



Overview of forest certification



April 2021



“Forest certification”:
specificity and functioning

In 80's, people started to hear about:



- ▶ Deforestation
- ▶ Heavy pollutions
- ▶ Acid rains
- ▶ Erosion
- ▶ Desertification
- ▶ Fires



Boycott of tropical woods!

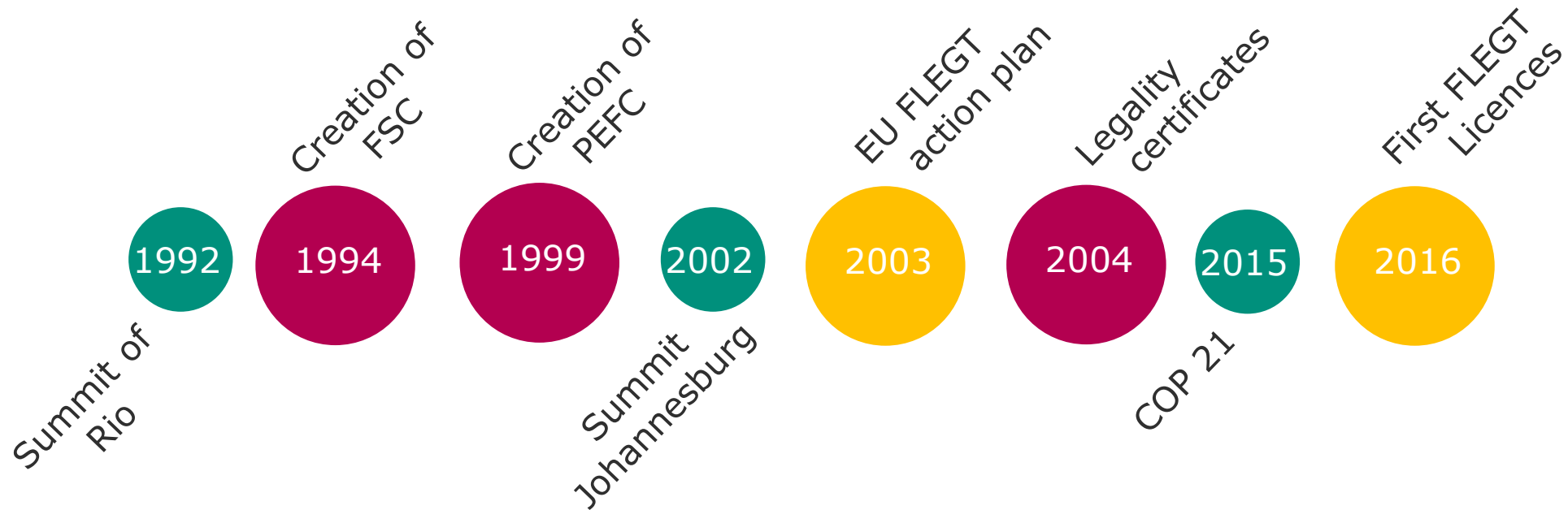


Boycott of tropical woods was not a solution:

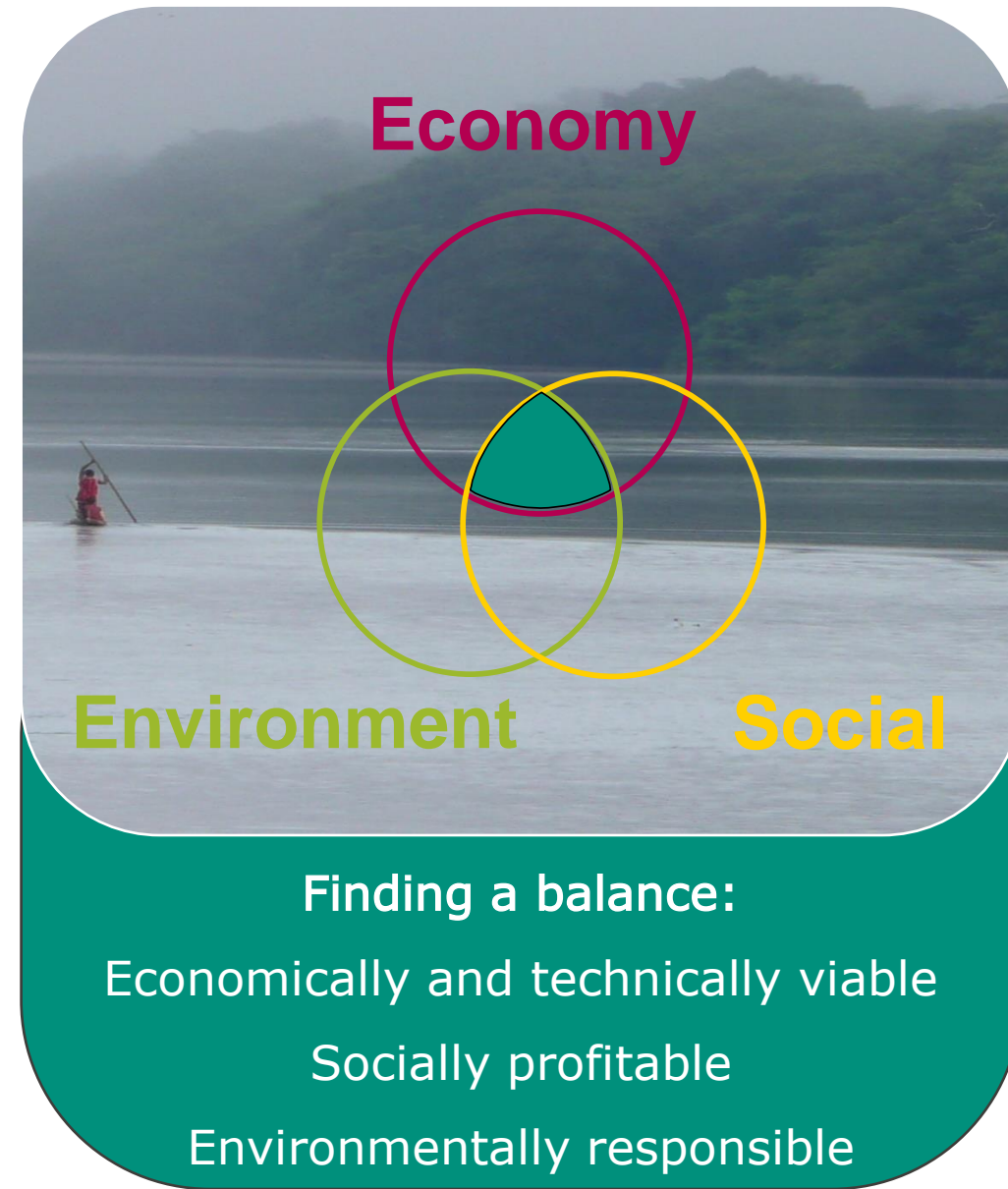
- Speeding up of the conversion of forest lands into farmlands
- Slowdown of development of Southern producing countries
- Transfer of wooden purchases towards other materials also with problematic ecological footprint (concrete, aluminium, plastic...)
- Etc.

Birth of initiatives/tools for sustainable forest management and fight illegal logging:

- Private and voluntary processes: **forest certifications** (sustainable, legal)
- **Institutional** market-impacting policies: FLEGT, Lacey Act, Illegal logging prohibition bill, REDD+



- Rooted in the concept of **sustainable development**
- A system that allows forests logging while ensuring forest responsible management
- A-Z tool to **guide the markets**
- And help the consumer to **identify wood** coming from well managed forest



Purpose

- **Attest the quality** (sustainable, legal...) of forest management and **inform end consumers** to allow choosing better products
 - Audit of **forestry activities** to verify compliance to the requirements

Means

- Linking forest certification to consumers along the supply and processing chain
 - Audit of **trading and processing** companies to verify traceability
 - **Products marking** (labelling) to identify certified products

Forestry certifications schemes are a combination of:



Target: Forest managers – such as forest owners, entrepreneurs, associations and timber companies

Means: field audit to verify compliance with the requirements of a forest management (FM) standard

Standard:

- set of requirements addresses a wide range of economic, social, environmental and technical aspects of forest management,
- Usually presented under Principles, Criteria, Indicators structure (PCI)



Legal certification

Compliance with **national regulations**:

- Legal existence of the company
- Rights of access to resources and harvesting
- Tax and fees, transport and sales
- Forest management and logging
- Environment
- Workers' rights
- Third parties and local communities' rights

Traceability of forest products - sales and invoicing

Controls of illegal activities (carried out by third parties)

Management system (option)

SFM certification

Compliance with the **law** and regulations (national and international)

Adequate **working and living conditions** for workers and their beneficiaries

Well-written, coherent and consistent **forest management plans** to maintain or enhance forest ecosystem

Implementation and monitoring of operations to **reduce forest damage**

Reduction and monitoring of **environmental impacts** (water, soil, biodiversity, fauna, etc.)

Good relations with **people living in** and around the forest and participation in local development

Others requirements

Legal certification

- Usually, legal certification standards **cover the 5 legal areas** of EUTR
- The level of requirements **details may vary**
- The level of requirement **depends on the level** of requirement of **national** regulatory frameworks
- *In practice, many checks in audit go beyond strict national legality or local government checks*

SFM certification

- The first rule of a SFM standard is to **comply with national laws** and regulations
- **One specific principle** (*principle 1 in FSC, section 6.3 in PEFC benchmark*)
- Other requirements (which go beyond legality) are always assessed on the basis of what is legally required (**certification is not a substitute for the law**)
- Legality requirements are often **less detailed** than in a legality standard

Aim: ensuring that wood, wood fiber or non-wood forest products contained in an item or product line originates from certified forests.

Principles: All entities of the supply chain must be CoC certified*

Each action of purchasing / selling (invoice) = 1 entity = 1 certificate



“ideal” scenario

* *Even trading without physical possession*

Target: certified wood and wood fibres trading and processing companies

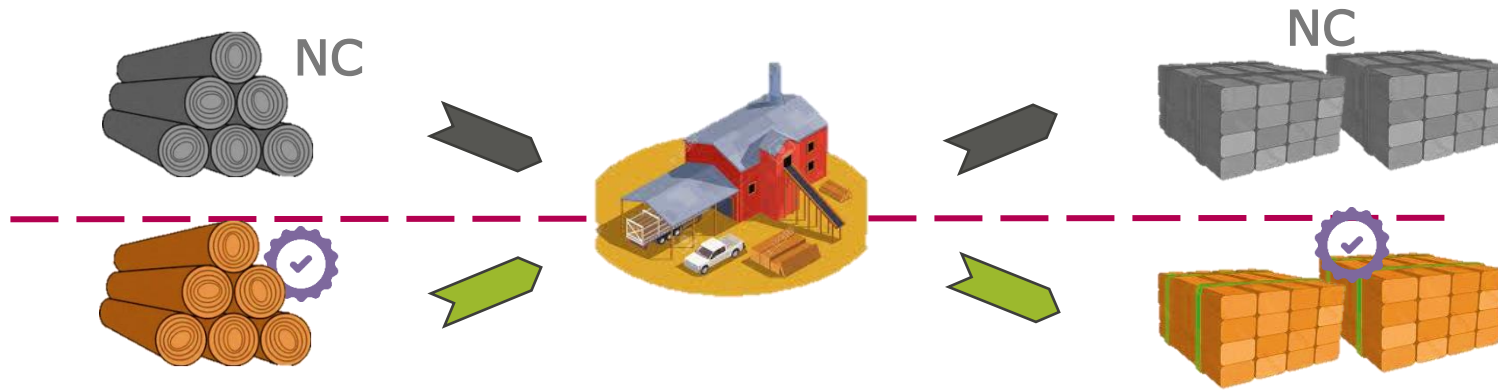
Means: audit to verify compliance with the requirements of a COC standard

Standard: Existing COC standards are international and integrate requirements on:

- COC methods (Accounting methods)
- General requirements (scope, sourcing, inputs/outputs identification, volume control, sales and delivery)
- Management system requirements (included outsourcing)
- Requirements for non-certified products (controlled sources)
- Labelling requirements

1. Segregated wood flow

Physical separation, transfer



2. Percentage mass of total wood flow

Credit method



3. Minimum threshold percentage of total wood flow

Percentage method

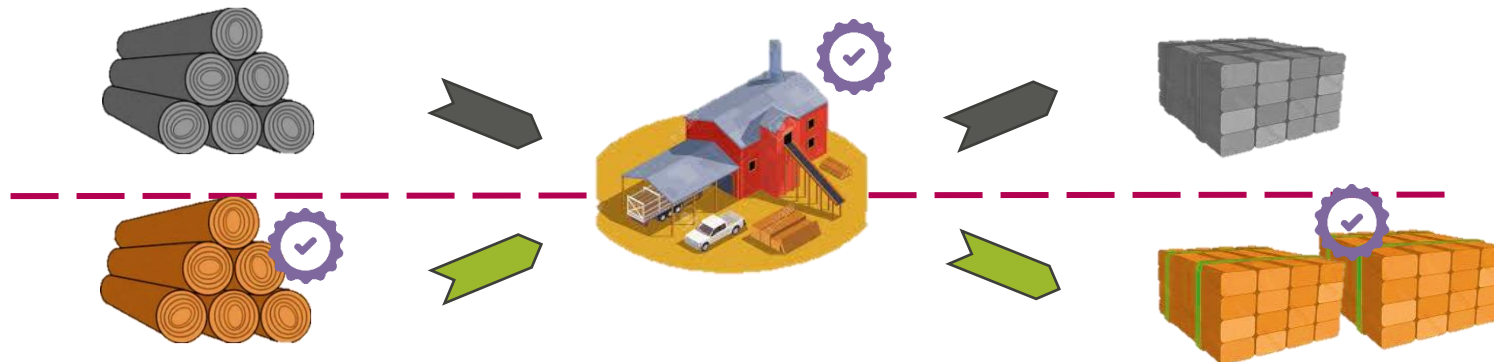


100% Certified material

CW Controlled material

NC Non certified material

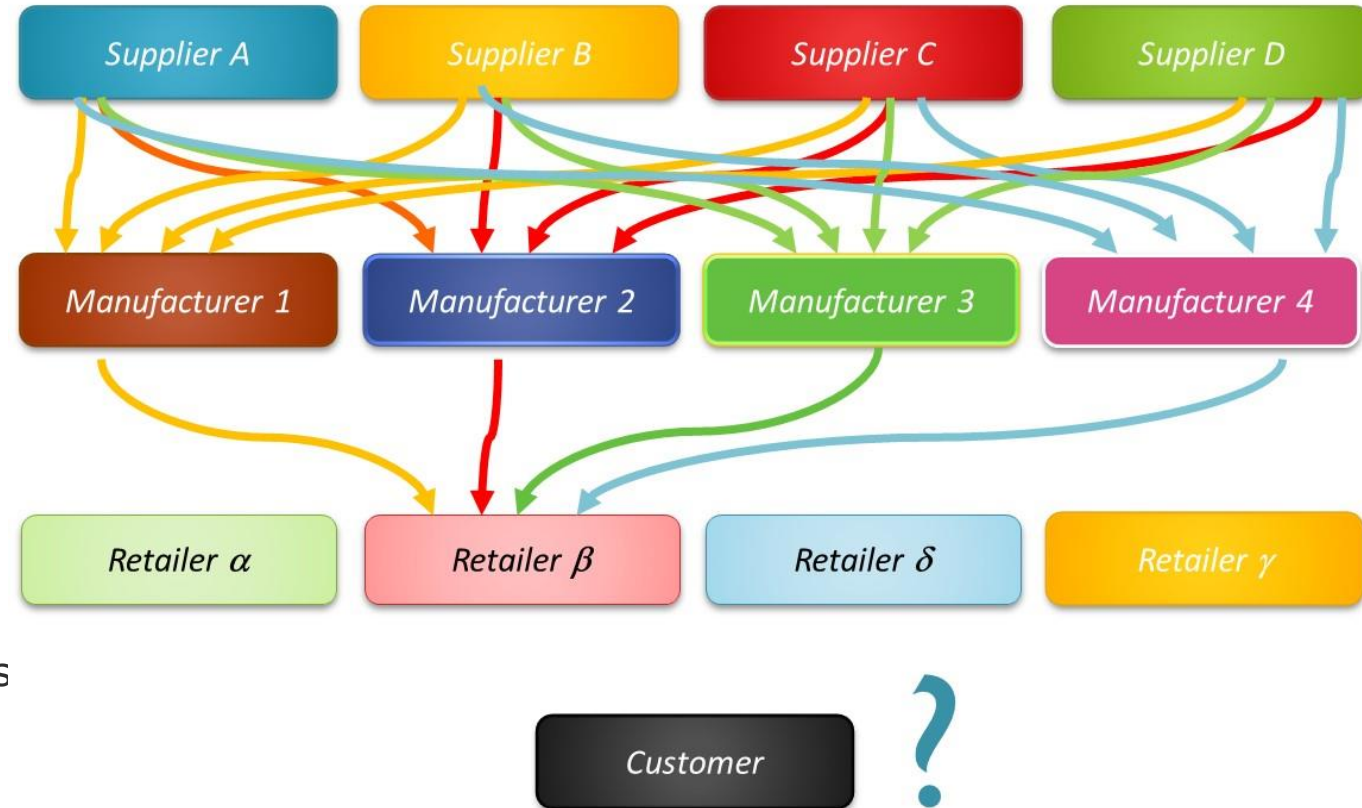
- Making the distinction between a certificate holder and certified material
 - A company can have 2 lines of production (certified material / non-certified material)
 - The company IS certified but not ALL of its products will be certified
 - Part of certified labelled material may be controlled but not from certified forests
 - And the auditor might not look at what is happening on the line of production for non certified material and where this timber is sourced from



In practice:

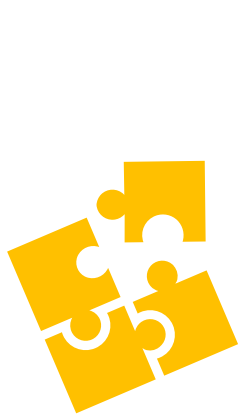
- Complexity of supply chains: timber products are sourced / sold to multiple suppliers / clients
- Diversity of the source of material entering in the “mix”: for instance uncertified forests (under certain conditions), recycled materials
- Complex industries: different systems to handle timber products and segregate non-certified products

Leading to **different certification claims** carried by products

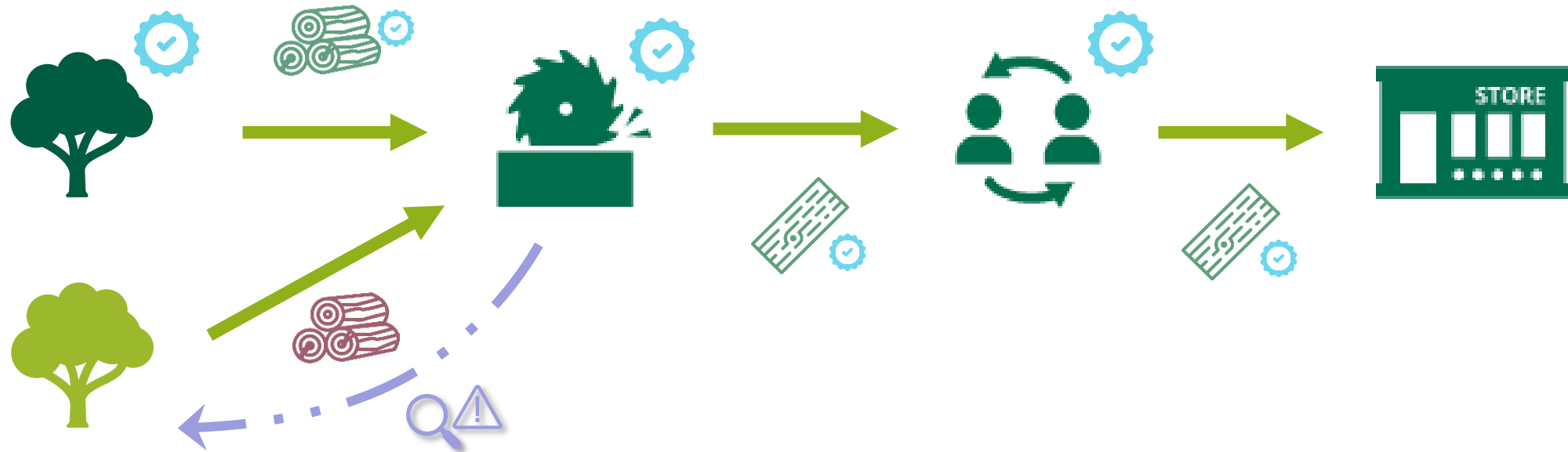


We can include certification within a Due diligence system...

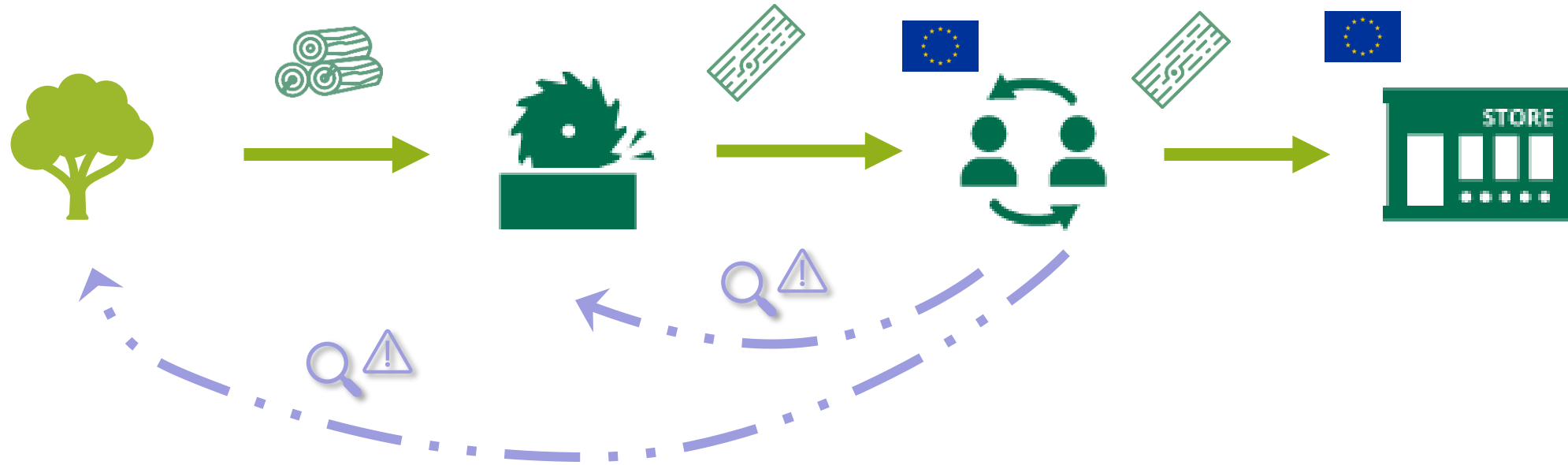
... and due diligence is also an element of some certification schemes



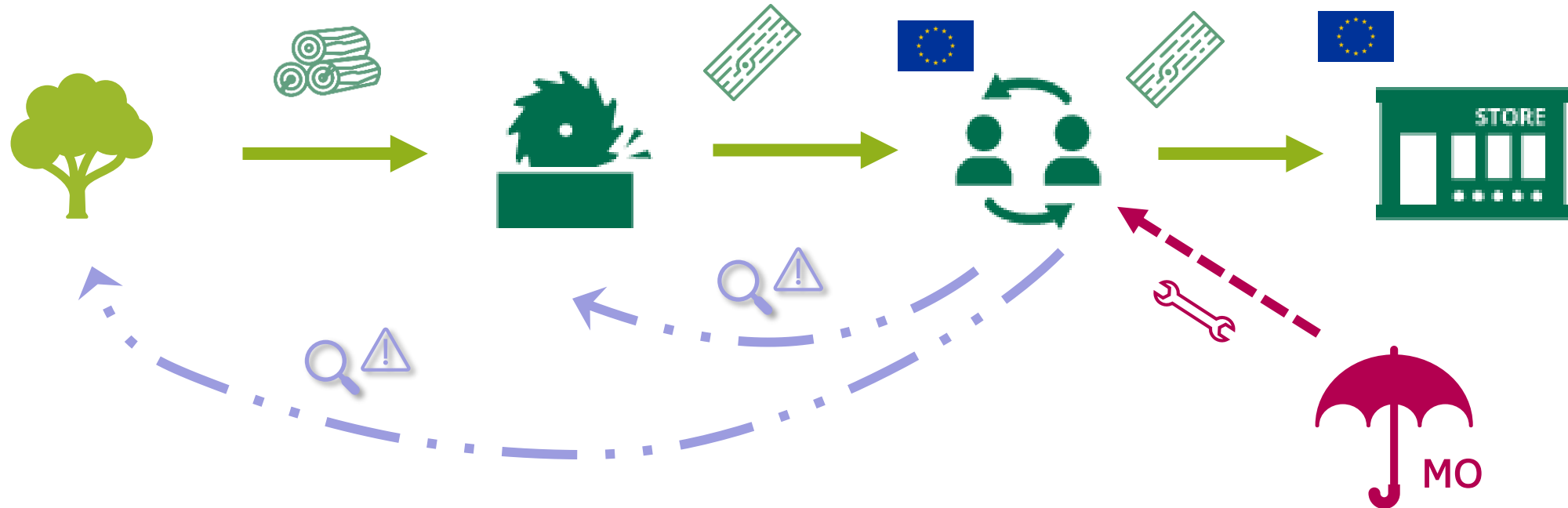
- Remember that “due diligence” is an **approach** of risk management



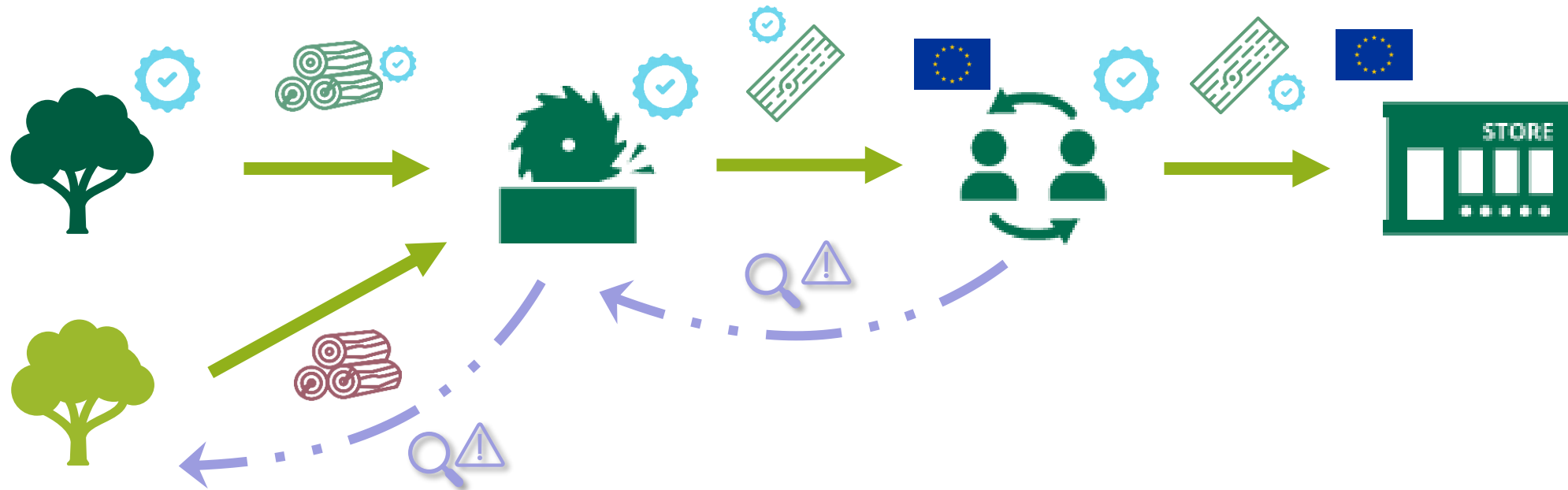
- A certificate holder including timber from a non-certified forest into the mix will **have to** conduct actions of due diligence – also coined as “controlled” material
- Criteria: the appropriate (voluntary) standard from the scheme (*ex: FSC-STD-40-005, PEFC DDS in COC standard*)



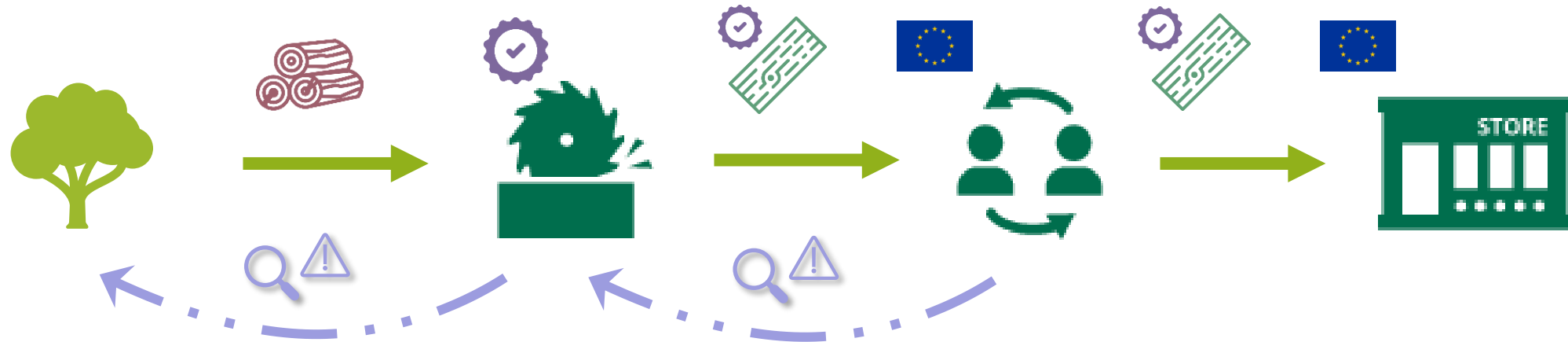
- A EUTR operator will **have to** conduct due diligence on material placed on the EU market
- Criteria: EUTR (regulatory)



- A Monitoring organisation would provide a ready-made and EUTR compliant due diligence system
- The operator is still responsible for the implementation



- Several actors might be conducting due diligence actions along the same supply chain



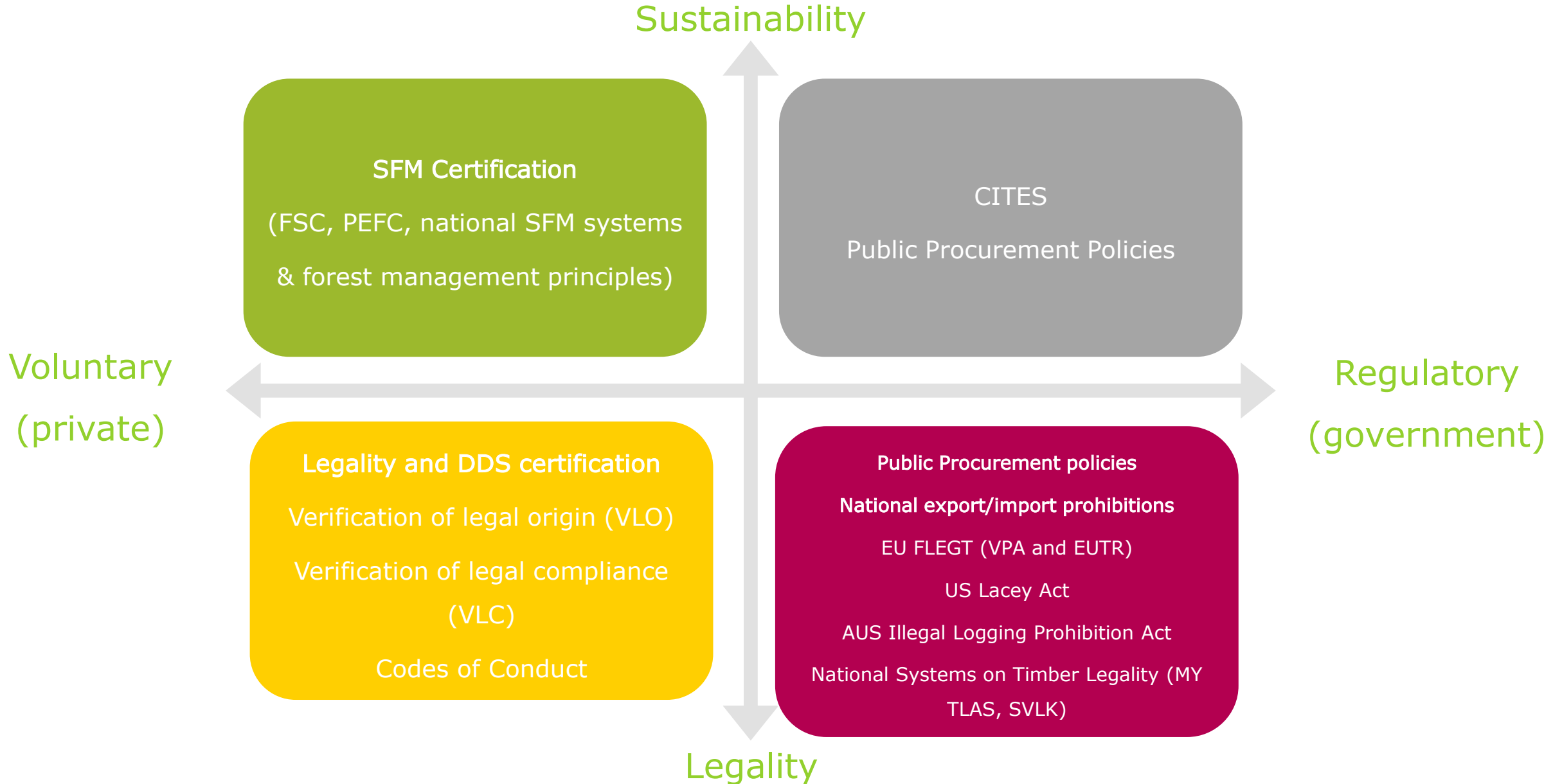
- Finally, any actor of the supply chain can voluntarily apply due diligence principles
- And can certify its due diligence system against a due diligence standard (*like with LegalSource or TLV certifications*)













- DDS is an approach which can be used in various verification process (voluntary regulatory).
- But remember:

An EUTR certificate does not exist !!

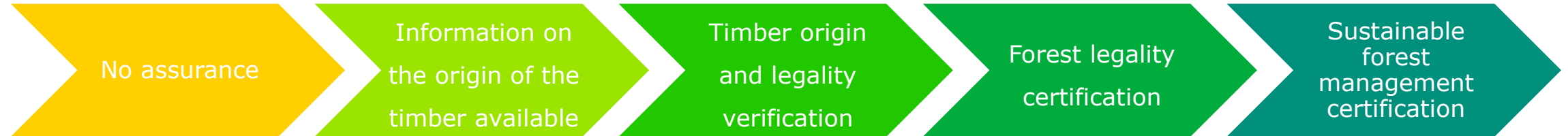


“Forest certification”: Range of schemes and specificities



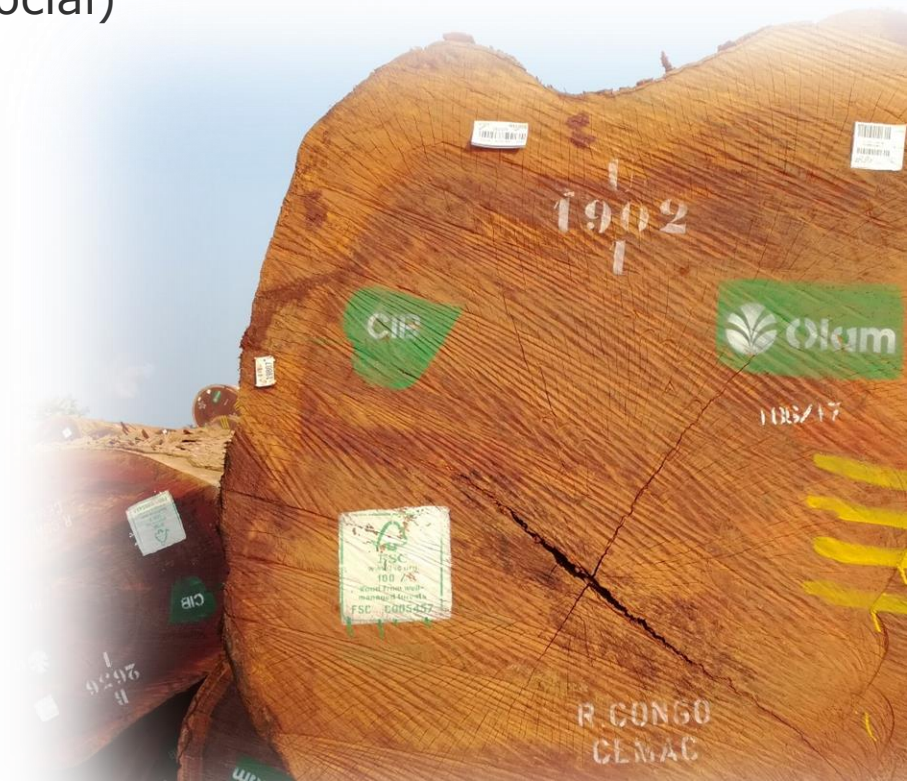
| Sustainable management schemes | | | Legality verification schemes | | Non-forest Certification |
|--|---|------------------------|---|--|---|
| International schemes | National schemes | Country | International Schemes | Owner | |
|  | | |  | Preferred by Nature (former Nepcon) |  |
|  |  | Canada / USA (PECF) |  | Bureau Veritas |  <i>(Terminated)</i> |
| |  | Brazil (PECF) |  | Control Union |  Carbon footprint |
| |  | Malaysia (PEFC) |  | SCS | RA, Keurhout, SBP... |

Voluntary and regulatory approaches to Legal and Sustainable Timber





- Independent, non-governmental, not-profit organization
- Established in 1994 in Oaxaca by different groups from 25 countries to promote the responsible management of forests
- Organised in 3 membership chambers (economic, environmental, Social)
- Developed Principles and Criteria (P&C) which describe how forests can be managed to meet the social, economic, environmental needs for worldwide forests.
- Principles and Criteria shall be used for certification with an approved set of indicators adapted to national, regional or local conditions



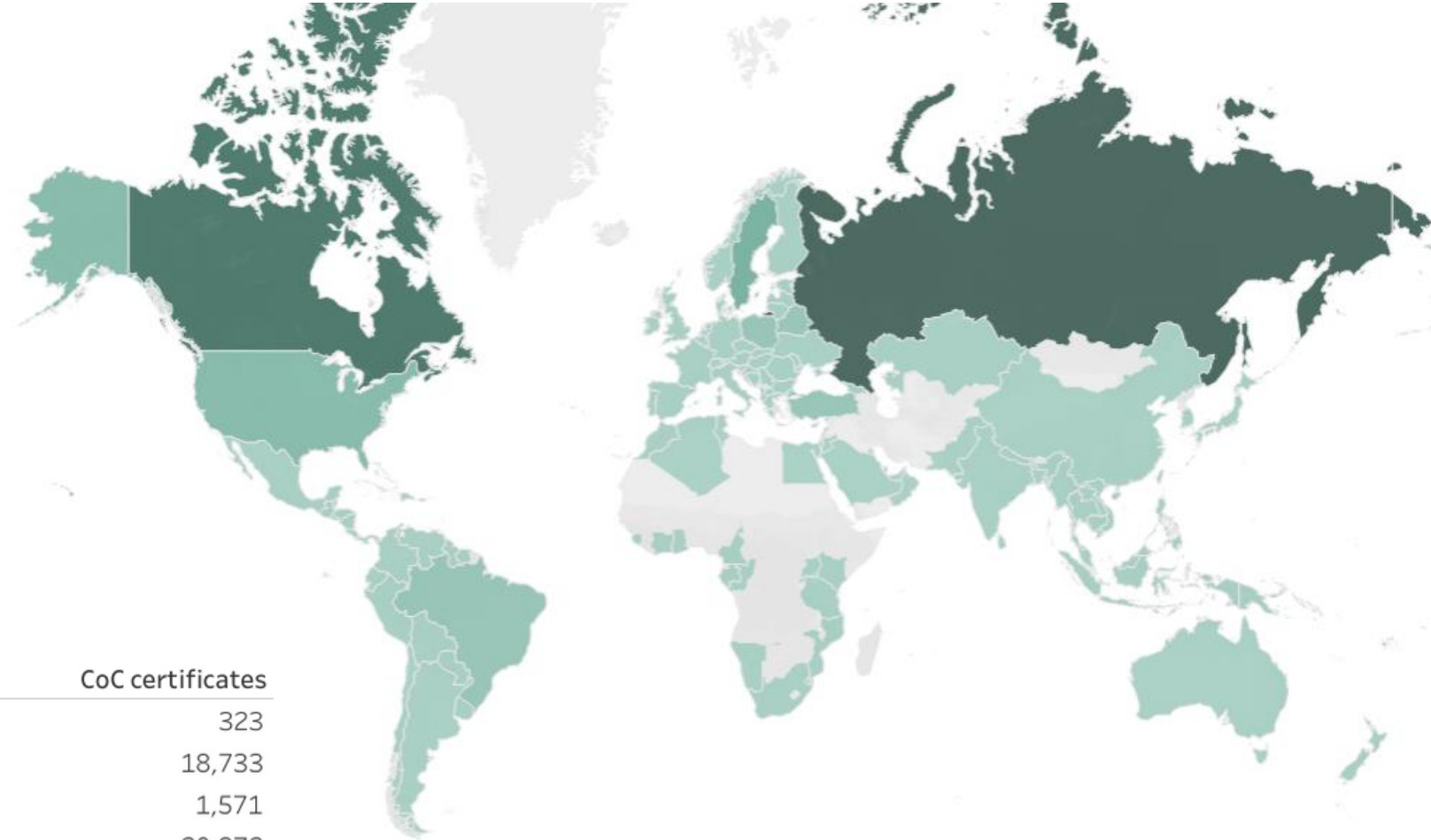
The 10 FSC Principles

- Principle 1: **Compliance with laws**
- Principle 2: Workers Rights and Employment Conditions
- Principle 3: Indigenous Peoples' Rights
- Principle 4: Community Relations
- Principle 5: Benefits from the forest
- Principle 6: Environmental Values and Impacts
- Principle 7: Management Planning
- Principle 8: Monitoring and assessment
- Principle 9: High Conservation Value
- Principle 10: Implementation of Management Activities



Certified area: 223,853,292 ha

COC certificates: 46,364



| FSC Region | Forest Area Total (ha) | FM certificates | CoC certificates |
|---------------|------------------------|-----------------|------------------|
| Africa | 9,016,208 | 55 | 323 |
| Asia-Pacific | 8,635,003 | 305 | 18,733 |
| FSC CIS | 72,101,492 | 454 | 1,571 |
| FSC Europe | 55,312,113 | 432 | 20,872 |
| Latin America | 16,070,944 | 387 | 1,765 |
| North America | 62,650,153 | 148 | 2,881 |

- Independent, non-governmental, not-profit organization
- Established in **1999** in Paris to promote the responsible management of forests locally
- Organised in **3 membership chambers** (economic, environmental, Social)
- **Umbrella organization** endorsing national forest certification systems developed through multi-stakeholder processes and tailored to local priorities and conditions (48 endorsed national forest certification systems)
- Developed the **PEFC Sustainable Forest Management** benchmark (basis for the requirements that forest owners or managers must meet to achieve PEFC certification at local level through PEFC endorsed standards).



Requirements for Forest management national standard

4. National context
General, stakeholders, scope
5. Leadership
Organisation, Management system
6. Planning
*Management plan, Compliance requirements (*legal*)*
7. Support
Resources, competence, communication, complaints...
8. Operation
See box
9. Performance evaluation
Monitoring, internal audit, management review
9. Improvement
Non conformance, corrective action, continual improvement

Operations shall maintain, enhance, protect:

Criterion 1: forest resources and contribution to the carbon cycle

Criterion 2: forest ecosystem health and vitality

Criterion 3: productive functions of forests (wood and non-wood)

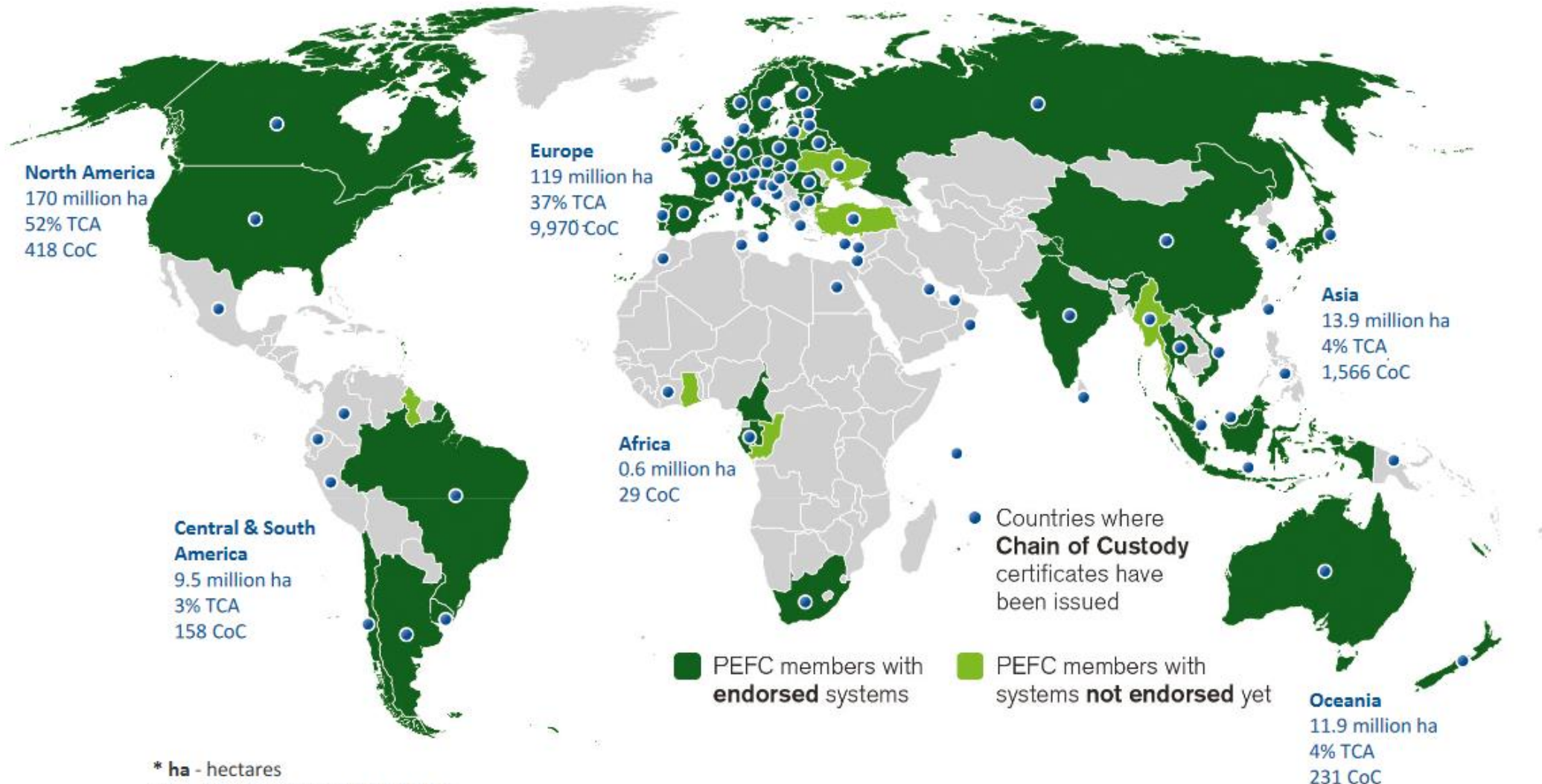
Criterion 4: biological diversity in forest ecosystems

Criterion 5: protective functions in forest management (notably soil and water)

Criterion 6: socio-economic functions and conditions

Certified area: 324'587'605 ha

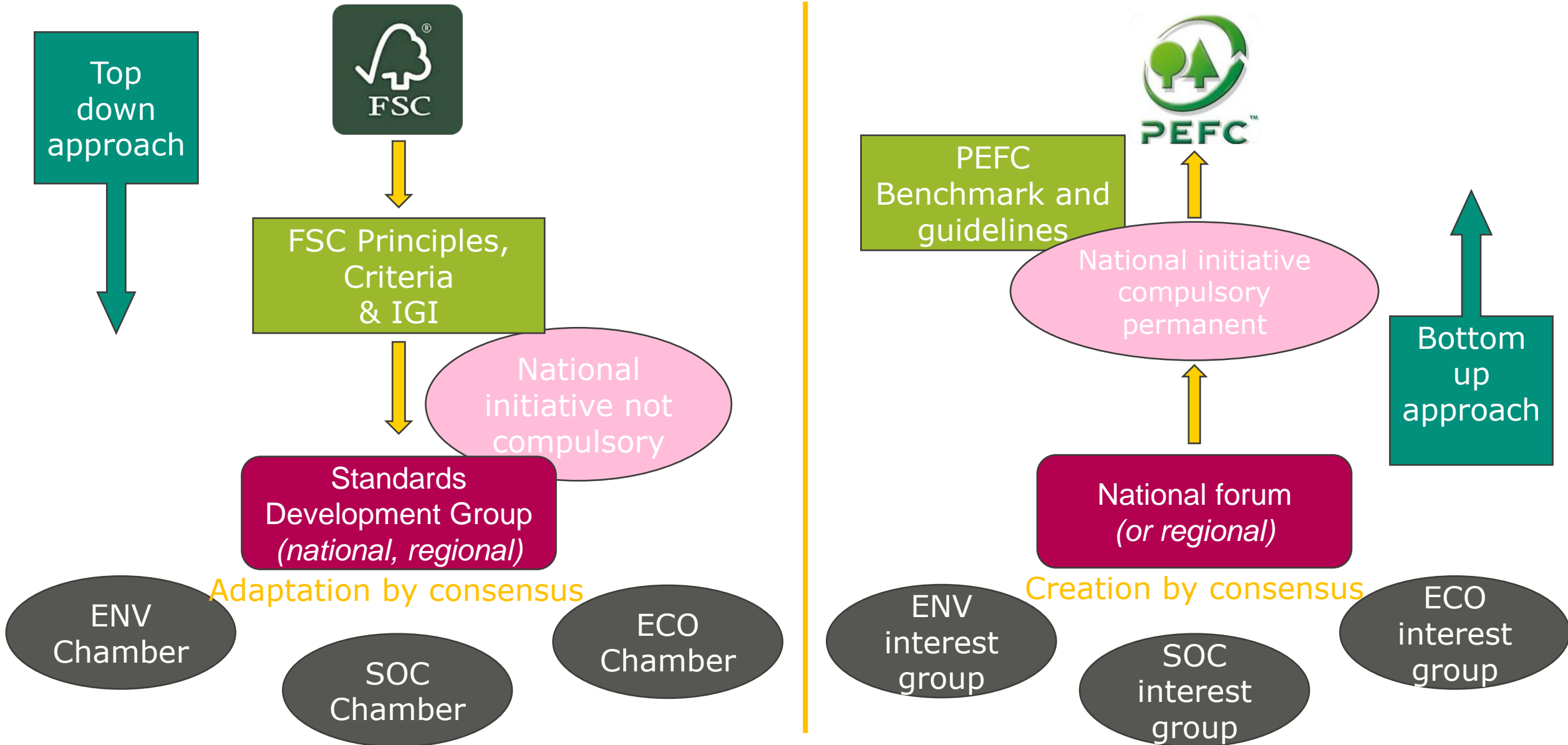
CoC certificates: 12'372



* ha - hectares
 CoC - Chain of Custody certificates
 TCA - % of total PEFC certified area

Data: December 2020

FSC / PEFC: 2 different approaches





Origine et Legalité des Bois

Developed by Bureau Veritas

Certification attesting

- The legality of logging operations at forest level
- Origin (up to first processing) and traceability of timber

2 universal standards:

- Standard for logging company
- Standard for COC



Developed by Control Union

Certification attesting

- Mitigation of the risks of illegal logging
- The legality of logging operations
- Timber traceability

One generic standard, 3 sections:

- DDS assessment requirements
- Requirement to assess the legality of forestry activities
- COC Requirements



Developed by Preferred by Nature

Certification attesting*

- DDS performance
- Mitigation of the risk of illegality

1 universal standard, 2 annexes:

- DDS assessment requirements
- Annex 1: Forest legal compliance assessment
- Annex 2: Legal compliance in the supply chain

**Not a guarantee of forest legality*

What legality certificate are we talking about?

The term **legality certificate** can be used in the context of **private certification**, and in the context of **VPA/FLEGT**, hence some confusion:

- Some VPA FLEGT countries (Cameroon, Congo) provide a legality certificate in their TLAS to validate the legality check:
 - Based on the verification of the country's legality grids
 - Insufficient as proof because must be supplemented by the verification of the traceability to obtain the FLEGT license.
 - Indonesia choose to develop a national certification scheme to comply with TLAS (SVLK)
- ≠ legality certificate issued as part of a private certification process (like OLB or TLV)



Thank you!

