

Questions and Answers related to ‘On The Ground 2011: The controversies of PEFC and SFI’ report:

1) What are the major failures of PEFC and SFI certified forests?

PEFC and SFI certified forests were shown to fail on key ecological and social parameters that any wood and paper buyer would expect from a credibly certified product. Drawing from fourteen on-the-ground (from Sweden, Finland, Czech Republic, the US, Canada, Malaysia, Australia, Indonesia and Chile) and eight procedural case studies (related to PEFC and SFI national endorsed schemes in France, Finland, Germany, USA and Indonesia) the research report found that PEFC and SFI certified products:

- Failed to protect forest values such as key habitats and endangered ecosystems.
- Failed adequately consider local and indigenous communities dependent on forests.
- Failed to prevent the conversion of natural ecosystems to industrial tree plantations.

2) Haven’t the PEFC’s international standards for forest management and chain-of-custody dramatically improved? So why are so many NGOs? and other stakeholders like indigenous peoples still concerned?

The new standards still do not address systematic weaknesses within the PEFC system including:

- *Issues with accreditation and certification field visits* PEFC accreditation audits do not require a forest field audit to be conducted, directly limiting its ability to evaluate and monitor on the ground performance of its accredited certifying bodies and certified operations.
- *Not fulfilling non-conformity (corrective action) requests to a given deadline* thus allowing forest management operations to continue to sell and wood products as being sustainably managed whilst not meeting PEFC standards.
- *Limited transparency in decision making and public reporting* – for example there is no requirement to report corrective action requests, an action a company must take to ensure it meets the standard requirements within a specific time period, in PEFC public summary certification reports.
- *Inequitable and unbalanced participation of social, environmental and economic interests in governance* – for example, the inclusion of NGO and other stakeholders in the PEFC General Assembly and PEFC International Board is still limited to a few representatives and is outweighed by economic industry representatives.
- *Issues with universal accessibility and voluntary participation* –for example, forest owners in Finland were not even aware that their forests were certified under group certification held by the Forest Management Association body they were members of. This puts into question who carries the final responsibility of whether the forest management practices meet the certification requirements.
- *Issues with standard development and certification decisions* – for example, the Australian PEFC standard development voting process was dominated by economic interests. Public summaries related to PEFC certified operations & case studies from Germany, Sweden and Chile were not made available, meaning that there was no transparent information available for grounds to grant certification on.
- **Many new social and environmental requirements are very weak and/or open to wide interpretation.** For example, the due diligence requirements to manage the risk of procuring from controversial sources does not go beyond what is required by national and sub-national legislation, which is often inadequate to protect endangered and threatened species/ecosystems and ensure traditional indigenous rights to use are being respected.
- The new PEFC forest management standard **improvements may not lead to actual on- the- ground performance change for 2 years (12th May 2013).**¹

¹ It is also important to note that while new forest management standards came into effect on 12th May 2011 and its Chain-of-Custody standard will come into effect on 26th November 2011, it may take up to two years

3) Why can the PEFC/SFI label not be trusted?

There are cases where wood products in the marketplace are being labelled PEFC, which do not come from forests managed and verified to a PEFC forest management standard and/or have not been traced through a chain of custody (CoC) system from the forest to the end product against PEFC CoC standard requirements. For example, as demonstrated in the PEFC Germany procedural case study I.5, forest owners are affiliated to the PEFC Germany scheme through an ‘attestation of participation’, not through a forest management certificate verified by an accredited certifying body, yet they are able to sell their wood as certified and are not required to hold an independent chain-of-custody certificate.

Another example includes the fact that the PEFC endorsed system Sustainable Forestry Initiative (SFI), used in North America, uses a chain-of-custody standard much weaker than PEFC’s international CoC standard. The SFI’s ‘Fiber Sourcing’ label, its most common label type, does not require any chain of custody tracking of its contents or origins (see case study I.6 for more details). These cases demonstrate that the PEFC global label cannot be relied upon to guarantee that its wood products are from well managed forests.

4) Is PEFC better than FSC?

Rather than questioning if FSC is better than PEFC or vice versa, the emphasis, must be on whether these certification schemes can be trusted to assure consumers that forests are being properly conserved. This means they must guarantee that forest management practices on-the-ground are not threatening but rather are conserving the biodiversity, and the ecological and social values encompassed by the forest.

However, if one is to review, for example, the two systems’ international forest management standard requirements it is clear that FSC still has a greater number of ecological standard requirements which are more robust compared to PEFC and its endorsed counterparts like SFI. This indicates that it has a greater potential to improve forest management if implemented.

5) PEFC claims that the report is biased because some of the supporting organisations are members of FSC and some of the experts’ information is biased because they are affiliated with FSC. Is this true?

The primary interest of organisations that supported the ‘On-the-ground’ report is that forests are being properly conserved. These organisations want to be assured that PEFC certification is delivering forest management practices on-the-ground that do not threaten the biodiversity, ecological and social values of the forests.

This is a concern that does not prejudice FSC against PEFC just because some of the organisations are members of FSC. The focus on PEFC in this report is because its certified practices on-the-ground, as demonstrated in the report’s cases studies, are very poor and its label and system cannot be trusted to guarantee that its wood products are from forests managed in an ecologically and socially responsible manner.

6) PEFC claims it is the most widely accepted environmental standard in the world because its core standards are based on a series of intergovernmental processes recognised by governments around the globe, developed and agreed upon by thousands of stakeholders. Is this true?

No it is not true. Despite PEFC’s recent attempts to improve its standard and engage a wider spectrum of environmental and social stakeholders, most major NGOs and indigenous groups refuse to participate or to support the system. This happened because it was known that PEFC’s governance and decision making processes and policies were not balanced across stakeholder groups. In addition, PEFC originally had no minimum requirements on critical issues such as the rights of indigenous peoples, protection of high

before the new standards are implemented on the ground: "this standard entered into force on 12th May 2011. The transition period for forest certification systems which achieved PEFC endorsement before this date is 12th May 2013."

conservation value forests, and chain of custody processes, and provided no limits on the size of clear cuts, the use of GMO trees, or the use of pesticides and other chemicals.

The lack of trust in PEFC's system was compounded by its past and current poor performance on the ground. Thus even though PEFC's on paper efforts to improve participation of major environmental and social groups, most remain untrusting of the system and will continue to refuse to participate in the system until at the very least PEFC demonstrates a dramatic improvement of sustainable forest practices on the ground.

- 7) PEFC often refers to the fact that its system is credible and impartial because it adheres to international organisations for standardization (ISO/ISEAL), so why is this not good enough for ENGOs?

ISO standards may be useful tools when implementing quality management systems, but that does not necessarily make them efficient tools to achieve good environmental and social performance in a forest management operation. The ISO standards are what we might call system oriented standards, meaning that they require a certain system to be in place and require the certified organisation to document continuous improvements, but they don't specify a minimum performance threshold that needs to be met in order to be certified. A PEFC certified operation may in other words be ISO compliant and still fail to conserve high conservation forest values, biodiversity etc.

- 8) PEFC rejects the claim that its resolution mechanisms are poor. Why are they weak?
 - Complaints about PEFC certified areas are dealt with in the first instance by certification bodies; however, there is no provision for dispute resolution at the PEFC International level if the certification bodies fail to resolve the disputes.
 - At an international level PEFC has no routine role in resolving disputes about certified areas; it can only make a complaint to certification or accreditation authorities in the same way as any other stakeholder would.
 - Because PEFC has no contractual relationship with the accreditation body (that would task the accreditation body with ensuring PEFC standards are upheld, thereby protecting the PEFC brand), it does not have the ability to get accreditation auditors sent in quickly to investigate serious complaints and assess a certification body's performance.
- 9) PEFC is approved by the Timber Procurement Assessment Committee (TPAC) and Central Point of Expertise on Timber (CPET) which are committees that assess certification systems for the wood procurement policies for on behalf of the Netherlands and U.K. government respectively. Why is the approval by TPAC and CPET not credible?

Both CPET and TPAC use a desktop analysis to assess compliance against their criteria for what constitutes sustainable forest management certification systems. This again goes right to the heart of the issue – the prevailing reality of PEFC (and its endorsed systems) certified operations are not practicing socially and ecologically responsible forest management on the ground.

In addition, in the Netherlands, TPAC approved PEFC international as meeting its criteria with exemption of PEFC's endorsed Malaysia Timber Certification Scheme's (MTCS). In this case Greenpeace, WWF, Friends of the Earth, ICCO and NCIV submitted evidence to demonstrate that MTCS on the ground does not conform to the Dutch sustainability criteria.

