



Position paper

The PEFC Council's position towards the phased approach to certification

Introduction

There are currently more than 260 million hectares of certified forest land with approximately 95% of the certified forest area being in the UNECE region, with almost 60% of the world's certified forest area now located in North America and 36% in Western Europe. Potential supply of certified timber is currently at 22% of timber consumption.

There is concern in many quarters that the increasing demand for forest certification in public and private procurement policies places market access barriers for tropical timber. It is because of this that several international workshops, organised by the International Tropical Timber Organization ITTO (www.itto.or.jp > News & events > Events > Other meetings & workshops > ITTO International Workshop on Phased Approaches to Certification 19-21 April 2005 / Bern, Switzerland) for example, have investigated the background and reasons for the lack of certification in the southern hemisphere, in particular the tropics, and made proposals for governments, other stakeholders and certifications schemes for the promotion of an appropriate development of certification schemes in the southern hemisphere.

Organisations such as the ITTO are promoting the idea of a "phased approach" to forest certification by which forest management units would gradually move towards full compliance with a sustainable forest management standard and receive full certification within a pre-determined time period.

Currently one sixth of the PEFC Council members have forests located in the tropical regions and it should be noted that to date none of the members with forests in tropical regions have asked the PEFC Council to develop an option within its framework for any phased approach to certification.

Why have a phased approach?

One of the key reasons for having a phased approach is that it will provide time during which a producer, usually in the tropics, can benefit from market access without having to bear all the costs and without having to remove all the technical barriers in order to reach full certification. The producer is rewarded in the market place for making

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progressive steps towards reaching a full sustainable forest management standard to which he is then certified.

In other words two key elements namely costs and technical barriers, such as lack of training etc are cited by ITTO as the main reasons for having a phased approach. However, any cost reduction in certification costs (external or internal) and any reduction in standard implementation costs are only short term, until full compliance is required. Technical barriers for the full implementation of a forest management standard have to be removed within the time provided by the phased approach.

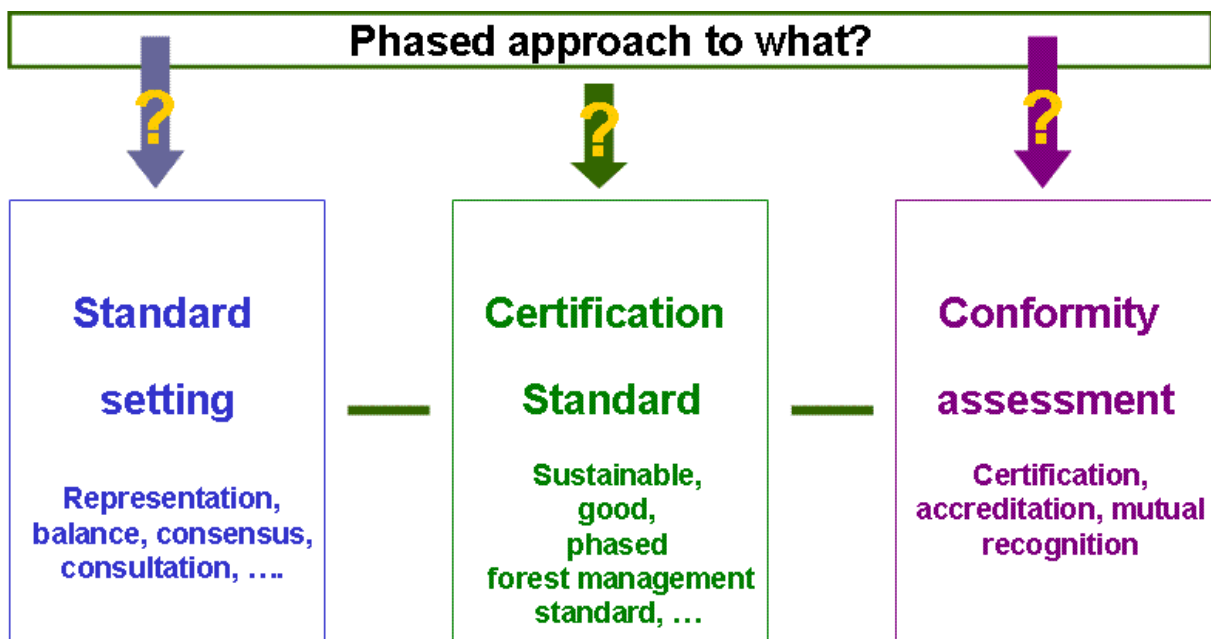
It is important to note that any phased approach will not remove the problems (cost and technical barriers) rather will only provide time for their solution.

Phased What?

The phased approach can be applied to the following areas (see diagram 1)

1. Phased standard setting process
2. Phased approach within a forest management standard
3. Phased approach to attaining accredited third party certification

Diagram 1 A phased approach can be applied to three areas



Area 1: Phased standard setting process

In this process one could move from a single stakeholder setting a standard, to a certifier setting a standard for a client with some public consultation (e.g. FSC interim standards) to a full multi stakeholder standard setting process (e.g. national standards setting process as required in PEFC).

Area 2: Phased approach within a forest management standard

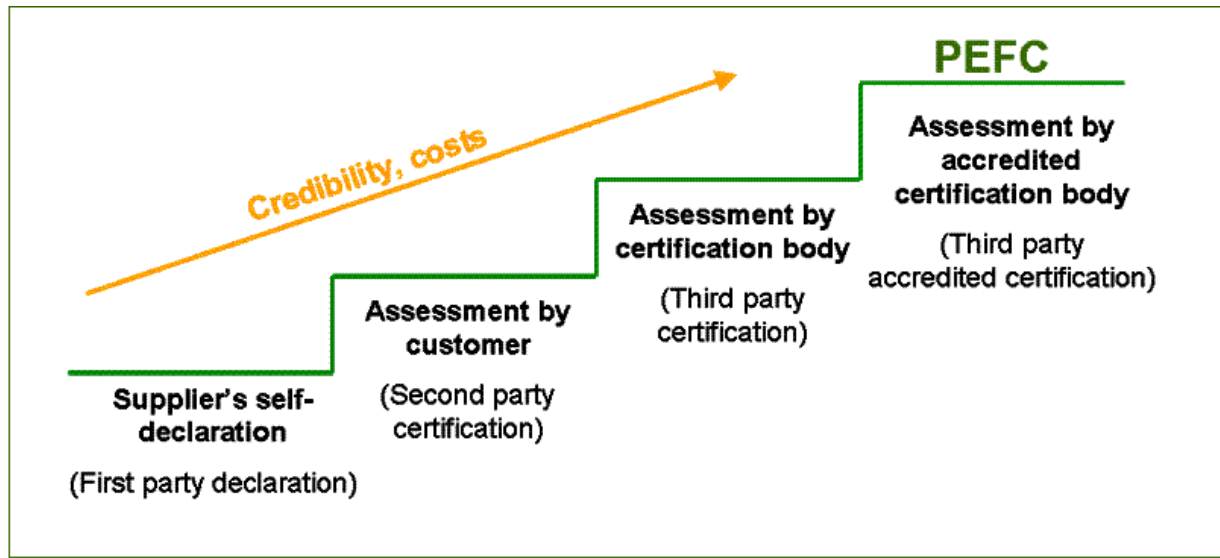
In this area the emphasis is in the content of the forest management standard. One may move from legal compliance towards a “well-managed” forest management standard and onward towards a sustainable forest management standard. Currently most of the

debate on the phased approach is concentrated in this area whereas its combination with an appropriate delivery mechanism has been given scant regard.

Area 3: Phased approach to attaining accredited third party certification

In this area the phased approach concerns the delivery mechanism or conformity assessment levels and steps which range from first party to third party accredited certification as demonstrated in diagram 2.

Diagram 2: Phased approach to attaining accredited third party certification



Theoretically there is a wide range of combinations of these three areas. The most common example is a combination of the phased approach to all three areas at the same time. For example some organisations and trusts have been established that encourage producers to start a phased approach by using second or third part certification to deliver a standard developed by very few stakeholders, specifically for a client ensuring legal compliance in the first instance. The producers have to sign a commitment to reach accredited third party certification, usually to the trusts preferred certification standard and scheme, but no commitment has to be made that this certification will be to a multi-stakeholder developed national standard. As a result producers have to use different labels and claims to that of certification schemes and pay the costs for these before moving onwards to a higher standard performance requirement and or certification level. Such an approach requires the use of different chain of custodies, labels and communications efforts and can add considerably to the overall costs of ultimately achieving accredited certification to a Sustainable Forest Management (SFM) standard.

Acceptability

The biggest challenge to any phased approach to forest certification rests in what key customers and procurement policies in important import markets are willing to accept. This could either be an acceptance of the individual steps of a phased based approach or a commitment to a complete phased based approach conformity assessment programme (including pre-determined time lines). The former option would create problems and associated costs by requiring the differentiation between the different

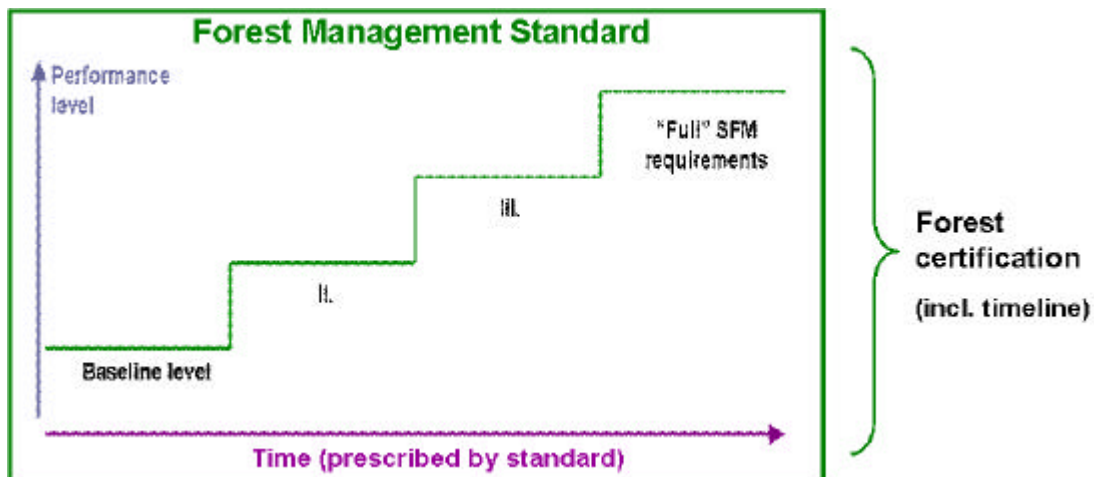
steps as far as the chain of custody verification, communication and labelling are concerned and could possibly cause confusion in the market place. The latter approach, as a comprehensive package, would allow for a rationalisation of costs, communications and labelling.

The PEFC Council questions, that as customers, including governmental agencies, are currently still reluctant to accept full accredited third party certification to full sustainable forest management standards, how these same customers will react to the less demanding steps of the phased approach.

The most credible approach

The only approach which would be in compliance with PEFC's requirement for credibility; cost effectiveness and ensuring an accredited certification would be a forest management standard with specified performance level steps ending in full SFM requirements, delivered through accredited certification (see diagram 3).

Diagram 3 - Phased approach within certification standard



This approach would ensure:

- a multi-stakeholder developed national forest certification standard is followed
- one forest management certification process
- one chain of custody
- minimal confusion for customers by using simple, truthful labelling rather than using a range of processes and therefore labels and differing chain of custodies
- different performance levels including a time line prescribed in a multi stakeholder agreed standard and reaching the full SFM requirements within a certain time frame.
- verification of compliance with the pre-determined steps through regular surveillance and re-certification audits

From the very first level, the producer would have a fully accredited certification. However it needs to be pointed out that the differentiation between steps would require

a separate chain of custody for each level and physical separation would therefore be the only credible option to ensure communication remains truthful and meaningful for the end consumer.

Conclusions

1. A phased approach to forest certification will only be accepted if key consumers and governments (especially government procurement policies) actively support the process and its results. If this is the case, certification systems can deliver a technical solution.
2. It is the PEFC Council's current view that a phased approach should **only** apply to the implementation of the content of a SFM standard. Such a forest management standard needs to be developed in a full standard setting process and be delivered through fully accredited third party certification to ensure credibility.
3. The PEFC Council is prepared and willing to work with ITTO and others to deliver technical and politically acceptable solutions once demand, market and political support can be demonstrated. In addition the PEFC Council is committed to reviewing this issue on a regular basis.
4. The cost benefits of a phased approach are still questionable as they are time limited and as technical barriers and additional chain of custody, labelling and communication requirements need to be factored in.
5. There is currently no demand within the PEFC membership for the development of a phased approach to forest certification, and it is questionable whether the option for phased approaches to certification would attract new member schemes.

PEFC Council
January 2006