

The Effects of PEFC-Certification

An Analysis of Audit Reports of PEFC Germany

Peter Hirschberger, WWF Austria
 Commissioned by the WWF European Forest Programme
 contact: hb@wwfdcp.org
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*“Regarding the results of the control sample in the last [2, 3 or 4] years, one can assume a relative constant, not degrading picture. Contrary **no significant improvement could be observed.**”* Cited from the PEFC audit reports for the regions of Baden-Württemberg, Rheinland-Pfalz, Hessen, Sachsen

1. Introduction:

The aim of this paper is to evaluate the effects of certification according to PEFC, based on public available summaries of audit reports. This method was already used to analyse effects of certification under FSC in Germany, Sweden, Latvia, Estonia and Russia. Analysing the effects of PEFC-certification in a similar manner will show the differences between both certification schemes relating to their effects on the ground.

Neither in Russia nor in Estonia a national certification scheme is currently endorsed by PEFC. PEFC Latvia does not have a website, where the relevant documents can be found. Audit reports published by PEFC Sweden can not be found on the web, despite publication is required according to the Swedish PEFC *Guidelines on Freedom of Information*. Audit reports were not available publicly for PEFC UK. A letter to enquire into this was not responded to by PEFC Sweden.

Thus, Germany is the only one of the countries where summaries of the regional audits are publicly available and an analysis of the effects on the ground might be possible.

2. Background:

According to the website of PEFC Germany, a forest area of 7.000.982 ha was certified according to PEFC by May, 13th 2005. This is equal to 66 % of the total forest area in Germany. For 13 regions, corresponding to 13 Federal States, PEFC issued a declaration of conformity with their standard. The share of the forest area certified under PEFC differs from 8 % in the region of Schleswig-Holstein to 86 % in the region of Hessen (Table 1).

[ha]	Total	Percentage	State	Communal	Private	Cooperations
Baden-Württemberg.	1.107.481	82%	320.406	434.051	156.383	196.641
Bayern	1.866.911	77%	762.952	60.632	102.360	940.967
Thüringen	352.178	67%	220.260	52.418	47.393	32.107
Niedersachsen	811.585	76%	371.740	50.488	76.709	312.648
Rheinland-Pfalz	555.850	68%	218.803	236.686	18.417	81.944
Hessen	746.531	86%	326.809	203.671	112.354	103.697
Brandenburg	338.630	32%	310.296	1.098	19.505	7.731
Sachsen	238.573	48%	208.223	9.651	14.507	6.192
NRW	501811	57%	48.834	110.891	135.820	206.266
Sachsen-Anhalt	229.068	54%	192.681	8.327	22.092	5.968
Mecklenb.-Vorpomm.	174.154	33%	169.243	2.150	510	2.251
Saarland	65.496	73%	38.585	21.318	2.624	2.969
Schleswig-Holstein	12.714	8%	0	751	5.566	6.397
Total	7.000.982		3.188.832	1.192.132	714.240	1.905.778
<i>Percentage</i>	<i>100%</i>		<i>46%</i>	<i>17%</i>	<i>10%</i>	<i>27%</i>

Table 1: Certified forest area under PEFC in Germany
Source: PEFC Deutschland e.V., Newsletter 23 from May 2005

It should be noted, that there is a difference in size of the forest area counted by PEFC Germany as “conforming with the standard” of PEFC (it corresponds with the total forest area of a region) and the PEFC “certified” forest area, which is the total forest area of companies certified under PEFC. In contrast, the figure of the “certified” forest area in the neighbouring country Austria published by PEFC Austria is equal to the forest area “conforming to the PEFC standard”. It includes even forests of owners, who refused explicitly in the participation in this certification scheme.

As all types of forest property (small and large private, state and communal forests) covering about two thirds of the total forest area in Germany, participate in the certification scheme of PEFC, one can assume, that the forests certified under PEFC are representative for Germany. This circumstance enables a comparison between the regional audit reports of PEFC and the results of the 2nd National Forest Inventory.

3. Method:

This analysis is based on the data of public summary reports. In these the annual assessment of control samples of forest companies certified under PEFC is described on a regional level. According to Appendix 4 of the description of the German PEFC scheme, deviations from the PEFC standards are documented. Similar to FSC the auditor can distinguish between the three categories “Hauptabweichung” (main deviation), “Nebenabweichung” (minor deviation) and “Verbesserungspotential” (room for improvement). The term “room of improvement” means recommendations of the auditor, which do not have to be implemented by the forest owner. In the case of minor deviations the forest owner is committed to take action in order to find a remedy if necessary and / or to exclude a repetition. Main deviations have to be corrected within a certain time frame or lead to a revocation procedure.

Thus, according to the description of the German PEFC scheme main and minor deviations are corresponding to the major and minor corrective action requests, which were used as a basis to analyze the effects of FSC certification in Germany¹.

In the first step of looking at the publicly available audit reports of PEFC, several problems appeared which made it hard to apply the method in full:

1. The quality of the audit reports of PEFC shows strong variations not only between the 13 different regions, but also between the different years within the same region.
2. Some reports are not publicly available;
3. other reports do not specify the number of deviations.
4. In addition some reports are obviously shortened; therefore it remains unclear, if all deviations are listed.
5. Sometimes the number of deviations listed in a report is by up to 20 % lower than the total stated in the respective report².

Due to these reasons not all of the audit reports could be used for the purpose of this analysis. Table 2 shows the audit reports, this analysis is based on.

Apart from the region Mecklenburg-Vorpommern the categories discussed above are not used in the public audit reports of PEFC. Main and minor deviations are not distinguished. Sometimes the term “notes” is used, which includes according to an auditor room for improvement as well as main and minor deviations³.

In most cases sanctions or corrective actions can not be assigned to a specific deviation. In order to identify the weak points of the forest companies on the beginning of certification all

¹ WWF, 2005: The Effects of FSC-Certification in Germany

² e.g. audit report for the region of Hessen 2003

³ telephone call on June, 24th 2005

quantifiable notes were included in this analysis, regardless, if they are classified as “deviations”, “room for improvement” or not categorized. **In contrast to the findings of the study “The Effects of FSC-Certification in Germany” most of the notes relating to corrective actions by PEFC are only recommendations a forest owner can ignore without any consequences. Due to the poorer quality of audit reports published by PEFC this analysis can however not be as detailed as an analysis of effects of FSC-certification.**

Region	2001	2002	2003	2004
Baden-Württembg.	X	X	X	Not Available
Bayern	X	X	X	Not Available
Thüringen	Not Qualified	Not Qualified	Not Available	Not Available
Niedersachsen	Not Qualified	X	X	X
Rheinland-Pfalz	X	X	X	Not Qualified
Hessen	X	X	X	Not Qualified
Brandenburg	-	Not Qualified	XX	X
Sachsen	-	X	X	Not Available
NRW	-	X	X	Not Available
Sachsen-Anhalt	-	Not Qualified	X	Not Available
Mecklenb.-Vorpomm.	-	-	-	X
Saarland	-	-	-	X
Schleswig-Holstein	-	-	-	-

Table 2: Audit reports used in this analyse

X = Used; - = Years before the first audit; In 2003 two audits were conducted in Brandenburg

4. Results:

4.1 Weaknesses of audited forest companies:

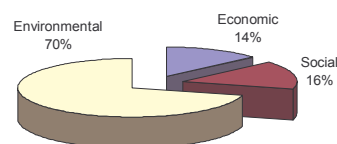
In a first step the weaknesses of the certified forest companies identified by the auditor and listed in the audit reports are aggregated and analysed.

The auditors of PEFC find most room for improvement in the environmental sector (Graph 1). In comparison to FSC the auditors of PEFC pay less attention to the social and especially to the economic sector.

In the **environmental** sector most weaknesses were identified on the issue of toxics and waste (Graph 2). Special attention is given to the risk of oil pollution. Weaknesses include an inappropriate documentation, that only biodegradable oil is used, as well as missing pollution control kits and unrepaired oil leakage of forest machinery. Another topic is the disposal of waste in the forest, especially fences not longer in use, which are not removed, and the use of unsorted building site rubble for forest road constructions.

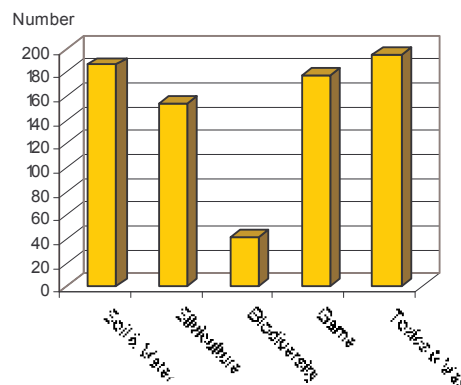
Nearly all weaknesses relating to the protection of water and soil regard the fact,

Weakness of PEFC certified forest companies



Graph 1: Weak points identified during the audits

Environmental Weakness



Graph 2: Environmental weakness identified during the audits

that it is quite common to drive through the forest stand as a result of an inadequate system of skidding trails.

Another “hot issue” noted in the environmental sector is the conflict between forest and game management. In some forest companies even the main tree species spruce cannot be regenerated without special protection due to a high number of game.

As an important weakness in silviculture the auditors identify defaulted thinnings. In a number of cases the forest companies do not explicitly exclude genetically modified trees in their written orders for planting material. As another weak point in silviculture the auditors identify in some cases the establishment of pure forest stands instead of mixed stands. In a number of forest companies only outdated mapping or even no mappings of local factors are used. The auditors also criticized the use of tree species or origins inappropriate to local factors in some forest companies.

The big difference compared to FSC is the fact, that the auditors identify only a few weaknesses regarding the issue of biodiversity, although forestry is one of the main reasons for extinction of species in Germany⁴. In some forests the auditors state a lack of deadwood, but for the regions overall they attest a sufficient amount of deadwood. According to the National Forest Inventory the average volume of deadwood is 11.5 m³ per hectare in Germany, while from the environmental view 20 to 30 m³ per hectare are recommended. It remains unclear, if the auditors take in account just the quantity or also the quality of deadwood (e.g. species or diameter).

In the **social** sector safety of forestry employees is noted as a key outstanding issue. The implementation of accident prevention regulation is identified to be one of the weakest points. In addition, sometimes inappropriate personal safety equipment is found. In other instances rescue plans in case of an accident do not exist. In a number of forestry companies in Germany forestry staff do not have the required qualifications. A notable issue not covered by PEFC audits but by FSC is the role forests play for the common welfare and the emphasis given to improve the participation of the public and relevant stakeholders in forest management decisions.

The major weakness detected by companies in the **economic** sector is the lack of information about PEFC provided to the forest owners and workers. In addition implementation of the PEFC guidelines are insufficiently controlled by the regional working groups, according to the auditors. In some cases the auditors also criticize missing or obligatory management plans and documentation.

In comparison, audits according to FSC pay more attention on economic issues and are even able to improve the profitability of forest companies if necessary.

4.2 Implementation:

On the basis of publicly available audit reports it is impossible to assess, if and how certification under PEFC improves the stated weaknesses. This is mainly due to the fact that weaknesses cannot be assigned to a specific forest company (as is done by FSC certification) and recommended solutions are not described in the audit reports.

- **According to the audit reports it can be stated, that in the majority of cases actions for improvement are just recommended, but their implementation is not controlled at all.**
- **In another major part of cases a written statement of the forest owner is sufficient.**
- **In just a few cases, where the failings are fundamental, the implementation of corrective actions is controlled in a special audit some years later.**

⁴ Bundesamt für Naturschutz; 2002: Nachhaltige Forstwirtschaft in Deutschland Im Spiegel des ganzheitlichen Ansatzes der Biodiversitätskonvention

- **In addition, audit reports refer to some deviations as met, even though they were not solved sufficiently and will be assessed in a future audit again, as an auditor admitted².**

If a forest company was just audited the following audit is happening randomly. Only in this case however the auditor is able to assess, if his recommendations were implemented.

According to the audit reports the same deviations are found repeatedly over the years not only in forest companies audited for the first time, but even in companies, where the same deviations were noted in a previous audit. This means that in the past not much action was taken on these.

There are indications, that in the last years audits according to PEFC become more rigorous and the implementation of corrective actions is controlled more often in order to make an impact. This contributes to the development that the number of weaknesses identified by the auditors is not declining, but is increasing over the years. This development does not mean that forest management in Germany is getting worse, but that the certification scheme of PEFC is improving, although there is still a huge discrepancy in quality between the both certification schemes PEFC and FSC.

5. Conclusions:

Compared to Latvia and Sweden, PEFC Germany has the most transparent information policy. **Nonetheless it is nearly impossible to assess or verify positive effects of PEFC-certification in Germany on the basis of the audit reports published by PEFC Germany due to the weaknesses in the reporting and auditing process described above.**

Therefore one has to trust in the judgement of the auditors authorized by PEFC Germany on this issue. For the regions of Baden-Württemberg, Hessen, Rheinland-Pfalz and Sachsen even the auditors of PEFC state, **that a continuous process of improvement, as it should be expected after several years of certification, cannot be observed.**

According to the auditors of PEFC certification under PEFC does not worsen forest management, but it does also not improve forest management significantly. **In other words, certification under PEFC conserves the status quo in forest management with its strengths, but also with its weaknesses.**

Audits under PEFC primarily attest the conformity with the PEFC guidelines, at least in the first years of certification. Weaknesses are assessed to be marginal. In implementation of corrective actions PEFC trusts in voluntary willingness of forest owners to address these issues. **Most of the corrective actions by PEFC are only recommendations a forest owner can ignore without any consequences.**

This poses a fundamental difference to the process of certification according to FSC: FSC certification requires a main audit at the beginning of certification, where the weak points are assessed and corrective actions are defined. The implementation of these corrective actions is controlled on an annual basis by surveillance audits. Not implementing corrective actions leads to sanctions culminating in suspension of certificate after a short time in severe cases. Thereby the number of weaknesses identified during an audit declines over the years. Improvement in forest management can be assessed by an external person on the basis of the audit reports published.

The audit reports used for this analyse can be found at <http://www.pefc.de/>.