



PEFC - Promoting Sustainable Forest Management

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## PEFC Position Statement 1<sup>st</sup> March 2004

### Behind FERN's "Footprints in the Forest" report

#### Summary

FERN, an environmental pressure group, recently produced a report "Footprints in the Forest" on forest certification schemes that is contradictory, misleading and based on biased research ([www.fern.org](http://www.fern.org)). The report analyses several forest certification schemes with the intention of informing mainly specifiers, policy makers and procurement personnel. Unfortunately, the analysis and results are misleading and readers of the report should be aware of the facts behind the glossy veneer.

PEFC always welcomes critical studies that are constructive, factual, objective and honest. It does not welcome politically motivated, badly researched, misleading reports with erroneous conclusions aimed at confusing rather than enlightening consumers and specifiers who want to make a positive choice for products from certified sustainable forest management. Unfortunately the FERN report "Footprints in the Forest" falls into the latter category."

The PEFC Council and its member schemes participated in FERN's research, in good faith, hoping that FERN would refrain from applying the propaganda approach used in its previous widely discredited "Behind the logo" report. Scheme administrators dedicated literally hundreds of hours of time, answering detailed questionnaires, correcting misinformation and clarifying issues during the research phase. It is most regrettable therefore that their contributions were largely ignored, and that a thin veneer of gloss was put over a badly researched piece of work that FERN has chosen not to publish on its website. In the interests of transparency, PEFC has therefore decided to make the background report on PEFC available on its website ([www.pefc.org](http://www.pefc.org)), with its responses, so readers can judge for themselves the way research subjects were treated.

We ask readers of the FERN report to be mindful of the facts outlined below as they may shed some light on the results. Finally, no amount of gloss can cover bad research methodology and practice and some examples below show the erroneous conclusions reached.

1. The authors did not declare their interests and cannot be considered as neutral as they are either active FSC members (FERN, American Lands Alliance, Sierra Club Canada, Tim Cadman, Friends of the Earth - see <http://www.fscoax.org/html/5.2.2%20FSC%20Membership%20List%20-%202003-12-09.pdf>) or are active in the promotion of FSC, and most, have a history of opposing the PEFC (Programme for the Endorsement of Forest Certification schemes) and other credible schemes. In addition one of FERN's Directors happens to be the FSC Europe Regional Director (see [www.fern.org](http://www.fern.org) under "about Fern") and as FERN itself is a

member of FSC, and funded the study, it would have been more honest if the report had declared these facts to the readers.

2. FERN invented its own credibility criteria based on its own views, using its own preferred scheme as a benchmark, without reference to any established international criteria on what constitutes credibility. The result is therefore predictable
3. FERN's criteria are inviting schemes to contravene international rules on certification and accreditation. As a professional forest certification scheme PEFC will always prefer to follow international certification and accreditation rules to ensure credibility.

Amongst the numerous contradictions are:

1. FERN's report has a laudable premise that SFM must be developed "*with full participation of all stakeholders and, particularly, the local people who own or use the forest.*" It is surprising therefore that the "best scheme" certifies in 50 out of 59 countries using only an interim standard set by certification bodies themselves. These are "*. circulated to stakeholders at least one month prior to a certification decision*". Nevertheless FSC gets the best marks for the "*participation in standard setting*". PEFC, on the other hand, which only assesses and endorses forest certification schemes which have been developed through a multi stakeholder participation processes at local or national level gets marked down.
2. FERN knows that all PEFC endorsed schemes have been assessed against the Pan European Operational Level Guidelines (PEOLG) of the Ministerial Conference on the Protection of Forests of Europe (MCPFE), which the FERN report agrees, include performance-based criteria. Therefore FERN's claim, that PEFC schemes do not include performance-based criteria, is wrong.
3. FERN's first question asks, "*Does the standard define the level of forest management that needs to be achieved?*" However, in the Elisa Peter's report on PEFC, on which FERN based its conclusions, it states, "*although a proper comparison of the national PEFC standards currently operational in Europe was beyond the scope of the study, it seems like the majority of PEFC schemes still lack performance based requirements*". How then can the first question be answered?"
4. FERN states that there is a "*large variation between national schemes*" despite the fact that it has not assessed the national standards, since this is outside the scope of the study. How was this conclusion reached?

Unfortunately, the updated FERN report fails again to contribute objectively to the debate. It is a pity that its obvious enthusiasm displayed by the authors is not matched by an equivalent technical and professional competency. Rather, the report appears to deliberately muddy the waters and is counterproductive at a time when most other stakeholders are calling for a constructive dialogue so that forest certification can become a positive tool in the promotion of wood from sustainably managed forests, that it should be.

What is really needed is an objective, independent analysis, to help customers gain confidence in all credible forest certification schemes. It would be more constructive, therefore, if FERN and its supporters were to commit to engage positively in constructive dialogue with the thousands of other stakeholders who are interested in promoting SFM rather than continuing to produce biased propaganda reports to promote their own preferred scheme

### **Detailed Comments on "Footprints in the Forest"**

The detailed comments below are aimed at correcting the misinformation provided in the FERN report as far as the PEFC Council is concerned. The PEFC Council urges all readers of the FERN report to read this document as well before arriving at any conclusions.

## Methodology

Despite requests, no methodology was ever communicated to schemes being assessed. The date of publication was delayed by over half a year and FERN added new schemes on after the initial deadlines. Consultants (in the case of PEFC) were appointed, and never completed their work nor considered the PEFC Council's comments. FERN employees, six months later sent the unedited first drafts (available on line) that were full of factual mistakes, and written in an accusative manner. These reports (not published by FERN) then formed the basis of an updated report written by Saskia Ozinga, Director of FERN.

The criteria for the scheme's assessment are based mainly on FERN's own perception of credibility in forest certification, rather than on internationally recognised procedures applied in other certification schemes and programmes in a wide range of industry sectors

## The report

### [1] Usage of the Inter-governmental processes for SFM

FERN report page 51, chapter 2

*“A recent improvement within the PEFC system is that more emphasis is put on the Pan European Operational Level Guidelines (PEOLG) that now form the reference basis for the adoption or revision of national certification standards.*

also

*“To be accepted as a PEFC scheme, this standard should be based on the Pan European Criteria for Sustainable Forest Management or criteria developed by other regional processes such as the Montreal process, or the International Tropical Timber Organisation. These criteria are not performance-based. Instead, they were developed by governments to monitor and report on the status of forests at the national level. ...”*

PEFC response:

FERN is not clear on its facts. Based on its research, and information we provided, FERN should have known that since PEFC started in 1999 it has required all scheme standards to use as a reference basis, and to be assessed against, the Pan European Operational Level Guidelines of the MCPFE (Ministerial Conferences on the Protection of Forests in Europe).

As concerns the uses of the Intergovernmental processes, FERN should also have known and stated that under section 2 of the PEOLG resolution *“Potential uses of the Pan European Operational Level Guidelines”* that they can provide an indicative reference for the establishment of standards for certification systems.

### [2] Performance versus system-based approach

FERN report page 52, chapter 4

*“As most PEFC-endorsed standards are system based standards and lack clear performance requirements, the certification process is logically based on a process the focuses on assessing documents provided by the applicant rather on an evaluation of forestry on the ground.”*

FERN report page 51, chapter 2

Concerning the PEOLGs FERN states that the “*PEOLG include more performance-based criteria*”. It also states “*They were not developed to assess any performance level. It is, therefore, not surprising that the 13 different schemes so far been approved by the PEFC Council have widely diverging standards*”

PEFC response

FERN stated that the “*proper assessment of the national PEFC standards was beyond the study*” (see original report written by Elisa Peter on PEFC schemes). However PEFC requires a stringent assessment of national standards and schemes against 195 requirements undertaken by consultants independent from the PEFC Council. These assessments take on average 8 months and all national standards endorsed by the PEFC Council to date (13) have been assessed against PEOLG and in all cases the consultants have concluded full compliance with PEOLG. FERN spent two weeks assessing PEFC (but not the standards) yet feels qualified to state that the schemes have “*widely diverging standards*”.

For FERN to state on the one hand that “*most (schemes)...are systems based standards which do not specify a minimum performance based standards*” contradicts the statement in the same paragraph that the “*PEOLG include more performance-based criteria*” since all endorsed national standards fully comply with the PEOLG include their performance criteria.

### **[3] ILO Conventions**

FERN report, page 51, chapter 2 - Quality

*“The PEFC Council has made the ILO core standards obligatory. Therefore all national standards will have to incorporate these seven standards in their national standard. There is no such requirement to recognise the land or user rights of indigenous peoples (which is in line with ILO 169), or those of local communities.”*

PEFC response

PEFC Council requires that all standards endorsed by the PEFC Council must meet the Core ILO (International Labour Organisation) Conventions (No 29, 87, 98, 100, 105, 111, 138). The Core ILO Conventions were decided upon by the ILO itself and identify the most important conventions among hundreds approved by ILO. ILO 169 is not a core ILO convention.

However, contrary to FERN’s contention on land and user rights, the PEFC has clear requirements for the protection of socio-economic functions and conditions as laid out in the PEOLG 6.1 a - e.

*These include that “property rights and land tenure arrangements should be clearly defined, documented and established for the relevant forest area. Likewise, legal, customary and traditional rights related to the forest land should be clarified, recognised and respected.”*

*In addition “Sites with specific historical, cultural or spiritual significance should be protected or managed in a way that takes due regard of the significance of the site”.*

Finally PEOLG 6.2a states that “*Forest management practices should make the best use of local forest related experience and knowledge, such as of local communities, forest owners, NGO’s and local people.*”

#### **[4] Public availability of the assessment report on PEFC forest certification schemes**

FERN report, page 52, chapter 3 – Who is involved?

*“In theory, assessment reports are publicly available from the national governing body, but this is not always the case in practice.”*

PEFC Council response

PEFC Council requires that *“Assessment results are public and the assessment reports are available from the PEFC National Governing Body on request”*. (see Annex 7 of the PEFC Council Technical Document, [www.pefc.org](http://www.pefc.org)).

PEFC Council has to date not received any complaint from any organisation or individual that a National Governing Body has refused to make the assessment report available.

#### **[5] Decision making process and voting procedures**

FERN report, page 52, chapter 3 – Who is involved?

*“In all existing PEFC schemes, decision-making power rests largely with the forest industry and forest owners during standard setting as well as system development and maintenance. Even where social or environmental NGOs participate, the distribution of voting power is such that they can always be overruled by the joint votes of the forest owners and forestry industry.”*

PEFC Council response

ISO Guide 59 (ISO Guide 59 Code of good practise for standardisation), which creates a framework for standard setting processes among various industry sectors and applied by official international or national standardisation bodies, for example requires that *“participation should be organised by standardising bodies and national standards bodies according to their respective consensus-building procedures which should provide for balanced representation of interest categories such as producers, buyers, consumers, etc.”*. This approach is more logical as stakeholders are represented by what they actually are. Using FERN’s definition is confusing as a Forest owner for example will have social, economic and environmental interests in his forest but he is primarily a producer using the ISO definition.

What FERN actually appears to be asking for in its statement, is a guaranteed inbuilt majority for environmental NGOs (ENGOs) over several other stakeholder groups namely the owners, managers, contractors, hauliers, traders, distributors and primary and secondary processing companies of the products etc i.e. the whole forestry sector. Environmental NGO’s are one of many stakeholders concerned with the definition and implementation of sustainable forest management. The so called “balance” desired where ENGO’s as one stakeholder cannot be “overruled” by other stakeholders is a politically motivated idea invented by international ENGO’s themselves for their preferred forest certification scheme which they wish other schemes to adopt. Other stakeholders in numerous schemes around the world obviously don’t agree.

#### **[6] Stakeholder consultation during the certification process, availability of the summary reports**

FERN report, page 52, chapter 4 – Stakeholder consultation required

*“Stakeholder consultation during the certification process is not required, although some national schemes have carried out stakeholder consultation.”*

FERN report, page 52, chapter 5 – Are summary reports available?

*“Neither full certification reports nor summaries are available, or even made available to interested parties on request.”*

PEFC Council response

Certification processes within the PEFC endorsed schemes must fully follow the requirements of ISO Guides 62, 65 and 66, which define the requirements for certification bodies, its structure, quality system, qualification and competence, certification process, decision making and dispute settlement. The same rules govern the certification processes used in ISO 9001 (Quality Management Systems) certification, ISO 14001 (Environmental Management Systems) certification and also hundreds of other product certifications.

These Guides describe the certification as a process between the independent and fully competent certification body and its client. They give opportunity to stakeholders to participate in the definition of the certification body’s policy and within the appeals, complaints and disputes procedures.

FERN’s has clearly failed to understand normal certification processes based on these ISO Guides that require the certification body to ensure the confidentiality of information obtained during the certification process. FERN is inviting the PEFC Council to contravene these international rules developed by ISO in order to satisfy its perceptions. The PEFC Council prefers to follow internationally recognised rules in order to maintain credibility.

#### **[7] Certification process –monitoring**

FERN report, page 52, chapter 4 - Monitoring

*“Surveillance audits take place once a year, but are on a random basis so not all holdings are audited every year.”*

PEFC Council response

Sampling is a normal internationally recognised method used within any conformity assessment process over a whole range of sectors, including forestry. Sampling is based on the principles of probability and ensures that assessment results are valid for the whole set of elements without the need to measure all elements.

Even in individual forest holding certifications, forest stands or operations to be checked in the certification audit are sampled. Similarly within group or regional certification, forest owners are sampled within the certified entity. (A region should be considered as group of forest owners delimited by geographical area).

ISO Guides 62 and 66 and their respective IAF (International Accreditation Forum) guidelines recognise such sampling procedures within multi-site certifications, i.e.

certification of an entity consisting of several sites, for example, a regional organisation representing several forest owners.

Even FERN's preferred scheme uses sampling.

## **[8] Complaints procedures**

FERN report, page 52, chapter 4 – Complaints procedures

*“The accreditation body usually has procedures in place to handle complaints regarding the accreditation process but nothing specific for accreditation of PEFC certification bodies.”*

PEFC Council response

The PEFC scheme only recognises official national, and internationally recognised, accreditation bodies (e.g. UKAS in UK or SWEDAC in Sweden, etc.) to provide the accreditation for certification bodies operating PEFC certification

All these accreditation bodies are required by ISO Guide 61 to have in place appeals, dispute and complaints procedures. ISO Guide 61 together with the IAF's (International Accreditation Forum) and the EA's (European co-operation for Accreditation) Guidelines govern the accreditation activities for different certification systems and standards (e.g. ISO 9001, 14001, etc.) in all industry sectors and businesses.

Accreditation bodies deal with all appeals, disputes and complaints that concern (i) the conformity of the accreditation process with the above mentioned rules for accreditation (ISO Guide 61) and (ii) the conformity of the certification body's activities with the requirements for certification bodies. Any accreditation body that receives a complaint against a PEFC certifier it has accredited, will assess the complaint and take appropriate corrective and preventive actions relative to the accreditation of the certifier.

FERN report, page 52, chapter 4 – Complaints procedure

*“However, since neither accreditation reports nor certification reports are publicly available, it is difficult for a third party to bring forward complaints. The very few complaints made so far have therefore come from applicants.”*

PEFC Council response

Disclosure of assessment reports to the third party is governed by ISO Guides 61 (accreditation) and ISO Guide 62, 65 and 66 (certification) and there is no reason why different, contradictory requirements concerning the disclosure of assessment reports should be applied in forestry sector, compared to other conformity assessment schemes, industries and businesses.

In contrast to any other industry sectors and businesses, the nature of forests and forestry operations are such that anyone can see for themselves whether or not the forest management meets the relevant criteria and they could the complain to the relevant certification body.

Whereas anyone can bring a complaint to a certification body or accreditation under the PEFC scheme, it is interesting to note that, according to FERN, under FERN's preferred scheme, only members of that scheme (599 members worldwide) are allowed to bring a complaint if

they feel “*a forest is unjustifiably certified or refused a certificate*” (Footprints in the Forest, page 48 Chapter 4, Complaints procedures).

#### **[10] Public availability of the PEFC Council General Assembly minutes**

FERN report, page 53, chapter 5, Are standards and procedures available?

*“Minutes of the General Assembly are not available to non-members, although the PEFC secretariat states they are ‘widely available’ as many members distribute them widely in their country.”*

PEFC Council response

FERN is misleading readers in saying that minutes “*are not available to non-members.*” PEFC Council Statutes, Article 6, bullet point 6, states that, “*The decisions of the General Assembly will be recorded in a register of minutes each signed by the Chairman and the Secretary General. The members as well as third parties having a legitimate interest may ask for copied excerpts. These excerpts will be signed by the Secretary General.*”

All those who have requested General Assembly minutes have received them, and no complaints have been received in this respect.

#### **[11] Chain of Custody – policy on controversial sources**

FERN report, page 53, chapter 6 – Policy on controversial sources

*“All schemes are required to demand from all suppliers of raw wood materials or purchased products at least a signed self-declaration that the supplied raw material or products do not contain any wood raw material from controversial (i.e. illegal) sources. This is implemented in Sweden, which also includes wood from key biotopes as a controversial source, but no evidence was found of other schemes having similar policies.”*

PEFC Council response

Annex 4 of the PEFC Council Technical Document (Chain of Custody Certification of Wood) includes all the requirements for the practical implementation and third party certification of the chain of custody of wood.

In particular, Annex 4, Chapter 8 requires that, “*no wood raw material from illegal logging, such as logging in forest areas strictly protected by law, enters into the transportation, manufacturing and storing phases of the process. Furthermore, no wood raw material from forest areas officially published by a government/environmental authorities as planned to become strictly protected by law, without the government/environmental authorities giving permission to harvest, shall enter the process.*”

This requirement must be fulfilled by all PEFC chain of custody certified companies regardless of whether they use this standard, or a national standard, for chain of custody, which has been endorsed by the PEFC Council and therefore meets this Annex 4 requirement.

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