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**Background Note to the WWF Statement on Credible Certification in Europe  
For Release on 21 July 2005 at 07:00 GMT**

**Introduction**

It is widely recognised that there are meaningful differences between existing certification schemes in terms of governance, certification processes and forest management standards.<sup>1</sup> Over the last year WWF in Europe has been involved in 3 key studies that have sought to understand these differences. Together with an extensive consultation process involving WWF staff, users, advocates and suppliers of certification schemes, WWF has been able to update its evaluation of credible forest certification in Europe. This background note is intended to communicate the key findings which will be used to update WWF's global approach to credible certification.

The three studies are:

- A review of corrective action requests (CARs) arising from FSC certification in Latvia, Russia, the UK, Sweden, Germany and Estonia, and a comparative study of corrective actions of PEFC certification. However, relevant information on PEFC was publicly available only in Germany;
- The Parallel Certification Test conducted by UPM in Europe and Canada where WWF was an observer; and
- The WWF/World Bank Alliance trial of the Questionnaire for Assessing the Comprehensiveness of Certification Schemes (QACC) in 12 European countries.

**Credible Certification: Fundamental elements of importance to WWF**

Based on the lessons learned from these three studies, WWF has identified the following three elements as fundamental (i.e. as a minimum) to the delivery of "credible certification":

1. the scheme drives significant improvements in forest management on the ground;
2. the scheme design meets WWF's core values; and
3. the system delivers consistency across countries.

Further information on these three elements is provided below.

**1. The Scheme Drives Significant Improvements in Forest Management on the Ground**

Two vital questions need to be answered here: (i) Is the scheme able to guarantee a minimum level of performance on forest management balancing ecological, social and economic aspects? and (ii) Is the scheme able to deliver continual improvements in forest management, culminating in the highest level of responsible forest management?

**2. The Scheme Design meets WWF Core Values**

Four core values have been identified by WWF as fundamental to the design of certification schemes/systems:

- i) The Meaningful and Equitable Participation of all Major Stakeholder Groups in Governance and Standard Setting - *This leads to more balanced decisions. It also enhances consensus building and dialogue among different stakeholders; fosters long term and stable decisions; prevents conflicts and has a strong element of continual improvement and self-corrective measures.*
- ii) Reliable and Independent Assessment of Forest Management Performance and Chain of Custody - *Independent assessment is an important component to ensure the enforcement of improvements in the forest.*
- iii) Certification Decisions free of Conflicts of Interest from Parties with Vested Interests - *It is crucial that scheme governance and decision making as well as the functioning of accreditation bodies do not have any real or potential conflicts of interest which would prevent designing and performing an independent audit*
- iv) Transparency in Decision Making and Reporting - *Public reporting on the certification process and outcomes is of essence for the credibility of a scheme as it allows all stakeholders to understand decisions, how comments have been taken on board, and how various interests are reflected. The reporting of corrective measures, where needed, demonstrates that improvements are being effected.*

**3. System Delivers Consistency Across Countries**

Critical questions here are: (i) Is the System able to deliver a consistent approach to minimum performance and improvements in forest management across all countries in which it is used? and (ii) Is the System able to deliver a

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<sup>1</sup> WBCSD / WWF Joint Statement on Forest Certification 4 October 2004

consistent approach to scheme governance, standard development, certification, accreditation and CoC & Labelling across all countries in which it is used?

## **Findings from the Studies**

### 1. Scheme Drives Significant Improvements in Forest Management on the Ground

An analysis of 2817 corrective action requests (CARs) on the effects of FSC certification in Russia, Latvia, UK Sweden, Germany and Estonia show that FSC certification led to significant improvements in biodiversity conservation, management planning, health and safety, and the employment rights of forest workers. The comparison of CARs over the years shows a significant reduction of CARs, indicating effective implementation of corrective measures leading to improvements on the ground.<sup>2</sup>

A similar study was attempted for PEFC. However, corrective action reports of PEFC are not available for most countries. Where they are available, for example PEFC in Germany, the corrective measures rely on the voluntary compliance of the forest owner without any consequence if this is ignored. The conclusion from the auditors of PEFC in Germany is that PEFC certification does not worsen forest management, but it does not improve forest management significantly<sup>3</sup>.

WWF used further evidence on the delivery of PEFC on social issues such as the respect for indigenous peoples' rights in northern Finland and Sweden. In well documented cases<sup>4</sup> there is a clear failure of the PEFC certification system to deliver requirements as set out in its own documents (at both national and system levels).

For any decisions to be made on a scheme or system's credibility, it is crucial that there is publicly available and reliable information. This transparency and reliability also form a core value of WWF with regard to credible forest certification.

Based on the above, it is only possible to conclude that FSC is able to drive significant improvements in forest management on the ground. The evidence on PEFC indicates the contrary, that is, it cannot guarantee significant improvements on the ground and what it claims on paper may not happen in reality.

### 2. Scheme Design meets WWF Core Values

The desktop- findings from the QACC test of FSC and PEFC in 12 European countries indicate that there are clear differences between FSC and PEFC in relation to WWF's core values and that FSC is superior to PEFC with regards to:

- participation of stakeholders in governance and decision making,
- reliable independent third party auditing,
- decision making free of conflict of interest, and
- transparency in decision making and reporting.

The UPM parallel field-test highlighted the differences between the standards in terms of performance. It showed that there are significant differences between the various standards in the number of criteria used for any one subject area, as well as in the scope and threshold requirements. It also found that balanced stakeholder participation was important to develop standards which were acceptable to all parties.

### 3. System Delivers Consistency Across Countries

Based on the Corrective Action Request study, FSC is able to deliver a consistent approach to improvements in forest management across all countries.

Based on the QACC findings, FSC shows a high level of consistency across countries in all the elements that are foundations of certification schemes – scheme development and governance; standard setting; the certification process; accreditation; and chain of custody and claims. FSC also delivers this consistency across a set of core values important to WWF as mentioned above. It, however, shows a weakness in the use of interim standards (used in certification when an

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<sup>2</sup> [http://www.panda.org/about\\_wwf/what\\_we\\_do/forests/news/news.cfm?uNewsID=18457](http://www.panda.org/about_wwf/what_we_do/forests/news/news.cfm?uNewsID=18457)

<sup>3</sup> [http://www.panda.org/about\\_wwf/what\\_we\\_do/forests/publications/](http://www.panda.org/about_wwf/what_we_do/forests/publications/)

<sup>4</sup> FINLAND: Even though FFCS criteria deals with the rights of the Sámi people and reindeer husbandry, continuing strong conflicts between the manager of state forests (Metsähallitus) and Sami reindeer herders have taken place in Upper Lapland for years now.

SWEDEN: Landowners which openly challenge and question traditional Sami reindeer herding rights in their forestry management and through legal processes can and are also partly certified according to PEFC in Sweden, Sami people representatives have openly campaigned against these forest owners, their representatives and PEFC. Due to this fact, indigenous peoples rights was an issue without solution in the Stockdove document. The intention from the document to seek for future solution in a dialogue has not been followed up by any discussions on indigenous people rights linked to PEFC standards according to representatives from the Sami reindeer herding association, 6.4.8 in Swedish PEFC TD refers to a general policy without clear performance elements. The policy does not talk about the recognition of indigenous / Sami people rights. On the contrary it contains several clear political statements on landowners rights which are clearly against traditional Sami people reindeer grazing rights etc. This interpretation is shared by the Sami reindeer herding organization in Sweden.

approved national standard is not available) especially in the interim standard setting process and acceptability to stakeholders.

In contrast, PEFC shows a high level of inconsistency across countries in virtually all categories. It is not possible to draw conclusions on improvements on the ground, though there is clear evidence of a gap between documentary requirements and implementation. WWF regrets PEFC's decision not to participate in the QACC trial as this would have shown a high level of transparency to allow a comprehensive test on all its aspects beyond what is claimed on paper.

On the basis of the analysis of documents demonstrated by the QACC findings, it is clear that PEFC in the UK and Sweden perform better than other PEFC national schemes. In many categories PEFC UK is equivalent to FSC in the UK – this is understandable as it is based on the same national standard (UKWAS).

The UPM study highlighted that the development of standards without balanced participation of different stakeholders led to standards that were either weak or unbalanced in terms of requirements. This applies to both FSC and PEFC.

### **WWF's Conclusions**

It is clear that over the last five years, there have been improvements in both FSC and PEFC throughout Europe. PEFC has made recent significant changes to documents that govern its system requirements that it will now need to implement at a national level and through its auditing system. Further improvements are therefore foreseen in the future though these are likely to take several years.

Some national PEFC schemes are better in performance than other national PEFC schemes. Unfortunately, the delivery of better performance by some national PEFC schemes is compromised by the inconsistency across the PEFC system. The use of the PEFC logo for both *business to consumer* and *business to business* communications is therefore compromised by the weakest member of the system.

PEFC is not able to demonstrate adequate performance against any of the three elements that WWF considers important as a minimum for a scheme to be credible.

FSC is able to demonstrate adequate performance and delivery across all elements of importance to WWF while the results of PEFC are both inconsistent, more difficult to measure due to lack of transparency, and, in most cases, inferior to FSC. FSC is also improving, notably in its approach to interim standards for which new requirements were introduced earlier this year. Further improvement is however needed in FSC's approach to national standard setting, notably in countries where conflict between the schemes has been a problem.

On the basis of the above findings and analysis, WWF can only recommend FSC to forest owners, governments, companies and financial institutions as being able to deliver credible forest certification.

As a consequence of this decision, WWF in Europe will:

1. Advocate to partners, consumers and other interested parties the adoption of FSC as the only certification scheme able to deliver credible certification within Europe. It will continue to inform the consumer and buyers about the credibility of certification schemes. WWF will continue to assist in linking responsible buyers and suppliers through the Global Forest and Trade Network, and in close collaboration with FSC.
2. Require companies WWF works with to endorse the fundamental values stated in this document which WWF considers relevant for credible certification
3. As a member of FSC, work with the FSC Secretariat and other members on strengthening FSC further, for example in the development of requirements for interim standards. WWF has already proposed a motion for the next FSC General Assembly to improve the performance of interim standards.
4. Focus its efforts on the development of FSC national standards, or where appropriate the emphasis could be on national standards which can be recognised by both FSC and PEFC. The primary focus will be on the development of meaningful participation in standards setting processes. However WWF emphasises that this NOT mutual recognition!
5. In the foreseeable future, concentrate on the delivery of improvements on the ground, to ensure that certification delivers improved forest management, rather than on further assessments of schemes or discussions on frameworks for assessments.
6. WWF will take on a more proactive watchdog role with respect to those values WWF finds essential to credible certification.