

Eco-Labeling

The European Commission has an eco-labelling scheme called the "Flower Program". Items covered include a number of paper products (e.g. sanitary papers). The criteria used for the program largely reflect European domestic environmental requirements, values and European-based performance measures. Canada has been excluded from the process of setting criteria and is concerned that the Flower Program has not been developed in a transparent manner and discriminates in favour of EU producers.

Canada will closely follow EU developments in this field to ensure that the EU adheres to the TBT Agreement's Code of Good Practice in its eco-labelling programs, particularly those with respect to transparency and ensuring fair access of foreign producers to eco-labelling programs.

Forest Certification

Over the past few years, a number of national and private voluntary forest certification schemes have emerged in response to public demands that forest products originate from sustainably managed forests. Voluntary certification is among many potentially useful tools that can be used to promote sustainable management practices in the forest industry. However, the possibility that Canadian forest products exported to certain European markets may be compelled to be certified based on criteria over which Canada has minimal or no control is an issue of concern for Canadian industry. While Canada supports certification as a marketplace activity insofar as it promotes sustainable forest management, it is concerned about the spread and acceptance of schemes that are developed without industry or government input or consultation, which are being pushed onto consumers through pressure tactics of third parties. Depending on structure and criteria, some certification systems could effectively serve as non-tariff barriers against Canadian forest product exports and may be of dubious environmental benefit.

Canada considers that forest-certification systems should be developed in a manner consistent with a balanced standards process, remain voluntary, be market-based and not have the effect of creating

unnecessary obstacles to trade. As there are several approaches to forest-management certification, Canada supports the concept of equivalency between different national and regional forest certification systems that have been developed through an open, transparent and verifiable process. Canada supports greater efforts to achieve international agreement on certification systems that will promote sustainable forest management without creating discriminatory *de facto* technical barriers to trade.

Certification of Organic Food Products

Canada has experienced some market access problems as a result of proposed EU regulations that specify certification requirements for organically-produced foods. While the EU-wide rules are not yet in force, certain Member States are applying their own standards or interpretations of the EU rules. In April 1999, a National Standard for Organic Agriculture was ratified by the Standards Council of Canada, which outlines principles of organic agricultural production and management practices for crops and livestock. Canada is of the view that this new national standard meets the EU requirements on organic production of agricultural products and foodstuffs. A national certification and accreditation system is also being developed to complement the standard. Canada will seek recognition from the EU that our national standard and our national certification approach meet EU requirements.

SANITARY AND PHYTOSANITARY IMPORT REGULATIONS

Pinewood Nematode

Since July 1993, the EU has required that Canadian exports of softwood lumber, except Western Red Cedar, be heat-treated in order to ensure the destruction of the pinewood nematode (PWN). This requirement has effectively eliminated Canadian exports of untreated softwood lumber to the EU. Canada has indicated on numerous occasions that it views this mandatory requirement as excessive, given the negligible risk of establishment of PWN in the EU as a result of trade in Canadian softwood lumber.