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ABSTRACT

The PEFC Council, an independent, non-profit, non-governmental organisation, promotes the independent third party certification, of environmentally appropriate, socially beneficial and economically viable management of forests.

This is achieved through nationally or regionally multi stakeholder developed, independent third party forest certification schemes, based on the criteria, indicators and operational level guidelines developed by the Ministerial Conference on the Protection of Forests in Europe or other similar intergovernmental processes promoting sustainable forest management.

In addition the PEFC provides a framework and umbrella for the mutual recognition of independent, national forest certification schemes so developed. The PEFC Council encourages national forest certification schemes to join its umbrella for independent schemes, to apply for mutual recognition and to use the common PEFC Logo for labelling products originating from forests certified according to their requirements.

PEFC is the largest forest certification system in the world representing forest certification initiatives from 25 countries of 5 continents. Over 46 million hectares of forests has been certified and this area is increasing rapidly. More than 450 companies have obtained chain of custody certificate and more than 6000 entities has received a license for PEFC logo usage.

Key words: PEFC, forest certification, sustainable forest management, chain of custody

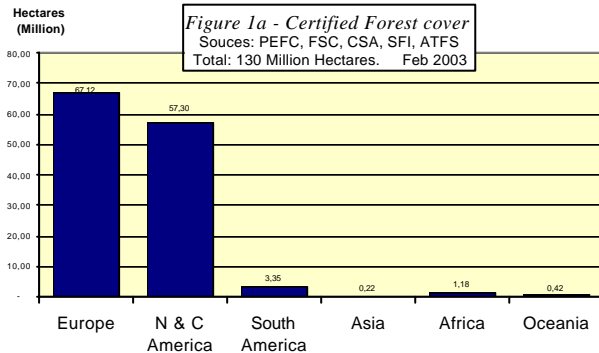
INTRODUCTION

Ladies and Gentlemen

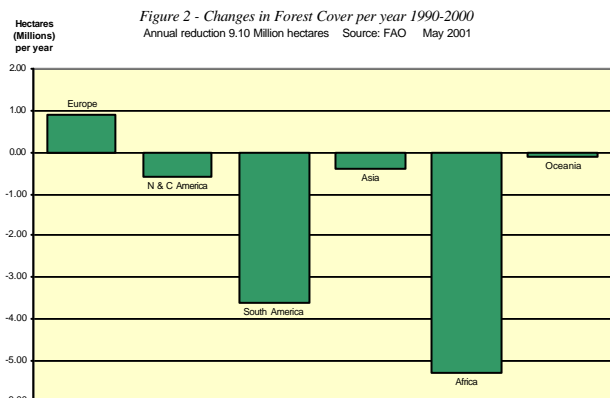
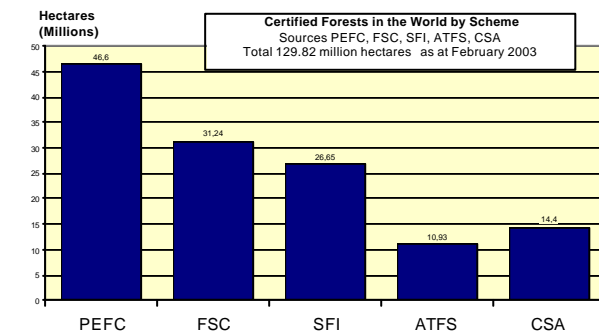
My name is Jaroslav Tymrak and I work as a Technical Expert for the PEFC Council which is based in Luxembourg. Forest certification is one of the leading topics of international and national discussion and I am glad that I have been given the opportunity to share with you our achievements and the experiences we have gained in the last four years during which the PEFC Council, initiated by owners of small scale family forests and now has become the international leader in forest certification and mutual recognition supported by a broad range of stakeholders from all walks of life.

1. BACKGROUND

Forest Certification has increased exponentially in the last few years and major schemes today account for over 130 Million hectares, out of the world's 3,856 million hectares of forests mainly in the northern hemisphere. The reasons for the certification is partly in response to increasing concerns about the origins of forest products in light of the ongoing deforestation. According to FAO (2001), the world's forest cover shrunk by approximately 9 million hectares per year in the 1990s.

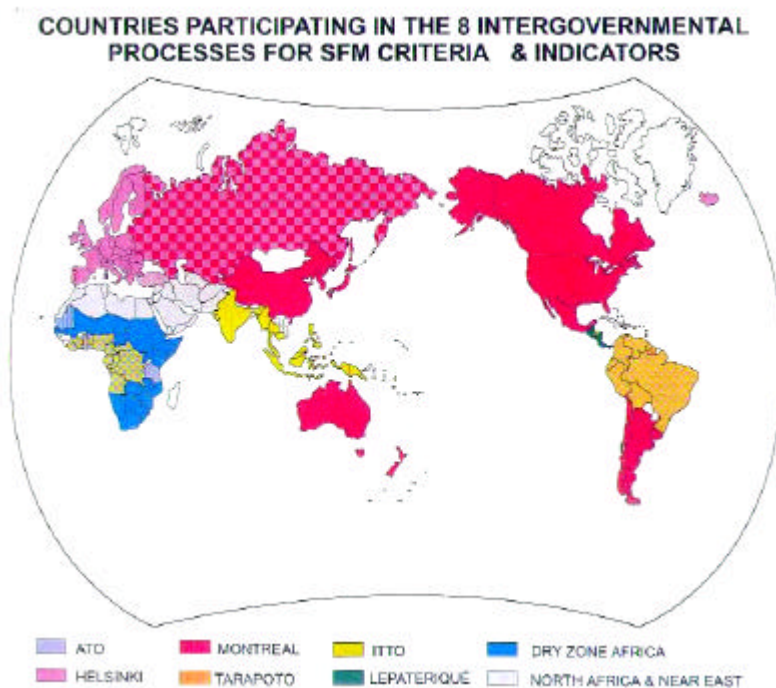


Key: PEFC = Pan European Forest Certification
FSC = Forestry Stewardship Council
SFI = Sustainable Forestry Initiative
ATFS = American Tree Farm System
CSA = Canadian Standards Association



In addition, the forestry sector has become more cognitive of its environmental weaknesses in competition with materials such as plastics, steel, aluminium and concrete. A recent study undertaken by the Joint FAO/ECE Team of Public Relations Specialists in the Forest and Forest Industries Sector (Burrows and Sanness, 1998) shows that this weakness lies mainly in the area of material procurement. The certification of the management of the raw material procurement will therefore go a long way to address this weakness and thus help the competitiveness of wood. Forest management certification therefore serves two main purposes– to improve forest management, and to improve market access and share for the products of such management.

Due to the international dimension of many forest related problems, international forest policy has undertaken efforts to alleviate these problems. Sustainable forest management (SFM) has been, since the UNCED in Rio in 1992, a leading concept in international deliberations and work. The result today is often broad consensus on principles, guidelines, criteria and indicators for SFM at international governmental level. One such process is the Pan European Ministerial Conference on the Protection of Forests in Europe (MCPFE). At a conference held in Lisbon 1998, MCPFE declared its commitment to endorsing the voluntary Pan –European Operational Level Guidelines for Sustainable Forest Management, which had been previously adopted by an expert level preparatory meeting. The guidelines form a common framework of recommendations that can be used on a voluntary basis and as a complement to national and or regional instruments to further promote sustainable forest management at the field level, on forest areas. Potential uses of the guidelines as stated by the ministers include its use as an indicative reference for the establishment of standards for forest certification schemes. Other similar intergovernmental processes also serve as basis for development of forest certification schemes.



2. EXPECTATION FROM THE MARKET

Forest certification is considered as a voluntary market oriented tool which was introduced in the beginning to prevent bad forestry practices, especially the destruction of tropical forests, and to promote good forestry practices. The forest certification today has become more and more a marketing tool to assure customers that raw material used in the product comes from sustainably managed forests. In addition, forest certification is also a positive tool to improve forest management.

There are different expectations from the forest certification among the different market players:

- **Consumers** have got the opportunity to support sustainable forest management through the purchase of labelled products which use raw material from sustainable sources.
- **Forest owners, forest and wood-processing industry** expect from the forest certification:
 - recognition of environmental acceptability of their forest management and their products,
 - improving environmental image of the company
 - improving environmental image of the whole forestry and wood-processing sector.
- **Society** has got the opportunity to find sustainable solutions to societal problems.

3. PEFC COUNCIL

The PEFC Council is an independent, non-profit, non-governmental organisation, which promotes the independent third party certification, of environmentally appropriate, socially beneficial and economically viable management of forests.

The PEFC Council provides a framework and umbrella for the mutual recognition of independent, national forest certification schemes and provides the common PEFC logo for labelling of products which include raw material coming from forest certified according to national forest certification schemes endorsed by the PEFC Council.

The PEFC Council was established just over three years ago and since that time the PEFC Council has seen an increase in membership from 9 to 25 countries including organisations representing forest certification schemes from Canada, the United States, Australia, Malaysia, Chile and Brazil. The current membership includes national organisations from the following countries: Australia, Austria, Belgium, Brazil, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Ireland, Italy, Latvia, Luxembourg, Malaysia, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, Great Britain, UK and USA.

Country	PEFC National Governing Body
Australia	AFS Ltd
Austria	PEFC Austria
Belgium	WoodNet asbl
Brazil	Inmetro (on behalf of CERFLOR)
Canada	Canadian Standards Association (CSA)
Chile	CERTFOR Chile
Czech Republic	PEFC Czech Republic
Denmark	PEFC Denmark
Estonia	Estonian Forest Certification Council
Finland	Finnish Forest Certification Council
France	PEFC France
Germany	PEFC Germany e.V.
Ireland	PEFC Council of Ireland
Italy	PEFC Italia
Latvia	PEFC Latvia Council
Luxembourg	PEFC Luxembourg
Malaysia	Malaysian Timber Certification Council
Norway	PEFC Norway
Portugal	Conselho da Fileira Florestal Portuguesa
Slovak Republic	Slovak Forest Certification Association
Spain	PEFC España
Sweden	Svenska PEFC ek för
Switzerland	HWK-Zertifizierungsstelle
UK	PEFC UK Ltd
USA	AF&PA (<i>on behalf of ATFS and SFI</i>)

Extraordinary members of the PEFC Council are important European associations representing forestry, wood-processing and pulp and paper sectors.

CEI-Bois	European Confederation of Woodworking Industries
CEPF	Confédération des Propriétaires Forestiers
CEPI	Confederation of European Paper Industries
ELO	European Landowners' Organisation
ENFE	European Network of Forest Entrepreneurs
FEBO	European Timber Trade Association
FECOF	Fédération Européennes Communales Forestiers
UEF	Union of European Foresters
USSE	Union of Silviculturalists of Southern Europe

4. PEFC BASIC PRINCIPLES

Since its establishment, the PEFC Council has been based on respecting some fundamental principles, which were in danger of being eroded by other efforts to promote sustainable forest management. These include among others:

The respect for and use of the regional political processes for promoting sustainable forest management as a basis for developing certification standards

Many countries have, and are developing, their national forest certification schemes based on Pan European Ministerial Conferences on Protection of Forests in Europe or the other all-inclusive political processes, which continue to evolve, and form the basis of a mutual recognition process provided through the PEFC scheme.

About 149 countries are participating in these Inter-governmental processes for the promotion of SFM, which cover more than 85 % of the world's forests.

It is important to note that hundreds of experts from a very wide range of stakeholder groups have been involved in the development of these political processes and that they are ongoing processes.

The support for the subsidiarity principle for each country and encouraging a “bottom up” approach to the development of certification standards

More and more stakeholders around the world are realising that the certification schemes they develop should be truly independent and appropriate to the political, cultural, economic and ecological reality of their country.

True independence of any mutual recognition or endorsement process can be checked by asking the question whether the national scheme can still remain fully operational when the scheme owners decide to withdraw from a mutual recognition or endorsement process. In case of the PEFC umbrella the answer is emphatically Yes. If a national scheme were to decide to withdraw from the PEFC Council, then the use of independent certifier accredited by a national accreditation bodies would ensure it was still fully operational the next day.

In addition to the standard setting process, the PEFC Council structure and internal procedures assures the democratic input of the PEFC National Governing Bodies and their stakeholders in the PEFC Council decision-making process.

Usage of the internationally recognised certification and accreditation procedures which are used in product or management systems certification in all sectors of human activities.

PEFC Council basic principal requires genuine separation of bodies responsible for setting the standards from those assessing and delivering the final certificate (certification bodies) and those

assessing competence and impartiality of the certifiers (accreditation body) to ensure the total independence, impartiality and professional competence of the certification process.

Certification bodies have to carry out the certification process according to internationally recognised procedures outlined in the documents developed by International Standard Organisation (ISO/IEC Guide 62 [3], ISO/IEC Guide 65 [4] or ISO/IEC Guide 66 [5]).

The technical competence and impartiality of the certification body and implementation of required certification procedures are assessed by a national accreditation body which belongs to EA (European co-operation for Accreditation) or IAF (International Accreditation Forum) and uses the same procedures as in cases of other certifications such as ISO 9001 [6] or 14001 [7].

Respect to multi-stakeholder process and involvement of relevant interest parties in the standard setting and certification processes.

PEFC Council requires that forest certification can be carried out only against the forest certification standard which has been developed at the national level and that all relevant interested parties have been, and continue to be, given the opportunity to participate in this process. The multi-stakeholder standard setting process creates partnership among different stakeholders and ensures the long term “buy in” and support by the users of the scheme and society in general.

All stakeholders whether individuals or groupings at local, national or international level also have the opportunity to express their views or comments during the public consultation period of the PEFC endorsement process in which national schemes are assessed.

In addition, the certification body is obliged to deal with all disputes and complaints of any interest party or individual which occurred during the certification process.

5. FOREST AND CHAIN OF CUSTODY CERTIFICATION – WHAT DOES IT INCLUDE

Forest certification schemes recognised under the PEFC umbrella includes two parts which together give a forest product consumer information about the origin of wood included in a product.

Part 1, forest management certification provides assurances that the forest management applied on certain forest area fulfils requirements given in a standard given in advance. All the national scheme and standards recognised by the PEFC Council are based on the definition of sustainable forest management (SFM) developed by intergovernmental processes supporting SFM (e.g. Helsinki process, Montreal process, etc.).

Part 2, called chain of custody certification has been developed to guarantee that information about the origin of raw material, i.e. origin in certified sustainable managed forest, is not lost during the various stages of transport, processing and distribution from “forest gate” to a final consumer.

The PEFC Council provides forest related industries with two approaches for chain of custody verification. The first one is based on physical separation where wood raw material from “certified” and other sources has to be stored, processed and sold separately to ensure it is identifiable during the whole production process. The second approach is based on inventory control and accounting of raw material flows, known also as percentage methods, including input / output method and Minimum average percentage method. Using the percentage model, the companies within the chain calculate and communicate the percentage of raw material included in a batch of products.

For most of the wood processing industries, the percentage based method is the only technically and economically feasible solution because:

- a) **Extremely high number of suppliers** (e.g. over 12 mill. forest owners in Europe, 15 000 wood processing enterprises in Spain) makes it practically impossible to be oriented only on suppliers of raw material from certified sources in a voluntary system
- b) **Transport, storage and processing cannot always be carried out separately** for raw material coming from certified and other sources.

6. SUCCESS OF THE PEFC COUNCIL

PEFC has become the world’s largest forest certification umbrella organisation covering 26 national independent schemes from all over the world, delivering hundreds of millions of tones of wood to the market place from tens of millions of hectares of certified forests. PEFC has strong grass root support from many stakeholders including the forestry sector, governments, trade unions and non-governmental organisations.

PEFC certified forests and chain of custodies

The PEFC Council has endorsed 13 national forest certification schemes and forest area certified according to them has increased to 46.5 million hectares in January 2003. Other member schemes are under development or are preparing an application for the PEFC endorsement. More than 450 wood procurement or wood processing companies around all Europe have obtained the PEFC chain of custody certificate and thus have access to the PEFC logo to label their products.

Country	Scheme name	Certified forest area
Austria	Austrian Forest Certification Scheme	3 924 000 ha
Belgium	Belgian Forest Certification Scheme	
Czech Republic	Czech Forest Certification Scheme	1 809 012 ha
Denmark	Danish Forest Certification Scheme	
Finland	Finnish Forest Certification Scheme	21 910 000 ha
France	French Forest Certification Scheme	890 706 ha
Germany	German Forest Certification Scheme	6 273 658 ha
Latvia	Latvian Forest Certification Scheme	17 295 ha
Norway	Norwegian Scheme and Living Standard	9 352 000 ha
Spain	Spanish Forest Certification Scheme	86 679 ha
Sweden	Swedish Forest Certification Scheme	2 203 531 ha
Switzerland	Swiss Q Label Holz Scheme	64 572 ha
UK	UK Certification Scheme for SFM	
Total		46 600 829 ha

Detailed statistics on PEFC certification and info on issued certificates or PEFC logo users can be found at our website www.pefc.org

CONCLUSION

Forest certification is today's reality. It brings improvement to sustainable forest management and market benefits to forest owners, forest and wood-processing industry, final consumers and society in general.

The PEFC Mutual Recognition process **respects and adheres to the political processes** designed to promote sustainable forest management developed by multi stakeholder involvement.

The PEFC mutual recognition process **operates as a bottom up process, respecting the principles of subsidiarity** and independency of national forest certification schemes. The independence of each scheme from PEFC is its strength.

PEFC relies on the use of normal certification and accreditation processes (which are completely independent of PEFC) and which have their own rigorous procedures to ensure the reliability, independence and credibility of their work.

PEFC is the largest forest certification umbrella representing 26 national schemes, more than 46 million hectares of certified forests with growing number of countries expressing their interest to join it.

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- [3] **ISO/IEC Guide 62:1996** (EN 45 012:1998) General requirements for bodies operating assessment and certification/registration of quality systems
- [4] **ISO/IEC Guide 65:1996** (EN 45 011:1998) General Requirements for bodies operating product certification systems
- [5] **ISO/IEC Guide 66:1999** General requirements for bodies operating assessment and certification/registration of environmental management systems (EMS)
- [6] **ISO 9001:2000** Quality management systems – Requirements
- [7] **ISO 14001:1996** Environmental Management Systems – Specification with guidance for use
- [8] **PEFC Council Technical Document**, <Http://www.pefc.org>

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