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WWF statement regarding the PEFC Governance Review and the new PEFC Stakeholder Forum

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WWF sees credible certification as a tool to improve forest management globally. In collaboration with the World Bank, WWF has developed a methodology, The Forest Certification Assessment Guide (FCAG), and used it to evaluate various certification schemes.

Recent assessments show that the Forest Stewardship Council (FSC) certification system best meets WWF's key requirements. Thus, while WWF acknowledges that several schemes may contribute to improved forest management, the organization will continue to focus its active efforts on improving the FSC system, on adapting FSC certification to different scales and national contexts, and on promoting the FSC logo as an internationally recognized hallmark of responsible forest management.

According to the recent FCAG assessment¹ commissioned by WWF the key weaknesses of PEFC are related to:

- transparency
- overall governance structures
- balanced multi-stakeholder participation in standard setting
- appropriate stakeholder consultation in accreditation and certification
- international consistency and wide range of quality of national PEFC schemes
- global applicability

Another issue is that WWF requires credible certification systems to have mechanisms in place to exclude 'controversial' or 'unwanted' sources². Both FSC and PEFC have standards for this. The differences between the FSC and PEFC systems' understanding of 'controversial' sources are however significant.

FSC Controlled Wood identifies wood from five situations as being unacceptable for inclusion in FSC-labelled products:

- Illegally harvested wood;
- Wood harvested in violation of traditional and civil rights;
- Wood harvested in forests where high conservation values are threatened by management activities;
- Wood harvested in forests being converted to plantations or non-forest use;
- Wood from forests in which genetically modified trees are planted.

PEFC's definition of controversial sources is limited to 'illegal or unauthorized harvesting'. This means that PEFC does not attempt to exclude wood from the conversion of natural forests to plantations or other land-uses, or wood harvested from areas where Indigenous Peoples' rights may be violated, so long as the activities are accepted as legal in the country of origin. WWF is very

¹ Read more at http://www.panda.org/about_wwf/what_we_do/forests/index.cfm?uNewsID=150601

² See WWF's definition of unwanted wood sources: See GFTN Responsible Purchasing of Forest Products, p. 55. Download at: http://assets.panda.org/downloads/rpg_nopapercredit12sept2006.pdf

concerned about this weakness particularly now when PEFC aims to expand into new high risk regions.

PEFC commissioned an independent Governance Review in 2008. While the review was intended to give recommendations for how to strengthen PEFC as an organisation it also identified the need to address the above topics in order to improve credibility for PEFC.

The review proposed a number of improvements which WWF considers as steps in the right direction, for example, to:

- create a Stakeholder Forum open for international organisations with the right to nominate two members of the PEFC international Board of Directors;
- review the PEFC complaints mechanism and make formal complaints publically available;
- make an effort to develop schemes in the tropics;
- identify positive impact of PEFC certification on the environment and social conditions;
- ensure that PEFC robustly implements and continuously monitors its own requirements at all levels; and
- strive to engage, at both national and international levels, environmental organisations, forestry workers, indigenous peoples organisations and consumer organisations as these were considered important stakeholders.

As a result of the recommendations in the Governance Review PEFC International is now taking steps to develop the Stakeholder Forum. PEFC has also invited WWF International to join the Stakeholder Forum.

While the Governance Review recommends some important steps, WWF believes these would not be sufficient to make PEFC a credible forest certification system. The new Stakeholder Forum will, in the best scenario, create a broader interest base for the decision-making process. However, it will fall far short of guaranteeing a process which elicits balanced decisions. The Stakeholder Forum will as a collective have a maximum of one-third of the votes in the PEFC General Assembly however the situation remains that there are no mechanisms to ensure that decisions are not dominated by a single interest group.

WWF believes that PEFC would need to take additional steps to comply with international best practice in stakeholder participation, transparency and truly responsible forest management. WWF encourages the PEFC General Assembly to take the opportunity that the Governance Review creates to strengthen the credibility of the PEFC system. Key reforms could include:

- measures to ensure the meaningful and equitable participation of all major stakeholder groups in governance and standard setting at all levels, i.e. beyond the currently proposed Stakeholder Forum;
- publically available summaries of certification as well as accreditation surveillance reports;
- a definition of 'controversial sources' that provides similar safeguards to WWF's definition of 'unwanted sources'; and
- mechanisms to ensure greater consistency between national schemes.

Should PEFC implement such reforms, WWF will, of course, review its assessment of PEFC and its decision not to participate in PEFC processes.

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