based. By November 2005, PEFC and MTCC had not reached an agreement on mutual recognition.

<sup>4</sup>FERN (author: Saskia Ozinga), Report titled *Footprints in the forest – Current practices and future challenges of forest certification*, February 2004.

There is controversy over a possible gap in MTCC's CoC, which may allow non-certified timber to enter as certified. A revised CoC standard is expected to be instituted by the beginning of 2006. The MTCC promotes its own label and claim, which does not use the term "sustainability".

### Sustainable Forestry Initiative (SFI)

The Sustainable Forestry Initiative (SFI) was founded by the American Forest & Paper Association (AF&PA) and became operational in 1995. Due to a lack of ENGO engagement, the standard is less demanding than other standards. This finding is supported by a parallel testing of UPM forest practices against SFI and other standards carried out in 2004.

SFI certificates can be issued, even if the forest owner does not allow periodic (annual) surveillance audits. A third party audit is only required if on-product use of the logo is desired. External audit summaries are required, including "a summary of findings", which is not necessarily equivalent to a CAR. Accreditation of certification bodies must be provided by the National accreditation agency.

In 2005, SFI had not been endorsed by PEFC. SFI promotes its own label and uses the term "sustainable" in its name. As mentioned above, according to ISO 14021, the term sustainable should be avoided in the context of certification. The following summary table provides an overview of the comparison of certification schemes.

## Summary table comparing certification schemes

	FSC	PEFC	CSA
<b>Range of application</b>	<i>Worldwide</i>	<i>All countries with an endorsed scheme</i>	<i>Canada</i>
<b>Governance</b>	<i>Membership/ board of directors, with equal voting power for an environmental, economic and social chamber. Centrally controlled, endorsement of national working groups, standards and certification bodies.</i>	<i>National Governing Bodies, with each NGB appointing voting delegates. Single majority voting, which can overrule a single stakeholder group. PEFC provides mutual recognition through an endorsement process, but control at national level, except for logo licences.</i>	<i>National association.</i>
<b>Standard setting</b>	<i>Based on one set of principles and criteria, specified by national/regional working groups or certification body where no standard is available.</i>	<i>National schemes develop standards which can derive from different reference documents. At least one endorsed standard allows the use of GMO (genetically modified organisms).</i>	<i>Controlled through national accreditation. National scheme has developed a system-based standard with locally defined performance.</i>
<b>Key supporters</b>	<i>Exclusively supported by many large international social and environmental NGOs<sup>5</sup>. Growing industry and retailer support.</i>	<i>In most countries strong forest industry and forest owner's support. No international ENGO support on Council or national level.</i>	<i>Sectors of the Canadian forest industry. Others support the FSC, for example in Alberta, where FSC's largest certificate recipient is located.</i>

<sup>5</sup> WWF International, Greenpeace International, Friends of the Earth, criticised by some national and international ENGOs like the Rainforest Foundation.

	FSC	PEFC	CSA
Transparency	Standards and report summaries with all Corrective Action Requests (CARs) are made public for each forest assessment and audit.	Standards and the result of the assessment or audit are made available. CARs so far have only been made public in exceptional cases. Under the new requirements, CARs may have to be made publicly available.	Standards and the result of the assessment or audit are made available. CARs are not made public (might change with new PEFC requirement).
Accreditation of certification bodies	A separate unit within the FSC carries out accreditation and annual inspections of certification body's office and field work.	PEFC does not inspect certification bodies. National accreditation of c. b. in compliance with PEFC's requirements.	CSA is the certification body and receives national accreditation.
Audit intensity	Annual audits. Generally a peer review of assessment reports is conducted <sup>6</sup>	Generally annual audits but one scheme has been endorsed which does not require annual audits. Generally no peer review required.	Annual audits. No requirement for peer review.
Measurable impact	Case studies and review of CARs indicate significant impact.	Significant impact has not been documented. New requirement to make CARs public will allow measurement of impact in future.	Mainly system based certification which makes it difficult to measure impact.
CoC (Chain of Custody)	Either physical separation for pure products or "control" of all non-FSC sources for mixed products (10% threshold).	Either physical separation, batch definition or volume calculation without threshold.	According to PEFC requirements, 50 CoC certificates were issued by October 2005.

<sup>6</sup>Exception for reports of small and low intensity managed forests (SLIMF).

	FSC	PEFC	CSA
Claim/Logo	FSC pure (100%) or FSC mixed sources. In compliance with ISO guides; no claim of sustainability is made. Own logo.	For PEFC 100%: "from sustainably managed forests", for less than 100%: "promoting sustainable forestry". Own logo, for which licences are sold centrally.	No claim is made.
	MTCC	SFI	
Range of application	Malaysia	North America	
Governance	National membership organisation with a Board of Trustees who appoint a certification committee. The committee selects auditors and peer reviewers and decides about certification based on their independent reports. National accreditation.	Program participant based organisation. Implementation committees in the US and Canada provide landowner outreach. Under PEFC review process for endorsement. National accreditation of auditors.	
Standard setting	One standard for Peninsular Malaysia and Sarawak. Rights of indigenous people are not specified in the standard.	Standard was written without significant input from ENGOs. Rejected as lately as October 2005 by key conservation NGOs.	
Key supporters	Malaysian government and sectors of the Malaysian forest industry.	Majority of USA forest industry.	

	MTCC	SFI
Transparency	<i>The standard and a summary of the certified company's records should be publicly available on MTCC's web site. The forest owner can refuse to allow this. An example showed that a summary of CARs was included.</i>	<i>Standards and list of participating companies are made public. CARs are not made public, only "findings".</i>
Accreditation of certification bodies	<i>MTCC gives accreditation to individual assessors and peer reviewers.</i>	<i>Certification body or person must have national accreditation.</i>
Audit intensity	<i>Annual audits (every 6 to 12 months). Peer review of assessment is conducted.</i>	<i>Annual audits if a participant decides to use logo on product. Certificate can be kept without audits.</i>
Measurable impact	<i>CARs are sometimes made public for assessment but not for audits, the impact can not therefore be estimated.</i>	<i>Comparative field studies indicate that CARs, which do not have to be made public, are rare.</i>
CoC (Chain of Custody)	<i>Controversy about a gap in MTCCs CoC which allows external timber to enter as certified.</i>	<i>Neither www.pefc.org or www.afandpa.org indicate that a national CoC system is in place. So far no PEFC CoC certs have been issued.</i>
Claim/Logo	<i>No claim was identified which mentions sustainability. Own logo.</i>	<i>The schemes' name includes the claim of sustainability. Own logo. Members need audits to use logo on-product.</i>

## Conclusions

As illustrated in the summary table above, the main differences between schemes occur at the level of application, governance, standard setting, key supporters, transparency, accreditation of certification bodies, audit intensity, measurable impact, Chain of Custody and claims. One recommendation could be that authorities should not demand "sustainable" timber, but a performance that is certifiable (like wood from "well-managed" forest).

Generally, it can be concluded that the FSC has more checks and balances in place to keep inconsistencies at a minimum while providing clear assurance of performance and evidence of its impact on forest management. None-the-less inconsistencies have been observed for example in a possible lack of harmonisation between national and interim standards.

While individual members may be able to measure the impact of PEFC certification, it is not yet possible to draw broader conclusions due to the lack of publicly available data. Following continuous improvement of PEFC's procedures, report summaries should shortly become publicly available. While national schemes under the PEFC endorsed members may already be at this stage and show aspects of strong performance, this is not a general rule for all members.

Although direct engagement is rather unlikely, the EU can play an important part in assisting the independent development of national and regional standards as well as facilitating independent processes which aim at the reduction of inconsistencies and achieving harmonisation. But while this issue was raised by the EU Forest Strategy,<sup>7</sup> the prevailing view is to leave market forces free of government interference. However, given the incompatibility between some schemes and some Member State approaches, this strategy might be reconsidered. Some interesting initiatives have revealed that it may be possible to develop common assessment frameworks for certification schemes – which would be a first step in any harmonisation effort.<sup>8</sup> However, the harmonisation process would very likely be a difficult one.

<sup>7</sup>Note that the 1998 EU Forest Strategy did lay out the possibility of a legal instrument to harmonise certification and labelling in the EU, but so far no action to implement this has occurred.

<sup>8</sup>See Ruth Nussbaum and Markku Simula, *Forest Certification – A Review of Impacts and Assessment Frameworks*, TFD Publication No 1, 2004.

## List of Abbreviations

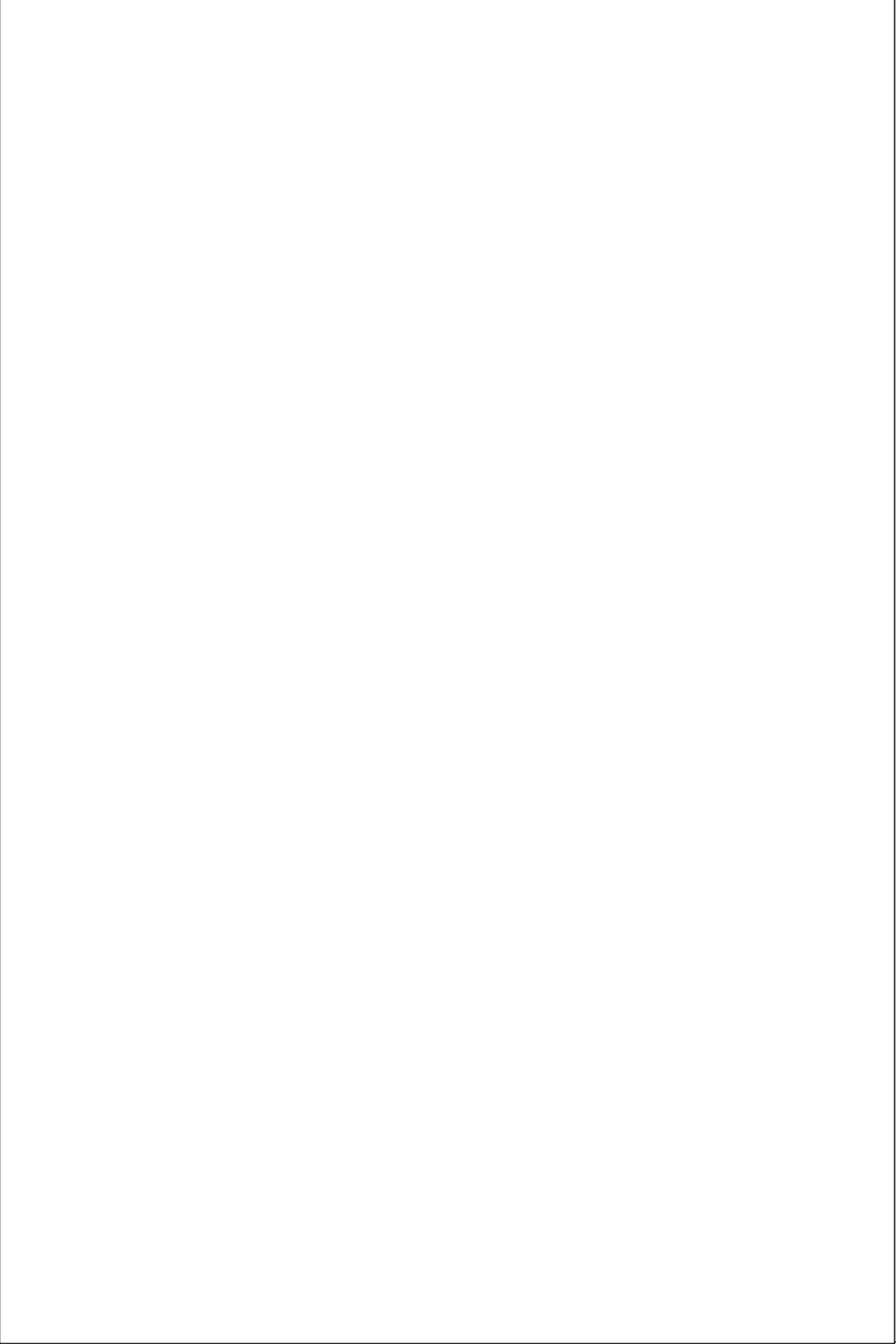
AF&PA	American Forest & Paper Association
AFS	Australian Forestry Standard
AGP	Agreement on Government Procurement
CARs	Corrective Action Requests
CERFLOR	Sistema Brasileiro de Certificação Florestal
C&I	Criteria and Indicators
CPET	Central Point of Expertise on Timber
CSA	Canadian Standardisation Association
CSP	Certification Support Programme
CoC	Chain of Custody
ENGO	Environmental Non-Governmental Organisation
EC	European Commission
EU	European Union
FERN	Forests and the European Union Resource Network
FLEG(T)	Forest Law Enforcement and Governance (and Trade)
FSC	Forest Stewardship Council
ISO	International Organization for Standardization
ITTO	International Timber Trade Organisation
MCPFE	Ministerial Conferences for the Protection of Forests in Europe
MTCC	Malaysian Timber Certification Council
NGO	Non-Governmental Organisation
P&C	Principles and Criteria
PEOLG	Pan European Operational Level Guidelines
PEFC	Programme for the Endorsement of Forest Certification Schemes
SLIMF	Small and Low Intensity Forest Management
SFI	Sustainable Forest Initiative
SFM	Sustainable Forest Management
TFT	Tropical Forest Trust
WTO	World Trade Organisation
WWF	World Wide Fund for Nature

## Profile: Ecologic

Ecologic is a private not-for-profit think tank for applied environmental research, policy analysis and consultancy with offices in Berlin and Brussels. An independent, non-partisan body, Ecologic is dedicated to bringing fresh ideas to environmental policies and sustainable development. Ecologic's work programme focuses on obtaining practical results. It covers the entire spectrum of environmental issues, including the integration of environmental concerns into other policy fields. Founded in 1995, Ecologic is the German partner in the network of Institutes for European Environmental Policy. Ecologic acts in the public interest; donations are tax-deductible.

Ecologic provides policy consultancy, and animates and facilitates international policy processes in order to develop new approaches at interfaces between different policy fields, and also between different policy communities. This includes the creation and the fostering of international policy networks. Through its involvement in negotiating and concluding multilateral environmental agreements, Ecologic focuses on cross-cutting issues of regime design, compliance by signatories, and the application of general principles in international law. A significant part of its work focuses also on analyzing and furthering the development of the environmental policy of the European Union and its Member States. Ecologic advances innovation in European environmental governance and advocates greening the treaties constituting the European Union.

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