

Review of PEFC adequacy in delivering ACE commitments

Final report

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About ProForest

ProForest is an independent company working with natural resource management and specialising in practical approaches to sustainability.

Our work ranges from international policy development to the practical implementation of requirements on the ground, with a particular focus on turning policy into practice. Our extensive and up-to-date knowledge of the international context ensures that our work for individual companies and organisations is set within an appropriate framework. At the same time, we are able to bring a wealth of current practical experience to policy development processes and debates.

The ProForest team is international and multilingual and has a broad variety of backgrounds, ranging from industry to academia and NGOs. This allows us to work comfortably in many types of organisations, as well as in a range of cultures. We have in-house knowledge of more than 15 languages, including Mandarin, Hindi, French, Spanish and Portuguese.

ProForest was set up in 2000. Our expertise covers all aspects of the natural resources sector, from forestry and agricultural commodities to conservation, supply chain management and responsible investment.

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1. Introduction

Tetra Pak is part of the Alliance for Beverage Cartons and the Environment (ACE) which also includes Elopak, Combibloc. ACE members have signed a commitment to ensure sources of wood fibre used in the production of liquid packaging board (LPB) come from 'legal and acceptable' sources. These include certified sources or controlled sources. Controlled sources are further defined as excluding:

- Illegally harvested wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests in which high conservation values are threatened;
- Wood harvested from areas being converted from forests to non-forest uses;
- Wood from areas where genetically-modified trees are planted.

Tetra Pak asked ProForest to carry out an analysis of whether or not PEFC-certified fibre will reliably deliver these safeguards. The first two PEFC national schemes under review were SFI and AFS. This analysis was completed in March 2009 which found that the AFS and SFI did not deliver these safeguards. It was then identified that there may be potential that legal framework is able to deliver these safeguards. In light of this, Tetra Pak asked ProForest to extend the analysis to PEFC Finland and PEFC Sweden, together with a review of legal requirements in Finland, Sweden, Australia, US and Canada.

This report presents the analysis of PEFC national schemes in US (SFI), Australia (AFS), Finland (FFCS) and Sweden against the FSC controlled categories, taking into account of the review of legal requirements in these countries.

2. Methodology

2.1. Review of PEFC national standards against FSC controlled wood categories

ProForest examined PEFC national standards in Finland and Sweden against FSC controlled wood categories¹. The review was desk-based and looked at the extent to which the documented requirements of each of the standards addresses each of the five issues which need to be excluded from controlled wood.

A three-scale scoring system was used:

- C - Compliance with FSC controlled wood categories
- P - Partial compliance with FSC controlled wood categories
- NC - Non-compliance with FSC controlled wood categories

A non-compliance in any category means that a scheme fails to address the five issues which need to be excluded. The full assessment results of PEFC national standards against FSC controlled wood categories can be found in Annex 1.

¹ Note that assessments of AFS and SFI were completed in previous assessment.

2.2. Review of legal requirements

In addition, ProForest included review of legal requirements in Sweden and Finland to examine whether the existing legal frameworks address the issues of controlled wood. Review of legal requirements in Australia, US and Canada was also covered as to complete the previous assessments of SFI and AFS. The review of legal requirements in the above countries was carried out by external consultants. The same 3-scale scoring system was used. Annex 2 summarises the review of legal requirements in addressing the FSC controlled wood categories.

2.3. Analysis of PEFC schemes and legal requirements against FSC controlled wood categories

Based on the results in sections 2.1 and 2.2, ProForest analysed whether the existing legal framework can provide safeguards to meet FSC controlled wood categories in case PEFC schemes fail to do so. Instead of using 3 scales scoring as in the review of PEFC standards, the findings in section 3 will be presented as either low risk or unspecific risk, in line with FSC risk assessment methodology.

3. Findings

This section presents the findings on whether PEFC national standards address FSC controlled wood categories, taking into the account of legal requirements in specific countries.

3.1. Analysis of PEFC Finland and legal requirements

Excluding wood from the following categories	Assessment	Findings
1. Illegally harvested wood	<p>Finnish Forest Certification Scheme (FFCS, PEFC Finland) contain explicit requirements of compliance with relevant legislation. In addition, forest harvesting is regulated by well functioning authorities. Finland score 9.0 out of 10 on Corruption Perception Index (CPI) of Transparency International.</p> <p>FFCS adopts PEFC CoC requirements which require companies to exclude controversial sources. Controversial sources are defined as 'illegal or unauthorised harvesting'.</p> <p>Thus, it can be assumed that non certified wood from Finland originate from legal harvesting operations.</p>	Low risk
2. Wood harvested in violation of traditional and civil rights	<p>Criterion 23 of FFCS adequately covers most issues related to violation of civil rights. However, criteria 27 and 28 of FFCS only partially address the issues of traditional rights. Existing legal requirements are not sufficient to ensure that traditional rights are not</p>	Unspecific risk in all regions with reindeer herding, low

Excluding wood from the following categories	Assessment	Findings
	<p>violated.</p> <p>Finland has not ratified ILO Convention 169 Indigenous and Tribal Peoples. However, in principle, other regulations such as the Reindeer Husbandry Act (1990) and the 2004 regulations for Metsähallitus (the Finnish Forest and Park Service), provide relatively robust protection of the rights of especially reindeer herding Sami. However, there is some evidence that these regulations may not be fully implemented in practice. For example, it has been reported that Metsähallitus adopted its latest Natural Resource Plan without the consent of either the Sami Parliament or the reindeer herding cooperatives.</p> <p>In addition, PEFC CoC standard does not address issue of civil and traditional rights regarding the non-certified materials.</p>	<p>risk south of these regions.</p>
<p>3. Wood harvested in forests in which high conservation values are threatened</p>	<p>FFCS only partially addresses high conservation values related to ecological aspect. FFCS does not address protection at the landscape level. Only the values of existing and planned reserves, habitats of endangered species, and some very localised and rare features like deep ravines and steep bluffs are protected. The Forestry Act, section 10(2) lists a number of habitats/features that must be managed in <i>'such a manner that the overall prerequisites for the preservation of habitats characteristic to the biological diversity of the forest are ensured'</i>. These habitats must be preserved if they are in a natural or near-natural state - and if the economic loss is insignificant or being compensated by state money (section 11). Thus in practise, the Finnish legislation also lacks functional forest protection formulations.</p> <p>Neither FFCS nor legislation covers the social aspects (areas which are critical to maintain cultural identity). Similar to potential violation of traditional rights as mentioned above, forest within reindeer herding regions cannot be considered secure from activities that threaten traditional rights and cultural activity.</p> <p>FFCS does not address the provision of basic services of nature in critical situations of HCV. However, these are sufficiently covered by existing legal framework. The main relevant issues in Fennoscandia are to avoid retreating timberlines in high altitude forests, to avoid</p>	<p>Unspecific risk in all of Finland, especially so in the northernmost provinces</p>

Excluding wood from the following categories	Assessment	Findings
	<p>erosion and to avoid landslides (HCV4). The Forest Law (sections 12 and 13) have provisions and regulations for special management of such areas. The environmental law also requires protect important sources of water supply. Therefore, it should not be an issue in Finland.</p>	
<p>4. Wood harvested from areas being converted from forests to non-forest uses</p>	<p>Neither the FFCS standard nor the legal requirements in Finland prohibit conversion. However, the aim of this requirement is to avoid wood from sources where there is significant occurrence of deforestation of natural or semi-natural forests. This is not the case in Finland.</p> <p>According to last FAO report (State of World's Forests 2007) forest area annual net loss is 0% (= < 0,5% per year). According to FAO's Global Forest Resources Assessment there are no forest plantations in Finland and therefore no conversion of forest to plantations. The small net loss of forest is due to the conversion of forests to building sites. However, the total volume of wood in the Finnish forests grows annually².</p> <p>However, CoC standard does not require certificate holders to exclude timber from conversion. Therefore, products contain non-certified timber from other countries may came from converted forests.</p>	<p>Low risk for 100% certified products from Finland; unspecific risk for mixed products</p>
<p>5. Wood from areas where genetically-modified trees are planted</p>	<p>FFCS requires that GM trees can be used if it is approved by authority. The forest regulation in Finland does not address GMOs explicitly. However, there is not yet commercial cultivation of GM trees in Finland, this is considered as low risk.</p> <p>FFCS standard for CoC does not require certificate holder to exclude timber from GM trees. However, at the moment, China is the only country which has plantations of GM trees for commercial purposes and this only includes one species, Lombardy poplar (<i>Populus nigra</i>). As long as the company is able to demonstrate that this species is not used in PEFC mixed products, it is considered low risk.</p> <p>It should be note that if GM trees be commercialised in Finland, then certified PEFC material could contain GM timber.</p>	<p>Low risk</p>

² Global Forest Risk Registry: <http://globalforestrisk.nepcon.net/>

3.2. Analysis of FSC Sweden and legal requirements

Excluding wood from the following categories	Assessment	Findings
1. Illegally harvested wood	<p>The standard of PEFC Sweden contains explicit requirements of compliance with relevant legislation. In addition, forest harvesting is regulated by well functioning authorities. Sweden score 9.3 out of 10 on Corruption Perception Index (CPI) of Transparency International.</p> <p>PEFC Sweden adopts PEFC CoC requirements which require companies to exclude controversial sources. Controversial sources are defined as 'illegal or unauthorised harvesting'.</p> <p>Thus, non certified wood from Sweden can be assumed to originate from legal harvesting operations.</p>	Low risk
2. Wood harvested in violation of traditional and civil rights	<p>The Swedish PEFC standard does not fully address the issues relating to land tenure or land use rights of traditional or indigenous peoples. CoC standard also does not require certificate holder to exclude timber from violation of traditional and civil rights for non-certified raw materials.</p> <p>In term of legal framework, the traditional rights of Sami are not fully protected. Sweden has not ratified ILO Convention 169, though the rights of reindeer herding of Sami are regulated under Reindeer Husbandry Act. The Act gives the Sami the right to use land and water for their own maintenance and that of their reindeer. However, in practice, their rights may not be sufficient covered. In May 2009, a small village has taken the State to court contesting legislation that diminishes their traditional hunting and fishing rights.</p>	Unspecific risk in all regions with reindeer herding, low risk south of these regions
3. Wood harvested in forests in which high conservation values are threatened	<p>PEFC Sweden standard partially addresses HCV. It adequately addresses ecological aspects but partially addresses social aspects.</p> <p>PEFC Sweden does not address the provision of basic services of nature in critical situations of HCV. However, these are sufficiently covered by existing legal framework. The main relevant issues in Fennoscandia are to avoid retreating timberlines in high altitude forests, to avoid erosion and to avoid landslides (HCV4). The Forest Law (paragraphs 15-18) have provisions and regulations for special management of such areas. The environmental law also require protect important sources of water supply. Therefore, it should not be an issue in Sweden.</p> <p>Another social aspect which neither legislation nor PEFC</p>	Unspecific risk in northern Sweden, low risk in southern Sweden

Excluding wood from the following categories	Assessment	Findings
	<p>Sweden fully address is areas which are critical to maintain traditional cultural identity. In Sweden, this mainly refers to reindeer herding of Sami people. Similar to potential violation of traditional rights as mentioned above, existing legislations do not fully address the traditional rights of Sami people.</p>	
<p>4. Wood harvested from areas being converted from forests to non-forest uses</p>	<p>Neither the standard of PEFC Sweden nor the legal requirements in Sweden prohibit conversion. However, the aim of this requirement is to avoid wood from sources where there is significant occurrence of deforestation of natural or semi-natural forests. This is not an issue in Sweden. According to last FAO report (State of World's Forests 2007) forest area annual net loss is 0% ($\leq 0,5\%$ per year)³</p> <p>However, CoC certificate holders are not required to exclude timber from conversion. Therefore, mixed products from non-Swedish source may originate from converted forests.</p>	<p>Low risk for 100% certified products from Sweden; unspecific risk for mixed products</p>
<p>5. Wood from areas where genetically-modified trees are planted</p>	<p>The standard of PEFC Sweden does not allow the use of GM trees. The forest regulation in Sweden does not address GMOs explicitly. However, there is not yet commercial cultivation of GM trees in Sweden, this is considered as low risk.</p> <p>PEFC Sweden standard for CoC does not require certificate holder to exclude timber from GM trees. However, at the moment, China is the only country which has plantations of GMO trees for commercial purposes and this only includes one species, Lombardy poplar (<i>Populus nigra</i>). As long as the company is able to demonstrate that this species is not used in PEFC mixed products, it is considered low risk.</p>	<p>Low risk</p>

³ Global Forest Risk Registry: <http://globalforestrisk.nepcon.net/>

3.3. Analysis of SFI and legal requirements in US and Canada

Excluding wood from the following categories	Assessment	Findings
1. Illegally harvested wood	<p>SFIS 2005-2009 adequately addresses the issue on illegally harvested wood through performance measures 8.5, 11.1 and 11.2. Forest managers in US and Canada are required to comply with applicable federal, provincial, state, or local laws and regulations. Procurement by manufacturing facilities enrolled in the SFI Programme from sources outside US and Canada are also required to exclude illegally harvested wood.</p>	Low risk
2. Wood harvested in violation of traditional and civil rights	<p>SFIS 2005-2009 partially addresses the issues of violation of traditional and civil rights through performance measures 8.6 and 11.2. SFI standard requires compliance with social laws which means that this requirement is generally covered by existing legal framework.</p> <p>Current legislative framework in US and Canada is sufficient to address traditional and civil rights. In the United States, through treaties, legislation, and court cases the rights of indigenous populations were defined. Key traditional rights recognized and persistently upheld through the courts are the right to self government, to fish and hunt even off-reservations. The key rights that were curtailed were the right to transfer land and the right to deal with sovereign powers.</p> <p>In Canada, a similar pattern evolved as Aboriginal Rights and Title where recognized in treaties, legislation and further defined through court cases. Furthermore, the rights of Aboriginal peoples have been enshrined in the Constitution. The Treaty Rights are basically the rights to self-government, to hunt and to fish. Recent Supreme Court decisions have permanently linked those rights to natural resources and forest management policy. Provincial governments are addressing those rights by promoting/facilitating different forms of co-management agreements, by providing some level of tenure, and settling in some cases land claims.</p>	Low risk
3. Wood harvested in forests in which high conservation values are threatened	<p>SFIS 2005-2009 performance measures under Objectives 4, 6 and 8 partially cover the requirements of this criterion. SFI requirements related to biodiversity for both forest managers and companies which purchase timber outside US and Canada adequately address the first three HCVs on ecological aspects. However, the other HCVs on</p>	Unspecific risk

Excluding wood from the following categories	Assessment	Findings
	<p>social aspects such as ecosystem services are not covered.</p> <p>Similarly, the existing legal framework also focuses on ecological aspects of HCVs. In the US, most of the federal and state level legislation deals with protection of water, soil, and rare, threatened or endangered species (e.g. Endangered Species Act, Clean Water Act). However, social and cultural values were very rarely identified. Also, US is a large country and specific regulations differ between states. Given the breadth of the themes covered by HCVF and the fact that in the United States related legislation is the jurisdiction of the individual state, the risk is unspecific.</p> <p>In Canada, legislation at federal and provincial level deals with protection of water, endangered species (e.g. Species At Risk Act, Drinking Water Protection Act). The provinces own 77% of all forest lands, and most commercial timber harvest takes place in provincial forest lands. All provinces have their licensing system, planning, plan approvals and management requirements. Public consultation is a required element of the licensing system. However, this can be argued that only the values identified during the public participation process need to be considered.</p> <p>The ownership pattern influences the extent to which legislative requirements address the requirements of this category of the Controlled Wood standard. It is more likely that all aspects of the HCVF category are protected in public lands. However, given the breadth of the themes covered by HCVF and the fact that legislation is the jurisdiction of the individual province, the risk is unspecific.</p>	
4. Wood harvested from areas being converted from forests to non-forest uses	<p>There is no provision in the SFI Standard to prevent conversion of natural forest to plantation.</p> <p>In the US, a bill on 'Forest Roadless Area Conservation Act' was introduced "<i>to set aside undeveloped areas of the national forests for non-timber amenity values, including recreation</i>". This legislation was not passed but was adopted in 2001 by the US Forest Service as the Roadless Area Conservation Rule. This rule only applies to the National Forest System and was one of the few national</p>	Low risk for Canada and all regions in US except Everglades and Pacific Lowlands Mixed Forests

Excluding wood from the following categories	Assessment	Findings
	<p>level legislation addressing land conversion.</p> <p>According to the study conducted by AHEC⁴ and comments from FSC US, it is suggested that there are two ecoregions where conversion is endangering forests and where loss of forest cover is greater than 0.5% annually (the threshold defined by FSC): Everglades (located in Southern Florida) and Pacific Lowlands Mixed Forests (located in Western Washington and Oregon state). Based on this information, these two ecoregions are at risk of conversion.</p> <p>Natural Resources Canada estimates that overall, deforestation affected less than 0.02% of Canada's forests in 2005. Since commercial forest operations takes place on public land, and licensees are required to regenerate harvested areas, it is unlikely that deforestation and forest conversion are significant in Canada.</p> <p>Therefore, it is concluded that SFI-labelled products from Canada is classified as low risk in term of conversion, while timber from the two ecoregions in US is classified as unspecified risk.</p>	
<p>5. Wood from areas where genetically-modified trees are planted</p>	<p>The SFI Standard does not prohibit the use of genetically modified organisms. It only refers biotechnology to compliance with applicable environmental laws and regulations.</p> <p>However, there is no commercial cultivation of GM trees in the US and Canada. The Canadian Food Inspection Agency maintains a list of all the confined field trial in its website, which includes two tree species: poplar and white spruce. http://www.inspection.gc.ca/english/plaveg/bio/st/st_08_e.shtml</p> <p>The US Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) maintain a field test database, which includes species such as American elm, American chestnut, aspen, poplar, loblolly pine and white spruce. http://www.isb.vt.edu/cfdocs/fieldtests1.cfm</p> <p>Therefore, the risk of GM trees in US and Canada is</p>	<p>Low risk</p>

⁴ Assessment of Lawful Harvesting and Sustainability of US Hardwood Exports:
http://www.ahec.org/publications/AHEC%20publications/AHEC_RISK_ASSESSMENT.pdf

Excluding wood from the following categories	Assessment	Findings
	<p>considered to be low.</p> <p>At the same time it should be noted that US is most advanced country in laboratory experiments and field trials of GMO species and thus the possibility that GMO species will be commercially used in US is realistic⁵. There remains a risk that should GM trees be commercialized in US and Canada, then certified PEFC material could contain GM timber.</p>	

3.4. Analysis of AFS and legal requirements in Australia

Excluding wood from the following categories	Assessment	Findings
1. Illegally harvested wood	<p>AFS adequately addresses the issue on illegally harvested wood in their Australian Forestry Standard AS4708-2007 and Chain of Custody Standard AS 4707-2006. Forest managers are required to comply with applicable legal requirements and take appropriate action to constrain unauthorised or illegal activities. Companies using non-AFS certified wood in mixed products are also required to exclude illegal timber.</p>	Low risk
2. Wood harvested in violation of traditional and civil rights	<p>The Australian Forestry Standard AS4708-2007 adequately addresses the issues related to traditional and civil rights.</p> <p>However, the CoC standard only addresses the issue on illegally harvested wood. Companies using non-AFS certified wood in mixed products are not required to exclude wood harvested in violation of traditional and civil rights.</p> <p>In addition, there is a wide range of legislation sufficiently covering aboriginal land rights and protection of aboriginal heritage, at both the commonwealth and state level. For example, Aboriginal and Torres Strait Islander Heritage Protection Act 1984.</p>	Low risk for 100% certified products from Australia; unspecific risk for mixed products.
3. Wood harvested in	<p>The Australian Forestry Standard AS4708-2007 addresses the three HCVs related to biodiversity. However, the</p>	Unspecific risk

⁵ Global Forest Risk Registry: <http://globalforestrisk.nepcon.net/>

Excluding wood from the following categories	Assessment	Findings
forests in which high conservation values are threatened	<p>standard requires that the assessment of biological diversity and forest planning instruments are undertaken in a regional context, rather than on forest management unit (FMU) level. This requirement is not sufficient to protect biodiversity and may lead to conversion (see 4 below).</p> <p>The other three HCVs on social aspects are not adequately addressed. And there is no requirement to consult stakeholders to in relation to precautionary measures to maintain or enhance HCVs.</p> <p>Current legislation, programmes and tools also are not sufficient to ensure that there is a strong system of protection. Management related to high conservation value forests is regulated at a commonwealth level under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). Though the EPBC Act is apparently comprehensive, it does not apply where regional forest agreements have been signed under the Regional Forest Agreement Act 2002 (RFA). Many stakeholders considered RFA process to not be balanced or rigorous enough to effectively address management of high conservation value forests. Particular concern was raised about how effectively issues of rare, threatened or endangered species had been addressed under RFAs.</p> <p>CoC certificate holders are also not required to exclude timber from HCVs.</p>	
4. Wood harvested from areas being converted from forests to non-forest uses	<p>AFS partially addresses the issue of conversion. The AFS forest management standard allows conversion of natural forests to plantation or non-forest cover under certain circumstances.</p> <p>Conversion is allowed where planning and practices support the protection and maintenance of Significant Biological Diversity values. Forest manager can convert natural forests under certain circumstances, it permits conversion for infrastructure development, and clearing of up to 10% or maximum 40 ha on a single forest management unit with appropriate offsets. According to FSC advice note on conversion of plantation to non forest land (FSC-ADV-30-602, March 2004) section 5.2: <i>‘Conversion of more than 5% of a forest management unit to non-forest land use over a five-year period cannot be considered ‘very limited’, except in exceptional circumstances and with the clear support of</i></p>	<p>Low risk for Victoria, New South Wales, Queensland, South Australia and West Australia</p> <p>Unspecified risk in Tasmania and Northern Territory</p>

Excluding wood from the following categories	Assessment	Findings
	<p><i>environmental and social stakeholders at the national and local levels.</i> This means that AFS provision on conversion may not meet FSC requirements.</p> <p>There is evidence that conversion of native forests still takes place in Northern Territory (e.g. Tiwi Islands) and Tasmania (with existing licences still valid after new legislation stopping conversion on public land only was introduced in 2006).</p> <p>In addition, CoC standard does not requires companies using non-AFS certified timber to exclude wood from converted forests.</p>	
5. Wood from areas where genetically-modified trees are planted	<p>The AFS allows the use of GMO trees as long as it complies with laws and regulations. Licenses are granted under the Gene Technology Act. No licenses have been issued for tree species, so it is currently illegal to use genetically modified trees for commercial purpose.</p> <p>AFS standard for CoC does not require certificate holder to exclude timber from GM trees. However, currently China is the only country which has plantations of GM trees for commercial purposes and this only includes one species, Lombardy poplar (<i>Populus nigra</i>). As long as the company is able to demonstrate that this species is not used in PEFC mixed products, it is considered low risk.</p> <p>There remains a risk that should GM trees be commercialized in Australia, then certified PEFC material could contain GM timber.</p>	Low risk

4. Conclusions

The analysis of PEFC standards and review of legal requirements in Finland, Sweden, US, Canada and Australia showed that in many cases legal frameworks are not sufficient to fully address certain safeguards when PEFC standards fail to do so. This is particularly true in terms of traditional and civil rights and HCVs. For example, the case of Sami people in Finland and Sweden demonstrate that neither PEFC standards nor existing legal frameworks provide sufficient safeguards that their traditional rights are not violated. While in US and Canada, SFI standard and current legislation do not provide sufficient guarantee that HCVs are not threatened.

Apart from AFS, none of the PEFC standards under review include provision related to conversion. However, in reality, conversion is not an issue in Finland, Sweden and Canada. In US, recent study show that two ecoregions are at risk of conversion. In Australia, AFS forest management standard does not allow conversion of natural forests to plantation or non-forest

cover, except in limited circumstances. However, there is evidence that conversion still takes place in Northern Territory and Tasmania.

In term of GM trees, currently the forest regulations in Finland and Sweden do not address GM trees explicitly, though PEFC Sweden does not allow the use of GM trees. In US, Canada and Australia, the use of GM trees are regulated by authorities and that commercial use of GM trees require permission and licensing. Currently, China is the only country where there is commercial usage of GM trees, therefore, the risk of GM trees being used in these countries should be low. But there remains a risk that should GM trees be commercialised in these other countries, then certified PEFC material could contain GM timber.

Annex 1 Assessment of PEFC standards against FSC controlled wood categories

Assessment of PEFC Finland against FSC controlled wood categories

Source document:

FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre

FFCS 1002-2: 2003, Criteria for Group Certification for the Area of a Forest Management Association

FFCS 1002-3: 2003, Criteria for Certification of Holdings of Individual Forest Owners

PEFC Technical Document Annex 4 Chain of Custody of Forest Based Products – Requirements, 17 June 2005

Note that PEFC Finland carried out revision of its standard in April 2009. The revised criteria and other system documents will be sent to the international PEFC in autumn 2009 for evaluation and re-endorsement. Therefore the old version was used in this assessment.

Excluding wood from the following categories	Scheme information	Findings
1. Illegally harvested wood	<p>FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre:</p> <p>Title 1: The requirements enacted by legislation are complied with.</p> <p>Criterion: <i>'Forest management activities comply with the existing forest, environmental and labour legislation in force. However, in Åland Province the legislation of Åland and authority decisions are applied in the cases they are related to the autonomy of Åland Province.'</i></p> <p>FFCS adopts PEFC CoC requirements which require companies to exclude controversial sources. Controversial sources are defined as 'illegal or unauthorised harvesting'.</p> <p>3.6.1 <i>'The organisation shall establish adequate measures to ensure that the certified products do not include raw material from controversial sources.'</i></p> <p>3.6.4 <i>'The organisation procuring raw material originating from threatened and endangered species classified by CITES shall follow all the regulations defined by CITES and other international as well as national legislation'</i></p>	C
2. Wood harvested in	<p>FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre:</p>	P

Excluding wood from the following categories	Scheme information	Findings
violation of traditional and civil rights	<p>Title 23: Adherence to statutory obligations of employers.</p> <p>Criteria: <i>'Employers and contracting parties comply with labour/ employment legislation and collective labour agreements in force and require also the compliance from their sub-contractors.'</i></p> <p><i>Employers and contracting parties have paid taxes, social security fees and employment pension fees.'</i></p> <p>Title 27: Safeguarding of Sámi culture and the traditional livelihoods in Sámi homelands</p> <p>Criterion: <i>'in the Sámi homelands the management, use and protection of natural resources administrated by Metsähallitus are integrated in cooperation with Sámi Parliament, reindeer herders and other representatives of traditional livelihoods to ensure the facilities for Sámi culture and traditional livelihoods.'</i></p> <p>Indicator: <i>Metsähallitus shall use participatory planning methods in the planning of its operations in Sámi homelands. Representatives of Metsähallitus and Sámi Parliament agree on the need, level and monitoring of cooperation with the various planning processes on which Metsähallitus has requested cooperation to the representatives of Sámi Parliament. If a consensus on integration methods is not agreed on, a certification body assesses the conformity to the criterion based on the cooperation carried out.</i></p> <p>Title 28 Integration of reindeer husbandry and forestry</p> <p>Criterion: <i>Forest management activities in the state forests, under the administration of Metsähallitus, and reindeer husbandry are integrated in a local level cooperation so that the conditions for reindeer husbandry are safeguarded in forest management activities on a broad and long-term basis in the region designated for reindeer herding.</i></p> <p>Indicator: <i>To reach this target Metsähallitus should cooperate with the representatives of reindeer husbandry when carrying out such activities that might have a significant impact on reindeer herding . The significant activities and need for cooperation shall be determined in cooperation so that the target will be achieved. The cooperation observes the Agreement⁵⁰ signed 27 February 2002 by Metsähallitus and the Reindeer Herders' Association as well as the sections of Metsähallitus Natural Resources Planning addressing the integration of forestry and reindeer husbandry.</i></p>	

Excluding wood from the following categories	Scheme information	Findings
	<p>There is a note states that '<i>The <u>Agreement</u>, however, does not apply in the Sámi homelands.</i></p> <p>In addition, CoC standard only addresses illegally harvested timber.</p>	
3. Wood harvested in forests in which high conservation values are threatened	<p>FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre, Title 9: <i>Conservation value of protected areas and sites included in ratified national nature conservation programmes are not endangered.</i></p> <p>Title 10: <i>Typical features of habitats of special importance are preserved.</i></p> <p>Title 11: <i>Known habitats of endangered species are safeguards.</i></p> <p>However, the forest management standard does not cover social aspects of HCVs. CoC standard only addresses illegally harvested timber.</p>	P
4. Wood harvested from areas being converted from forests to non-forest uses	<p>There is no requirement to prohibit conversion.</p>	NC
5. Wood from areas where genetically-modified trees are planted	<p>FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre, Title 13 Gene modified seed and plant material is not used.</p> <p>Criterion: <i>Gene modified material or other material, which is not approved by authority, is not used in seeding and planning.</i></p> <p>CoC standard does not require exclusion of GM trees.</p>	P

Note: The languages in the other two standards FFCS 1002-2: 2003, Criteria for Group Certification for the Area of a Forest Management Association, and FFCS 1002-3: 2003, Criteria for Certification of Holdings of Individual Forest Owners are very similar to the standard FFCS 1002-1:2003, Criteria for Group Certification for the Area of a Forestry Centre quoted in the assessment. Therefore, the other two standards were not repeated.

Assessment of PEFC Sweden against FSC controlled wood categories

Source document:

Revised Swedish Technical Document II 1st April 2006 – 28th February 2011

Excluding wood from the following categories	Scheme information	Findings
1. Illegally harvested wood	<p>Based on the standard, forest certification is specific to either individual woodland owners or a grouping of woodland owners as stated in 3.1- Forestry certification.</p> <p>6.6.2 Active profitable forestry</p> <p><i>‘Forestry shall be actively managed for profitable, sustainable forest production in accordance with the Forestry Act and other relevant legislation.’</i></p> <p>Section 10b of the Swedish Forestry Act states that <i>‘Felling may not take place without permission by the Land Acquisition Act, if such permission is required of the real estate’</i></p> <p>PEFC Sweden adopts PEFC CoC requirements which require companies to exclude controversial sources. Controversial sources are defined as ‘illegal or unauthorised harvesting’.</p>	C
2. Wood harvested in violation of traditional and civil rights	<p>Revised Swedish Technical Document II, Section 6 The Swedish PEFC Standard:</p> <p>6.3.1 Legislation and labour-market conditions</p> <p><i>‘Those activities that are of importance to Swedish PEFC certification must observe the relevant laws, collective agreements and accepted practice in the labour market. Similarly, all relevant international agreements/directives ratified by Sweden, together with any other undertakings that Sweden has agreed to follow or implement, must be respected. Examples of international agreements include CITES, ILO conventions, ITTA and the UN Convention on Biodiversity. Current ILO conventions are listed in Appendix A (page 39).’</i></p> <p>6.3.8 The Sami people (Lapps) and reindeer herding</p> <p><i>‘The relationship between reindeer herding and forestry is based on mutual respect, and on striking a balance between the different forms of land use existing in northern Sweden. Efforts to collaborate at the local level and to take heed of local needs must be used to find the most appropriate solutions, such as the avoidance of heavy scarification on lichen-rich soils, being aware of hanging lichen in woodland, and being alive to and attentive of other sensitive sites. The starting point for family-enterprise forestry is the agreement and policy contained in the document, Family-enterprise forestry and reindeer herding—working together in the North (November 2000).’</i></p>	P

Excluding wood from the following categories	Scheme information	Findings
	<p>The Swedish PEFC standard does not fully address the issues relating to land tenure or land use rights of traditional or indigenous peoples. CoC standard also does not address the issue of traditional and civil rights.</p>	
<p>3. Wood harvested in forests in which high conservation values are threatened</p>	<p>Revised Swedish Technical Document II, Section 6 The Swedish PEFC Standard:</p> <p>6.4.1 Areas set aside for conservation purposes:</p> <p><i>At least 5% of the productive forest land on certified holdings (other tree-covered land may also be included) should be set aside for conservation purposes, such as Conversion No Intervention (CNI) and Conversion Environmental purpose Intervention (CEI) stands....In the selection and demarcation of these tree retention sites, priority must be given to areas that are important to biodiversity and are representative of the landscape. Top priority should be given to key habitats</i></p> <p>6.4.2 Key habitats</p> <p><i>Key habitats that have been defined and registered by the National Board of Forestry shall be managed in accordance the Swedish PEFC's policy on key habitat as established by the Board.</i></p> <p>6.4.3 Land having a high environmental value</p> <p><i>As regards woodland having a high environmental value, special procedures must be applied to prevent felling being carried out that contravenes legislation or regulations, or is in conflict with the spirit of the certification scheme.</i></p> <p>6.4.4 Wetland forest and ditching</p> <p><i>Wetland forest often has a long, uninterrupted history and therefore has a high conservation value. This type of land should usually be set aside for conservation in accordance with Section 6.4.1 above. Small areas of wetland should be excluded from productive forestry under the general provisions of the Forestry Act.</i></p> <p><i>New ditches must not be dug on previously un-drained land.</i></p> <p>6.4.11 Heritage conservation</p> <p><i>On forest land, today's foresters encounter historical evidence of the lives and work of past generations. This may be in the form of artefacts, objects or sites of historical or heritage value, biological remains, and intangible assets, such as ancient place and farm names, legends and places associated with old traditions. Land exhibiting a high</i></p>	<p>P</p>

Excluding wood from the following categories	Scheme information	Findings
	<p><i>heritage value may well influence the selection of land for set-aside as per subsection 6.4.1.</i></p> <p><i>The Swedish PEFC Standard requires such relics and their heritage value to be noted and protected in all forestry activities. The special conservation value to be found in historical areas, such as where the species composition indicates the existence of earlier customs or types of cultivation, must be taken into account. The conservation value tied up in earlier free-growing large-diameter trees, together with the tree species and shrubs growing on heritage sites must be nurtured to a reasonable degree. Care should be taken in forestry activities to ensure that ancient monuments situated in heritage sites are not damaged, and that damage to other known-valuable historical remains is minimized.</i></p> <p>However, it does not include areas which are fundamental to meeting basic needs of local communities. CoC standard also only requires companies to exclude illegally harvested timber.</p>	
4. Wood harvested from areas being converted from forests to non-forest uses	There is no specific reference to conversion in the standard.	NC
5. Wood from areas where genetically-modified trees are planted	<p>Revised Swedish Technical Document II, Section 6 The Swedish PEFC Standard:</p> <p>6.2.3 New unproven and chemical methods</p> <p><i>‘Genetically modified regeneration stock shall not be used during the period 2005-2010, pending the outcome of an environmental impact analysis and a ruling by the PEFC General Assembly.’</i></p> <p>However, CoC certificate holders are not required to exclude timber from GM trees.</p>	P

Assessment of SFI against FSC controlled wood categories

Source document:

Sustainable Forestry Initiative Standard (SFIS) 2005-2009 Standard

Sustainable Forestry Initiative, on-product label requirements

Excluding wood from the following categories	Scheme information	Findings
1. Illegally harvested wood	<p>SFIS 2005-2009:</p> <p><i>'SFIS Objective for Procurement, Objective 8 To broaden the practice of sustainable forestry through procurement programmes.</i></p> <p><i>Procurement by manufacturing facilities enrolled in the SFI Program from sources outside the United States and Canada (8.5 and 8.6 apply)</i></p> <p><i>Performance Measure 8.5 Program Participants shall ensure that their procurement programs support the principles of sustainable forestry, including efforts to thwart illegal logging and promote conservation of biological diversity.</i></p> <p><i>Indicators:</i></p> <p><i>1. Process to assess the risk that the Program Participant's procurement program could acquire material from illegal logging. This process may include relying on the adequacy of legal protections in the United States and Canada, where laws against domestic illegal logging are enforced.</i></p> <p><i>2. Program to address any significant risk identified under 8.5.1.'</i></p> <p>SFIS Objective for Legal and Regulatory Compliance, Objective 11 Commitment to comply with applicable federal, provincial, state, or local laws and regulations.</p> <p><i>Performance Measure 11.1. Program Participants shall take appropriate steps to comply with applicable federal, provincial, state, and local forestry and related environmental laws and regulations.</i></p> <p><i>Performance Measure 11.2. Program Participants shall take appropriate steps to comply with all applicable social laws at the federal, provincial, state, and local levels in the country in which the Program Participant operates.'</i></p>	C
2. Wood harvested in violation of traditional and civil rights	<p>SFIS 2005-2009:</p> <p><i>'SFIS Objective for Legal and Regulatory Compliance, Objective 11 Commitment to comply with applicable federal, provincial, state, or local laws and regulations.</i></p> <p><i>Performance Measure 11.2. Program Participants shall</i></p>	P

Excluding wood from the following categories	Scheme information	Findings
	<p><i>take appropriate steps to comply with all applicable social laws at the federal, provincial, state, and local levels in the country in which the Program Participant operates.</i></p> <p>Indicator:</p> <p><i>1. Written policy demonstrating commitment to comply with social laws, such as those covering civil rights, equal employment opportunities, antidiscrimination and antiharassment measures, workers' compensation, indigenous peoples' rights, workers' and communities' right to know, prevailing wages, workers' right to organize, and occupational health and safety.</i></p> <p>SFIS Objectives for Procurement</p> <p><i>'Objective 8. To broaden the practice of sustainable forestry through procurement programs.</i></p> <p>Performance Measure 8.6. <i>Program Participants shall encourage economically, environmentally, and socially sound practices.</i></p> <p>Indicators:</p> <p><i>1. Process to assess the risk that the Program Participant's procurement takes place in countries without effective laws addressing the following:</i></p> <ul style="list-style-type: none"> <i>a. workers' health and safety;</i> <i>b. fair labor practices;</i> <i>c. indigenous peoples' rights;</i> <i>d. antidiscrimination and antiharassment measures;</i> <i>e. prevailing wages; and</i> <i>f. workers' right to organize.</i> <p><i>This process may include relying on the adequacy of legal protections in countries, such as exist in the United States and Canada, where laws are effective because they are in place, are enforced for wood and fiber originating in those countries, and independent legal processes are available in the case of disputes.'</i></p>	
<p>3. Wood harvested in forests in which high conservation values are threatened</p>	<p>SFIS 2005-2009:</p> <p>Performance measures under Objectives 4, 6 and 8 cover the requirements of this criterion.</p> <p><i>'Objective 4, Performance Measure 4.1 Program Participants shall have programs to promote biological</i></p>	<p>P</p>

Excluding wood from the following categories	Scheme information	Findings
	<p><i>diversity at stand and landscape levels.</i></p> <p>Indicators:</p> <ol style="list-style-type: none"> <i>1. Program to promote the conservation of native biological diversity, including species, wildlife habitats, and ecological or natural community types, at stand and landscape levels.</i> <i>2. Program to protect threatened and endangered species.</i> <i>3. Plans to locate and protect known sites associated with viable occurrences of critically imperiled and imperiled species and communities. Plans for protection may be developed independently or collaboratively and may include Program Participant management, cooperation with other stakeholders, or use of easements, conservation land sales, exchanges, or other conservation strategies.</i> <p>‘Objective 6, Performance Measure 6.1. Program Participants shall identify special sites and manage them in a manner appropriate for their unique features.</p> <p>Indicators:</p> <ol style="list-style-type: none"> <i>1. Use of existing natural heritage data and expert advice in identifying or selecting sites for protection because of their ecologically, geologically, historically, or culturally important qualities.</i> <i>2. Appropriate mapping, cataloging, and management of identified special sites.</i> <p>Performance Measure 8.5, Indicators:</p> <ol style="list-style-type: none"> <i>3. Procurement from areas outside the United States and Canada promotes conservation of biodiversity hotspots and major tropical wilderness areas.’</i> <p>Biodiversity hotspots and forests with exceptional values are elaborated in 2005-2009 Sustainable Forestry Initiative Standard (SFIS) Guidance Document:</p> <p><i>‘1.0 Descriptions of Biodiversity Hotspots and Major Tropical Wilderness Areas</i></p> <p><i>The SFIS calls for procurement policies that promote conservation of forests in areas outside of the United States and Canada identified as biodiversity hotspots and major tropical wilderness areas. Two of the areas (California Floristic Province and Caribbean) are wholly or partially within the United States and for the purposes of the SFIS those portions within the U.S. are addressed by the NatureServe or equivalent processes that are being</i></p>	

Excluding wood from the following categories	Scheme information	Findings
	<p><i>implemented in North America for identification of critically imperiled and imperiled species and communities.</i></p> <p>2.0 Forests With Exceptional Conservation Value <i>Beginning in July of 2002, The SFB has adopted a series of changes to the SFI Standard</i></p> <p><i>(SFIS) designed to expand protection of forests with exceptional conservation value (FECV). In short, these enhancements:</i></p> <p><i>A. Require the use of NatureServe or equivalent processes in North America to identify and protect species and communities that are identified as critically imperiled or imperiled;</i></p> <p><i>B. Call for procurement provisions to address biodiversity hotspots and major tropical wilderness areas outside of the United States and Canada; and</i></p> <p><i>C. Added new performance measures and indicators designed to help thwart illegal logging.'</i></p>	
<p>4. Wood harvested from areas being converted from forests to non-forest uses</p>	<p>There is no provision in the Standard to prevent conversion of natural forest to plantation. SFI-labelled products may contain timber from converted forests.</p> <p>Interpretation, Questions and Answers for the 2005-2009 Sustainable Forestry Initiative Standard (SFIS):</p> <p><i>'4.1 Objective 4 includes "contribute to the conservation of biological diversity by developing and implementing stand- and landscape-level measures that promote habitat diversity and..." Is stand conversion consistent with the intent of this objective?</i></p> <p><i>It is certainly possible that stand conversion could be consistent with the objective and needs to be assessed on a case-by-case basis. It will be harder to demonstrate consistency in converting a primary forest stand into a forest plantation, and less difficult to address converting a stagnated or high-graded stand (February 2001).</i></p> <p><i>Performance measure 2.1, Indicator 5 also requires "Artificial reforestation programs that consider potential ecological impacts of a different species mix from that which was harvested"</i></p> <p>Sustainable Forestry Initiative, on-product label requirements</p> <p>'11. Other conditions pertinent to primary and secondary producers</p>	<p>NC</p>

Excluding wood from the following categories	Scheme information	Findings
	<p><i>11.1 Conversion sources are roundwood and/or chips produced from conversion of forestland to other land uses, and although conversion sources are not acceptable in the calculation of the certified component, manufacturers are encouraged to make use of the wood produced from land conversion to avoid the wasting of these materials. Use will be tracked, but will not negatively affect SFI on-product label approval'</i></p>	
<p>5. Wood from areas where genetically-modified trees are planted</p>	<p>The SFI Standard does not prohibit the use of genetically modified organisms. It only refers biotechnology to compliance with applicable environmental laws and regulations. However, here is no commercial cultivation of GMO trees in the US and Canada. The Canadian Food Inspection Agency maintains a list of all the confined field trial in its website, which includes two tree species: poplar and white spruce.</p> <p>http://www.inspection.gc.ca/english/plaveg/bio/st/st_08e.shtml</p> <p>SFIS 2005-2009:</p> <p><i>'SFIS Objective for Legal and Regulatory Compliance, Objective 11 Commitment to comply with applicable federal, provincial, state, or local laws and regulations.</i></p> <p>Performance Measure 11.1. <i>Program Participants shall take appropriate steps to comply with applicable federal, provincial, state, and local forestry and related environmental laws and regulations.</i></p> <p>Indicators:</p> <p><i>4. Adherence to all applicable federal, state, and provincial regulations and international protocols for research and deployment of trees derived from improved planting stock and biotechnology.</i></p>	<p>NC</p>

Assessment of AFS against FSC controlled wood categories

Source document:

The Australian Forestry Standard AS4708-2007

The Chain of Custody Standard AS 4707-2006

Excluding wood from the following categories	Scheme information	Findings
1. Illegally harvested wood	<p>The Australian Forestry Standard AS4708-2007:</p> <p><i>‘4.1.2 The forest manager shall develop a forest management plan, or equivalent instruments, that—</i></p> <ul style="list-style-type: none"> <i>· identifies applicable legal requirements and other external requirements to which the forest manager subscribes;</i> <p><i>4.1.4 The forest manager shall monitor and evaluate forest management activities and their outcomes to ensure that forest management performance requirements are met and that deficiencies are corrected (where identified) to support continual improvement in forest management. The forest manager shall ensure procedures are in place for the following:</i></p> <ul style="list-style-type: none"> <i>· checking management plans and practices for compliance with legislation, codes of practice, regional and local prescriptions, guidelines and other relevant controls;</i> <p><i>4.8.3 The forest manager shall take appropriate action to constrain unauthorised or illegal activities.’</i></p> <p>The Chain of Custody Standard AS 4707-2006:</p> <p><i>‘2.2.4.3 Illegal operations or sources</i></p> <p><i>The organisation shall ensure that no wood or forest products known to be from illegal operations or sources, under relevant domestic and/or international law, enters any stages within the organisation’s link along the certification chain.</i></p> <p><i>The organisation shall request a signed self declaration by suppliers of non certified raw materials that the supplied raw material does not originate from an illegal operation or source. Where contracts have been signed with suppliers, the organisation shall include such a declaration within the current contract.</i></p> <p><i>The potential risk evaluation carried out by an organisation shall be based at the regional/country level. Where a high risk level exists, the organisation shall establish a sampling based program of second- or third-party verification of the suppliers’ selfdeclarations. The organisation shall also demonstrate its compliance with Appendix G in conjunction with the above four requirements.’</i></p> <p>Appendix G AVOIDANCE OF THE PROCUREMENT OF RAW MATERIAL FROM CONTROVERSIAL SOURCES</p>	C

Excluding wood from the following categories	Scheme information	Findings
	<p><i>'1. Objective and Scope</i></p> <p><i>The objective of this appendix is to provide structured requirements which elaborate on those requirements of clause 2.2.4.3 of AS 4707—2006 relating to the avoidance of procurement of wood raw material from illegal operation or sources or from controversial sources.</i></p> <p><i>Note 1: The term controversial sources is defined as illegal or unauthorised harvesting'</i></p>	
<p>2. Wood harvested in violation of traditional and civil rights</p>	<p>The Australian Forestry Standard AS4708-2007:</p> <p><i>'4.8.1 The forest manager shall recognise the rights and responsibilities of Australia's Indigenous peoples based on their prior ownership of the forests, seas, coasts and waters.</i></p> <p><i>4.8.3 The forest manager shall allow exercise of existing legal or traditional uses of the forests to continue. Where such uses threaten the condition of the forest or the achievement of the forest management performance criteria, the forest manager shall pursue negotiated outcomes</i></p> <p><i>4.9.5 The forest manager shall respect the rights of employees and other workers, including their right to join a union or association and to collective bargaining.</i></p> <p><i>NOTE: Requirements 4.9.3 to 4.9.5 provide a framework for forest managers to demonstrate respect for core International Labour Organisation (ILO) conventions.'</i></p> <p>However, CoC standard only addresses the issue on illegally harvested wood. (see 1 above)</p>	<p>P</p>
<p>3. Wood harvested in forests in which high conservation values are threatened</p>	<p>The Australian Forestry Standard AS4708-2007:</p> <p><i>4.3.1 The forest manager shall actively identify and assess the significance of biological diversity values and structural elements (such as standing and fallen dead wood and hollow bearing trees) to support the maintenance and protection of identified Significant Biological Diversity Values.</i></p> <p><i>The assessment of the significance of biological diversity values shall be based on existing relevant knowledge and forest planning instruments and shall be undertaken in a regional context.</i></p> <p><i>4.3.3 The forest manager shall implement practices to support the protection and maintenance of Significant</i></p>	<p>P</p>

Excluding wood from the following categories	Scheme information	Findings
	<p><i>Biological Diversity Values likely to be affected by forest operations.</i></p> <p><i>Planning and implementation of forest operations shall be consistent with those specified in recovery/action plans or equivalent instruments and prescriptions for management and conservation of threatened (including vulnerable, rare or endangered) species and ecological communities developed under Commonwealth, State and Territory legislative processes.</i></p> <p><i>Where management practices are being developed for new identifications and listings of threatened (including vulnerable, rare or endangered) species and ecological communities, the forest manager shall minimise adverse impacts by ensuring the planning and implementation of forest operations follows recognised interim guidelines and takes account of known information and relevant specialist advice.</i></p> <p><i>4.8.2 The forest manager shall protect important natural heritage and cultural, religious, spiritual and social heritage values.</i></p> <p><i>Protection of Indigenous heritage values shall be undertaken in consultation with relevant Indigenous peoples to avoid damage to important values during forest operations.</i></p> <p><i>Forest managers shall safeguard non-Indigenous heritage values through identification of known values.</i></p> <p><i>The assessment of the importance of non-Indigenous heritage values shall be based on relevant studies and forest planning instruments and shall be undertaken in a regional context.</i></p> <p><i>The identified important non-Indigenous heritage values shall be considered in the preparation of forest management plans or equivalent instruments and appropriate actions implemented in consultation with the appropriate bodies.'</i></p> <p>However, CoC certificate holders are not required to exclude timber from HCVs.</p>	
4. Wood harvested from areas being converted from forests to non-	<p>The Australian Forestry Standard AS4708-2007:</p> <p><i>4.3.2 The forest manager shall not convert native vegetation to plantation forest cover or non-forest cover except in the limited circumstances, as follows:</i></p>	P

Excluding wood from the following categories	Scheme information	Findings
forest uses	<p><i>a) Infrastructure development either required by legislation or regulation, or ancillary to the approved forest management plan or equivalent instrument under requirement 4.1.2, or</i></p> <p><i>b) Small-scale clearing (less than 10%, up to a limit of 40 hectares on a single forest management unit) with appropriate offsets.</i></p> <p><i>In any of these circumstances, the forest manager shall ensure that the following:</i></p> <p><i>1. Planning (identification and assessment) and practices (operations and monitoring) support the protection and maintenance of Significant Biological Diversity Values and that, as a minimum, conversion occurs only where it does not involve occurrences of—</i></p> <ul style="list-style-type: none"> <i>· threatened (including vulnerable, rare or endangered) or regionally significant ecosystems or ecological communities;</i> <i>· old-growth forest; and</i> <i>· important habitat of threatened (including vulnerable, rare or endangered) or regionally significant species'</i> <p>However, CoC certificate holders are only required to exclude timber from illegal sources.</p>	
5. Wood from areas where genetically-modified trees are planted	<p>The AFS allows the use of GMO trees as long as it complies with laws and regulations. However, there is no commercial usage of GM trees in Australia.</p> <p>The Australian Forestry Standard AS4708-2007:</p> <p><i>4.3.6 Forest managers managing plantations shall evaluate the impact of introduced species, provenances or populations, and constrain their spread where necessary to protect the ecological integrity of adjacent native vegetation.</i></p> <p><i>Forest managers managing plantations shall ensure that all dealings with live viable organisms that have been modified by gene technology comply with the law and that any licensed release within the defined forest area is in accordance with a publicly available ecological risk management strategy. Commercial use of such organisms shall be preceded by authorised field trials that demonstrate practicality of the risk management strategy.</i></p> <p><i>NOTE 2: This requirement recognises, but is not limited to,</i></p>	NC

Excluding wood from the following categories	Scheme information	Findings
	<p><i>community concerns about use of genetically modified organisms particularly regarding environmental risk, such as from gene transfer to native populations, and also the potential environmental benefits, such as through reduced reliance on chemicals, and seeks to balance these interests.'</i></p>	

Annex 2 Review of legal requirements

Review of legal framework in Finland and Sweden

Excluding wood from the following categories	Legal framework	Findings
1. Illegally harvested wood	<p>Forest harvesting is overseen and regulated by well functioning authorities in both countries (Sweden and Finland both score good, 9.3 and 9.0 respectively out of the maximal 10 on Transparency International's index of perceived corruption 2008). Thus, also non-certified wood from Sweden and Finland can be assumed to originate from legal harvesting operations.</p>	C
2. Wood harvested in violation of traditional and civil rights	<p>Finland has not ratified ILO Convention 169 Indigenous and Tribal Peoples. However, in principle, other regulations such as the Reindeer Husbandry Act (1990) and the 2004 regulations for Metsähallitus (the Finnish Forest and Park Service), provide relatively robust protection of the rights of especially reindeer herding Sami. However, these regulations are not implemented properly in practice. For example, Metsähallitus adopted its latest Natural Resource Plan without the consent of either the Sami Parliament or the reindeer herding cooperatives.</p> <p>In Sweden, the legal framework does not sufficiently cover the traditional rights of Sami. Sweden has not ratified ILO Convention 169, though the rights of reindeer herding of Sami are regulated under Reindeer Husbandry Act. The Act gives the Sami the right to use land and water for their own maintenance and that of their reindeer. However, in practice, their rights Sami may not be sufficient covered. In May 2009, a small village has taken the Sate to court contesting legislation that diminishes their traditional hunting and fishing rights.</p>	P
3. Wood harvested in forests in which high conservation values are threatened	<p>In Finland, the Forestry Act, section 10(2) lists a number of habitats/features that must be managed in 'such a manner that the overall prerequisites for the preservation of habitats characteristic to the biological diversity of the forest are ensured'. These habitats must be preserved if they are in a natural or near-natural state - and if the economic loss is insignificant or being compensated by state money (section 11). Thus in practise, the Finnish legislation also lacks functional forest protection formulations.</p> <p>Key habitats have been identified in Sweden since 1992. The inventories result from a government bill. The concept is not</p>	P

Excluding wood from the following categories	Legal framework	Findings
	<p>embedded in legislation, and key habitats have no legal status / protection. The inventories are mandatory but on lands of small forest owners they are paid for by the state, while companies are expected both to perform and finance their own inventories.</p> <p>The main relevant issues in Fennoscandia are to avoid retreating timberlines in high altitude forests, to avoid erosion and to avoid landslides (HCV4). The Forest Law both in Finland (sections 12 and 13) and in Sweden (para. 15-18) have provisions and regulations for special management of such areas. The environmental law also require protect important sources of water supply. Therefore, it should not be an issue in Finland.</p> <p>In societies like Sweden and Finland, where basically no one is critically dependent on subsistence practises, HCV 5 is not readily applicable, or at least, blends seamlessly into HCV 6 (areas which are critical to maintain traditional cultural identify). In practise, relevant areas will be much the same as those addressed in the discussion on traditional rights of the Sami people. Thus, the same conclusion applies – forests within reindeer herding regions in Sweden and Finland cannot be considered secure from activities that threaten traditional rights and cultural integrity, either through PEFC certification or through legislation.</p>	
4. Wood harvested from areas being converted from forests to non-forest uses	The aim of this requirement is to avoid wood from sources in regions where there is significant occurrence of deforestation of natural or semi-natural forests. This is not the case in Fennoscandia, and on these grounds this requirement is considered redundant both in Sweden and Finland.	C
5. Wood from areas where genetically-modified trees are planted	The forest regulations in Finland and Sweden do not address GM trees explicitly. However, there is not yet commercial cultivation of GM trees in Finland and Sweden, this is considered as low risk.	C

Review of legal requirements in US and Canada

Excluding wood from the following categories	Legal framework	Findings
1. Illegally harvested wood	<p>There is legislation in place to regulate forestry activities in the US. In terms of forest regulations, they are under the jurisdiction of the individual states. Interestingly, Federal regulations on water protection and the Endangered Species Act are key elements targeted by state/provincial regulators. As a result, state regulations are focused on protecting water resources and wildlife habitat, in particular, listed species at the federal or state level. The most common regulations imposed on privately owned lands are road and trail construction, harvesting practices (riparian areas, slopes, soil protection, harvest intensity), and the use of chemicals⁶. Privately owned forest lands are regulated in key aspects of forest management, with tax incentives, technical assistance and educational programs, to further facilitate compliance.</p> <p>In Canada, the bulk of forest operations take place in regulated public lands. All provinces have built into their licensing system, planning, plan approvals and management requirements. In most jurisdictions, the forest management plans cover a long term horizon with more detailed 5 year, and annual operational plans. The management plans are publicly available documents and subjected to a public consultation process. Provincial governments approve management plans, harvesting rates, regeneration standards, conservation objectives, and regulate the use of chemicals. In terms of ownership or legal access to the resources, the question is more complex and needs to be put into a historical context.</p>	C
2. Wood harvested in violation of traditional and civil rights	<p>Current legislative framework in US and Canada is sufficient to address traditional and civil rights.</p> <p>In the United States, through treaties, legislation, and court cases the rights of indigenous populations were defined. Key traditional rights recognized and persistently upheld through the courts are the right to self government, to fish and hunt even off-reservations. The key rights that were curtailed were the right to transfer land and the right to deal with sovereign powers.</p> <p>In Canada, a similar pattern evolved as Aboriginal Rights and Title where recognized in treaties, legislation and further</p>	C

⁶ Elleffson, P., Kilgore, M., & Granskog, J. (2006). *Government regulation of forestry practices on private forest land*. Elsevier

Excluding wood from the following categories	Legal framework	Findings
	<p>defined through court cases. Furthermore, the rights of Aboriginal peoples have been enshrined in the Constitution. The Treaty Rights are basically the rights to self-government, to hunt and to fish. Recent Supreme Court decisions have permanently linked those rights to natural resources and forest management policy. Provincial governments are addressing those rights by promoting/facilitating different forms of co-management agreements, by providing some level of tenure, and settling in some cases land claims.</p>	
<p>3. Wood harvested in forests in which high conservation values are threatened</p>	<p>Existing legal framework in US focuses on ecological aspects of HCVs. Most of the federal and state level legislation deals with protection of water, soil, and rare, threatened or endangered species (e.g. Endangered Species Act, Clean Water Act). However, social and cultural values were very rarely identified. Also, US is a large country and specific regulations differ between states. Given the breadth of the themes covered by HCVF and the fact that in the United States related legislation is the jurisdiction of the individual state, the risk is unspecific.</p> <p>In Canada, legislation at federal and provincial level deals with protection of water, endangered species (e.g. Species At Risk Act, Drinking Water Protection Act). The provinces own 77% of all forest lands, and most commercial timber harvest takes place in provincial forest lands. All provinces have their licensing system, planning, plan approvals and management requirements. Public consultation is a required element of the licensing system. However, this can be argued that only the values identified during the public participation process need to be considered.</p> <p>The ownership pattern influences the extent to which legislative requirements address the requirements of this category of the Controlled Wood standard. It is more likely that all aspects of the HCVF category are protected in public lands. However, given the breadth of the themes covered by HCVF and the fact that legislation is the jurisdiction of the individual province, the risk is unspecific.</p>	<p>P</p>
<p>4. Wood harvested from areas</p>	<p>In the US, a bill on ‘Forest Roadless Area Conservation Act’ was introduced “<i>to set aside undeveloped areas of the national forests for non-timber amenity values, including recreation</i>”.</p>	<p>C for Canada, P for two</p>

Excluding wood from the following categories	Legal framework	Findings
being converted from forests to non-forest uses	<p>This legislation was not passed but was adopted in 2001 by the US Forest Service as the Roadless Area Conservation Rule⁷. This rule only applies to the National Forest System and was one of the few national level legislation addressing land conversion.</p> <p>According to the study conducted by AHEC and comments from FSC US, it is suggested that there are two ecoregions where conversion is endangering forests and where loss of forest cover is greater than 0.5% annually (the threshold defined by FSC): Everglades (located in Southern Florida) and Pacific Lowlands Mixed Forests (located in Western Washington and Oregon state). Based on this information, these two ecoregions are at risk of conversion.</p> <p>Natural Resources Canada estimates that overall, deforestation affected less than 0.02% of Canada’s forests in 2005. Since commercial forest operations takes place on public land, and licensees are required to regenerate harvested areas, it is unlikely that deforestation and forest conversion are significant in Canada.</p>	ecoregions in the US
5. Wood from areas where genetically-modified trees are planted	<p>The Canadian Food Inspection Agency maintains a list of all the confined field trial in its website, which includes two tree species: poplar and white spruce. http://www.inspection.gc.ca/english/plaveq/bio/st/st_08e.shtml</p> <p>The US Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) maintain a field test database, which includes species such as American elm, American chestnut, aspen, poplar, loblolly pine and white spruce. http://www.isb.vt.edu/cfdocs/fieldtests1.cfm</p> <p>However, there is no commercial cultivation of GMO trees in the US and Canada.</p>	C

Review of legal requirements in Australia

Excluding wood from the following categories	Legal framework	Findings
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⁷ Federal Register. USDA Special Areas: Roadless Areas Conservation Final Rule January 12, 2001

Excluding wood from the following categories	Legal framework	Findings
1. Illegally harvested wood	National and State levels have strong legislation, regulatory and practice instruments (generally in the form of Forest Practices Codes) which are used to guide and enforce the application of legal requirements for forest operations and timber harvesting (for public and private forests and plantations)	C
2. Wood harvested in violation of traditional and civil rights	There is a wide range of legislation sufficiently covering aboriginal land rights and protection of aboriginal heritage, at both the commonwealth and state level. For example, Aboriginal and Torres Strait Islander Heritage Protection Act 1984, Native Title Act 1993 (Amended 1998) at commonwealth level; Aboriginal Land Rights Act 1983 of New South Wales, Aboriginal Relics Act 1975 of Tasmania.	C
3. Wood harvested in forests in which high conservation values are threatened	<p>Current legislation, programmes and tools also are not sufficient to ensure that there is a strong system of protection. Evidence still exists that HCV are being impacted across Australia.</p> <p>Management related to high conservation value forests is regulated at a commonwealth level under the Environment Protection and Biodiversity Conservation Act 1999. Though the EPBC Act is apparently comprehensive, it does not apply where regional forest agreements have been signed under the Regional Forest Agreements Act 2002. This is because these matters are deemed to have been comprehensively assessed during the Regional Forest Agreement (RFA) process and the RFAs contain an agreed framework for ecologically sustainable forest management.</p> <p>However, many stakeholders considered RFA process to not be balanced or rigorous enough to effectively address management of high conservation value forests. Particular concern was raised about how effectively issues of rare, threatened or endangered species had been addressed under RFAs.</p> <p>Production of timber from natural forests in Australia under regional forest agreements (RFAs) cannot guarantee low risk sources under FSC controlled wood requirements.</p>	P
4. Wood harvested from areas being converted from forests to non-forest uses	<p>Clearance and conversion of native forest is controlled at a state level and through RFAs. Effective legislative controls are apparently present in all States except Tasmania and Northern Territory.</p> <p>The Tasmanian community Forest Agreement signed in that state in 2005 and subsequent amendments to the Forest</p>	P

Excluding wood from the following categories	Legal framework	Findings
	<p>Practices Code address forest conversion. Clearing and conversion of native forests is set to be phased out by 2010 on state owned land, and by 2015 on private land. Conversion of state owned native forests has now ceased (from 1 January 2008). Some conversion may still be possible on private land however this is apparently regulated under the Forest Practices Code.</p> <p>The Northern Territory Planning Act 2005 controls the clearing of native vegetation through the Clearing of Native Vegetation development provisions 2004. Applications are subject to a public notification period and peer review by government agencies (Plantations for Australia 2007). The FSC controlled wood risk assessment team identified that some conversion is still occurring under this legislation in the Northern Territory, particularly in the Tiwi Islands.</p>	
5. Wood from areas where genetically-modified trees are planted	Licenses are granted under the Gene Technology Act. No licenses have been issued for tree species, so it is currently illegal to use genetically modified trees for commercial purpose.	C