

From: Elisa Peter <barbar@taiga.pp.se>
To: <pefc@pt.lu>
Subject: revision of Behind the Logo report
Date: 16 June 2003 12:32
Re.: Update of the Behind the Logo report

Dear Mr. Ben Gunneberg,

I am writing to you with regards to the update of the Behind the Logo report, which was published by the non-governmental organization Fern in May 2001 (www.fern.org). Fern is currently coordinating an international revision process and has subcontracted the independent consultancy company Taiga Consulting AB, on behalf of which I am writing, to provide the factual review of the sections of the report concerning the Pan-European Certification Scheme (PEFC).

The ultimate outcome of the revision process will be the publication of a second edition of Behind the Logo containing up to date and accurate information on the four schemes reviewed (FSC, PEFC, SFI and CSA) as regard to the 12 criteria outlined in the first edition. The report aims to provide reliable information to companies, governments and NGOs on the differences and similarities between certification schemes and the potential of each scheme to contribute to improvement of forest management.

To this end, Taiga Consulting AB has distributed a questionnaire to the PEFC contact people in Finland, Sweden, Germany and France as regards to the national schemes.

The attached questionnaire for the Council includes questions related to the revision of the PEFC policy documents in November 2002. I would be most grateful if you would like to respond to all the questions included in the questionnaire.

The timeline for the revision of the report is tight and I am hoping that I can get your completed questionnaire back as soon as possible (before the end of June at the latest). Please do not hesitate to contact me either by phone (+46 971 32035) or by email (barbar@taiga.pp.se) if you have any questions of clarification regarding the contents of the questionnaire. You can get back to me with your answers and comments as your convenience either by phone, fax or email (see contact details below).

Thank you very much in advance for your assistance in this process.

Your sincerely,

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Response from PEFC Council to Original Request

From: pefc council <pefc@pt.lu>
To: Elisa Peter <barbar@taiga.pp.se>
Cc: Saskia Ozinga <saskia@gn.apc.org>
Subject: Re: revision of Behind the Logo report
Date: 31 July 2003 17:46

Dear Ms Peter

Apologies for the delay in responding, but I have been on vacation in July. Please find attached our response to your questions. We look forward to seeing a draft before publication to help you clarify any points before your final publication.

Kind Regards

Ben Gunneberg
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Response by the PEFC Council

QUESTIONNAIRE TO THE PEFC COUNCIL
UPDATE OF THE *BEHIND THE LOGO* REPORT (FERN, 2001)

General Comments:

The Indufor report on the experiences gained over the first few years of operation, and critique by certain international ENGOs was published, "warts and all", on the website and open to public comments. The report and recommendations were the independent consultant's own view and were designed to form the basis of informed debate by stakeholders in all member countries, with a view to totally revising the documentation and procedures based on a consensus of all the stakeholders involved in the PEFC process.

The vast proportion (96%) of the consultant's main short term recommendations and 90% of all recommendations (note there were short, medium and long term recommendations) were fully or partially implemented. In addition further improvements were made which were not identified by the consultant in the initial report, but which evolved as being necessary through the revision process. A workshop for all members was then held, with the consultant to explain and discuss their recommendations and the rationale behind them, and several rounds of consultation followed involving members and through them all national stakeholders, resulting in a fully revised documentation, based on a consensus view and unanimously endorsed by all members at the last General Assembly. The intensive process lasted 18 months from beginning to end and demonstrates the PEFC's commitment to continuous improvement, transparency and openness.

Concerns about and hopes for the objectivity of the next FERN report.

The PEFC Council is always open to constructive criticism and encourages all those who have not yet done so to become actively involved in its processes and those of the member schemes. What the PEFC Council does not appreciate is the kind of pseudo research guising as “scientific” clearly aimed at promoting only one scheme and using biased and subjective so called “consultants”, which resulted in FERN’s propaganda report “Behind the Logo” of 2001. Consequently no one could reasonably hold it against the PEFC Council or any of its member schemes if they were to have chosen not to participate in this round, bearing in mind the misrepresentation of the facts in the 2001 report. It is unfortunate therefore that nothing has been indicated to us by FERN or the “consultants” to date to reassure us that the methodology or approach will be more objective this time. Only time will tell.

However in the interests of raising the level of understanding and trust, we will need to give FERN the benefit of the doubt and hope that in its revision, FERN will apply the same rigorous procedures and principles of objectiveness, transparency and openness as demonstrated by the PEFC Council in the revision of its processes.

We really hope that the next FERN report will not be just another FSC promotion propaganda exercise but that it will objectively and constructively contribute to the international understanding and debate on the improvement of sustainable forest management and its certification.

1- Revision of the PEFC policy documents

New PEFC policy documents were adopted in November 2002 following the recommendations of an independent assessment of the PEFC (Indufor report).

Question 1: What are the main policy changes as regards to requirements for stakeholder consultation, transparency and decision making processes?

The PEFC Council is the framework for the mutual recognition of independent national or sub-national forest certification schemes which choose to join and are accepted into membership. Decisions on forestry standards and certification schemes are taken at the national or sub-national levels during the standard setting process and are then evaluated by independent consultants against the PEFC Council requirements leading to an informed decision making process on mutual recognition by the members of the PEFC Council.

In Annex 2 of the Technical Document, the PEFC Council defines the requirements for the standard setting process. These requirements are mainly based on those defined in ISO/IEC Guide 59:1994 (Code of good practise for standardisation) used by ISO (International Standard Organisation) and its members.

Annex 2 requires that:

- all relevant interested parties must be invited to participate in the process,
- the interested parties participation and views shall be documented and considered in open and transparent way,
- achieving a consensus shall be the objective,
- the start of the standard setting process shall be communicated to the public,
- information on the development process shall be distributed and discussed,
- the final draft shall be available to all interested parties,
- the final draft shall be sent out for a formal national consultation process (Minimum 60 days).

2- Decision making processes

The Indufor report recommends that “a better balance of interest would be desirable” among the PEFC Board of Directors. “It can be argued that forest owners have too strong a position in the Board’s decision making (45% of votes cast)” (section 2.2.2.).

Question 2: Has any measure been taken to implement this recommendation and increase the decision making power of social and environmental interests within the PEFC Board of Directors?

The PEFC Council Statutes state in Article 6:

“The constitution of the Board members should aim to reflect the major interested parties who support the PEFC, the geographical distribution of the members, the diversity of their annual cutting categories and an appropriate gender balance.”

In addition, to facilitate constant turnover in representation and changes in the Board composition, the Statutes states that *“Board members are elected for a three-year period and one third of the Board members will be eligible for re-election in any one year”*.

The Board election is based on nominations provided by the PEFC National Governing Bodies who form the members of the PEFC Council. The members are free to nominate anyone they wish to the Board, and this decision is taken nationally. In order to ensure the balance required by the Statutes (Article 6 – see above) an Election Committee, independent of the current Board of Directors, is appointed to propose the Board nominations to the PEFC Council General Assembly. In addition, to facilitate the integration of more interest groups, the number of places on the Board has been increased to 10, over and above the Chairman and two vice chairmen who automatically serve on the Board

The Indufor report further suggests a number of measures which could be taken to increase the possibility of social and environmental groups to participate and influence the PEFC process such as membership and working procedures of the General Assembly, rights of extraordinary members, procedures to nominate national delegates to increase the participation of social and environmental interest groups in the general Assembly and guidelines for decision making in the National Governing Bodies.

Question 3: Have changes occurred in any of the procedures concerning the issues mentioned above? Is the PEFC promoting equal voting rights for participating organizations at the level of the national Governing Bodies?

All international environmental and social groups, and indeed any other interest groups supporting the objectives of the PEFC Council, can join the PEFC Council as extraordinary members and fully participate in and contribute to all debates, working groups, consultations and of course the General Assembly. The PEFC Council comprises members who are the national governing bodies and who have representation of all participating stakeholder groups at national and sub-national level. This means that international environmental and social, and other interest groups, can fully participate in the PEFC processes at local, national and international level including the General Assembly - At local and national level through their national governing body and at international level as an extraordinary member.

The PEFC Council requires that all relevant interested parties shall be invited to constitute a National Governing Body The PEFC Council requires its members to be independent legal entities and they thus have their own statutes outlining their membership rules. Many PEFC National Governing Bodies were established before the PEFC Council was itself established.

The PEFC Council reviews the statutes of its members to ensure that they do not contravene the legal requirements of PEFC Council.

The PEFC Council cannot dictate the exact democratic structure of the members in the same way that the UN or EU for example cannot dictate that its members have to have parliaments based on one third of the votes for socialists, one third conservative and one third green or liberal. As in all subsidiarity matters, the national structure must reflect the reality of the country in question. This results in for example members such as the Czech Republic, France, Luxembourg, Slovak Republic, Spain and Sweden having opted for a chamber system and the Austrians having a system by which all decisions must be made by consensus and not majority voting as in other national schemes.

3- Transparency

The Indufor report suggests that – in order to improve the transparency of the PEFC system – minutes of the General Assembly meeting be made available upon request by any interested party (section 2.2.3.).

Question 4: Has this recommendation been taken on?

The PEFC Council Statutes 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.”

In practice the General Assembly minutes are freely and widely available as they are distributed to the member countries and through them to hundreds of stakeholder groups who can and do distribute them further to their members. In fact I am given to understand that one environmental group not supporting PEFC has copies of not only all General Assembly minutes and papers, but also all other meetings etc. PEFC has also been known to publish consultant reports on itself, “warts and all”, on the internet and invited comment. In fact your questions are based on just such a report.

Question 5: What are the PEFC’s minimum requirements as regards to disclosure of information regarding certification conducted by the national schemes? Are there requirements as regards to public disclosure of certification/audit reports or their summaries?

The PEFC Council’s requires certification bodies and certification processes to follow ISO/IEC Guides 62, 65 and 66 which are used for the certification of quality management systems, environmental management systems and many other conformity assessment schemes. Third party certification is understood as the process between a certification/registration body and a supplier (client of the certification body) and therefore the confidentiality of information obtained during the certification is one of the elements of the process as is demonstrated by the following excerpts from ISO Guides dealing with the conformity assessment (ISO Guide 62, 65, 66):

- *the certification body shall have adequate arrangements, consistent with applicable laws to safeguard confidentiality of the information obtained in the course of its certification activities,*
- *except as required in these standards, information about a particular product or supplier shall not be disclosed to a third party without the written consent of the supplier.*

However, the certification body must have “*a documented structure which safeguards impartiality, including provisions to assure the impartiality of the operations of the*

certification / registration body; this structure shall enable the participation of all parties significantly concerned in the development of policies and principles regarding the content and functioning of the certification / registration system”.

In addition, these ISO Guides requires that *“Appeals, complaints and disputes brought before the certification/registration body by suppliers or other parties shall be subject to the procedures of the certification/registration body”.*

PEFC National Governing bodies and the PEFC Council regularly collect data and publishes the results of certifications undertaken against endorsed schemes on its internet site www.pefc.org. This is to enhance the transparency and credibility in that anyone can see who is certified and by whom and can make a query or complaint to the relevant body.

4- Regional and group certification procedures

The Indufor report recommends that the guidelines for regional certification *“ensure that those parties not willing to participate are excluded from the certified area”* (2.3.6).

Question 6: Is there a stated requirement to exclude from the pool of certified forests the forests of all parties not willing to participate? Are there requirements to inform and consult all concerned forest owners before the certificate is issued? Are there minimum requirements as regards to the share of forest area whose owners are committed to certification before regional certification takes place?

The pool of certified forests includes only those forest owners who have affirmed their willingness to participate

Annex 3 of the Technical Document requires that:

“The forest owners/managers/other actors may join the regional (group) certification by either (i) entering into an individual signed commitment or (ii) based on the majority decision of a forest owner’s organisation on behalf of forest owners they represent in the region. In any case only the timber harvested from the forests of the participating forest owners/managers can be considered as coming from a certified forest and can therefore be labeled with the PEFC trademark logo under contract in accordance with the PEFC rules.”

All forest owners entering into a commitment to be covered by regional or group certificate are informed about the content of their commitment.

Annex 3 requires that:

“In regional certification the applicant organisation shall be a legal entity and should represent forest owners/managers managing more than 50 % of forest area of the region.”

The Indufor report recommends that regional certification standards must include or make binding reference to explicit requirements to be implemented in the FMU-level forest management.

Question 7: Are there requirements that national certification criteria include management and performance requirements that are applicable at the level of a forest management unit even in the case of regional certification?

Annex 3 of the Technical Document requires that:

“The national certification criteria shall include management and performance requirements that are applicable at the level of a forest management unit and optionally also at group and regional levels.”

This requirement of Annex 3 is applicable to all three certification models (individual, group, regional).

5- Revision of standards

The Indufor report recommends that a maximum period of validity of a standard be defined in order to establish a clear revision process. This recommendation was taken on by PEFC in Annex 2, section 6. It clearly states that the standards on forest and chain of custody shall be revised at least every 5 years. It also specifies that the revision procedures shall be participatory, fair and transparent. The revised standards must be approved by the PEFC.

Question 8: How will transparency and participatory processes going to be ensured during the revision of standard? Are there any specific requirements? Which ones of the national schemes will first come under revision? When?

The periodic review and revision process is a part of the standard setting process and shall therefore follow the same transparency and participation procedures as required in Chapter 3 of Annex 2. The first schemes where the periodic review has to take place are the Finnish Forest Certification Scheme, the Norwegian Living Forests Standards and certification scheme and the PEFC Sweden Scheme. In all three cases, the revision process has already started.

6- Chain of Custody

The Indufor report recommends that PEFC should promote the establishment of an international standard for CoC and actively participate in this development (section 2.4.3).

In Annex 4 (Chain of Custody Certification of Wood) which was adopted in November 2002, it is mentioned that an international standard on Chain of Custody certification will be prepared.

Question 9: What is the process as regards to producing an international CoC standard and has it already started? Who will be involved in drafting the standard? When is it expected to become operational?

CEPI (Confederation of European Paper Industry) and CEI-Bois (European Confederation of Wood-Working Industries) have recently launched a project focused on the development of an international standard for chain of custody to which both FSC and PEFC have been invited to participate. The main objective of the project is to develop a Chain of Custody standard, which could be used in connection with many forest certification and labelling schemes (PEFC, FSC, CSA, etc)

Although the PEFC Council has decided to accept the invitation to participate in this development project, any decision on the adoption of an international chain of custody standard will need to be taken by the membership at a General Assembly.

Concerning the timetable and further details of the project, we recommend you contact CEPI and or CEI Bois directly.

In the meantime, the Indufor report recommends that PEFC encourages industry associations to develop their specific CoC standards.

Question 10: Are industry associations currently developing their specific CoC standards?

See answer to question 9

Question 11: What are the guidelines for group CoC certification?

Annex 4 of the Technical Document states that *“group C-o-C certification can be carried out only against a national, regional or sectorial standard which has been submitted to and endorsed by the PEFC Council”*. Annex 3 of the Technical Document specifies the minimum requirements that have to be met by any national, regional or sectorial standard for group C-o-C certification.

7- Accreditation

The Indufor report recommends that PEFC takes steps to harmonize accreditation procedures applied in forest certification. It also urges the PEFC to eliminate possibilities for the PEFC to approve certifications carried out by unaccredited certification bodies (2.5.3.).

Section 9 of the PEFC Technical Document states that *“the PEFC Council recognises only forest management and CoC certificates which are issued within the scope of a certification bodies’ accreditation (accredited certification)”*. However temporary exemptions from accreditation requirements are mentioned as a possible option in Annex 6.

Question 12: Have steps been taken to harmonize accreditation of PEFC certifiers in different countries? Are there accredited certifiers to conduct PEFC certification in all the countries where the PEFC has endorsed a national scheme? If not, what are the procedures to ensure independent, third-party assessments during the certification process?

The PEFC Council is working closely with the EA (European co-operation for Accreditation) and IAF (International Accreditation Forum) on the issue of harmonisation. The role of these two organisations is to facilitate harmonisation and mutual recognition through various multilateral agreements among independent national accreditation bodies.

In addition Annex 6 of the Technical Document states clearly the requirements for certification bodies, certification process and accreditation of certification bodies. References are made to the internationally recognised standards (ISO Guide 61, 62, 65, 66) and national accreditation schemes represented by national accreditation bodies that are part of EA (European co-operation for Accreditation) and/or IAF (International Accreditation Forum).

Any new area in the certification or accreditation field requires certain experiences to be gained before one can implement “full” accreditation for the new conformity assessment scheme. This reality is reflected in Annex 6, which therefore includes provisions for temporary exemptions. In every case however, the credibility of the certification and accreditation activities must be ensured. The usage of certification bodies accredited to quality management system (ISO 9000) certification or to environmental management system (ISO 14001) certification could be an example of such a temporary exemption. In any case requests for temporary exemptions are assessed and can then be approved by the PEFC Council on a case-by-case basis.

8- Applicability to all forest sizes and tenure systems

Question 13: What is the proportion of private/public land certified by PEFC?

PEFC does not certify, as it is not a certification body. I assume the question you are asking is what proportion of private/public land is certified under schemes endorsed by the PEFC Council? The PEFC Council does not collect data on type of ownership of certified forests. Rather, it collects data on forest management certificate holders. As forest owners / managers belonging to different ownership categories (e.g. private, church, local authority, state, company, military, trusts etc) can participate in one certified group or region (certificate holder), the type of ownership cannot be attached to this unit. To obtain such a breakdown you will need to contact the group or regional certificate holders directly.

Question 14: What is the smallest and largest forest holding that has been certified by PEFC?

Again PEFC does not certify, as it is not a certification body. The PEFC Council collects data at the level of the forest management certificate holder including size of certified forests and this is published on the internet. The PEFC Council at international level does not however collect individual stand level data of owners/managers participating in certified group or region (certificate holder).

The size of forest management certificates issued is as follows:

Individual forest management certificate holder:

Min = 0.2 hectares Max = 158,000 hectares

Group forest management certificate holder:

Min = 3,000 hectares Max = 235,000 hectares

Regional forest management certificate holder:

Min = 13,376 hectares Max = 6,590,000 hectares

This information can be gathered from our interactive database on our website. If you are interested in obtaining individual stand information for individual forest owners / managers participating in group or regional certification you would need to contact the group or regional certificate holder directly.

9- Complaints procedure

The PEFC Technical Document requires that the National Governing Bodies establish an independent dispute settlement body to handle those complaints which can not be addressed by the relevant accredited certification body. Complaints concerning the certification process or its results are supposed to be handled by the accredited certification body while complaints concerning the accreditation process are dealt with by the accreditation body.

Question 15: Do all endorsed PEFC schemes have a dispute settlement body in place or procedures for the establishment of a dispute settlement body on an ad hoc basis?

General to questions 15 – 17

The requirements given in Annex 3 are obligatory and are therefore a part of the endorsement and assessment process. According to Annex 3 of the Technical Document the dispute settlement body of the PEFC National Governing Body deals with any dispute and complaint arising from the implementation of the scheme and interpretation of the scheme requirements that are not in the competency of the disputes settlement procedures of the

certification or accreditation bodies. These latter belong fully in the competency of the certification body (ISO Guide 62, 65, 66) and relevant accreditation body (ISO Guide 61).

Question 16: What are the mechanisms in place to ensure that this body is impartial and independent?

See Answer to question 15. The general understanding of the terms mean impartial towards and independent in relation to the person(s) or activities being the subject of an appeal, complaint or dispute which could not be dealt with under the complaint procedures of the certification and accreditation bodies.

Question 17: Who is allowed to bring forward a formal complaint to the National Governing Bodies? Are external parties allowed to bring forward a complaint? (the Indufor report affirms that there is no need for any additional forum to address the complaints of parties nor involved in the certification process).

Anybody can bring a complaint to the PEFC National Governing Body, which is not in the competency of the certification or accreditation body.

10- The PEFC Council

What does the PEFC Council consist of? What is its decision-making power? Is it the general Assembly, the members, the international board and the secretariat together?

The objectives, activities, structure, authorities and responsibilities including decision-making are stated in the PEFC Council Statutes and PEFC Council Technical Documents.

11- Overall comments?

See General Introduction

PEFC Council
Luxembourg
30th July 2003