



# PEFC and FSC

## Global Sustainable Forest Management Certification Schemes

This paper aims to outline the main differences and similarities between the Programme for the Endorsement of Forest Certification Systems (PEFC) and the Forest Stewardship Council (FSC) as responsible forest management certification schemes.

### 1. BACKGROUND

Both PEFC and FSC are committed to achieving the same end; the certification of forests to credible, independently verified standards of responsible forest management.

For historical reasons, the two schemes approach this shared objective using different processes. However, there is growing consensus amongst key stakeholders, including the forestry industry, government procurement policies, international institutions and corporate customers, that both schemes offer equivalent assurance of well managed forests.

### 2. THE BASIC DIFFERENCES BETWEEN THE TWO SCHEMES

#### FSC

FSC is a standard setter. It sets its own global standard against which any national FSC standard is then assessed. There is a common misconception that because FSC has defined a standard, all national FSC standards are identical. Any FSC standard has to be “interpreted” at the national level to meet the different local needs for sustainability. Thus, physical geography, climate, land ownership structures, tree species and national legal and commercial infrastructures all impact on how any standard is applied. In exactly the same way, any national standard has to reflect the differences in forest regimes, for example plantations vs. semi natural forest etc.

FSC was originally established as an accreditation body, i.e. it accredited the independent certification bodies which conduct forestry and chain of custody audits against the FSC standards. For reasons of good governance, this is no longer the case and the accreditation function is overseen by a separate company called Accreditation Services International, which in turn is a member of ISEAL (International Social and Environmental Accreditation and Labelling Alliance - <http://www.isealalliance.org>).

In structural terms therefore, FSC may be defined as “top down”.

#### PEFC

**Conversely, PEFC is very much a “bottom up” process.**

PEFC is not a standard setter but a mutual recognition scheme. It was set up as an endorsement process, to assess independent national forestry management schemes against internationally recognised criteria for sustainable forest management. PEFC adopted its criteria from the Rio ‘Earth Summit’ process and subsequent international dialogues have led to criteria approved by the UN and member states to ensure democratic input.

In this context, PEFC is similar in concept to the UK Government CPET (Central Point of Expertise on Timber – see [www.cpet.co.uk](http://www.cpet.co.uk)) sustainable public procurement policy process, which measures schemes against very similar defined criteria.

In both cases, the assessment process is concerned both with comparing the national standard against the criteria and with ensuring that the processes have been implemented robustly, in conformance with the required rules and guidelines.

PEFC also uses international bodies, such as ISO, for defining process standards, and IAF (International Accreditation Forum) for conformity assessment.

The actual assessment and certification process for PEFC and FSC are essentially the same. The national scheme is reviewed by an accredited independent certification body, who report to either PEFC or FSC whether or not the national scheme meets the relevant criteria or standards and may therefore be certified. In many cases, particularly for chain of custody certification, the certification bodies are accredited to both schemes.

Perhaps the main material difference between the two operational processes is that PEFC has an additional check process before a scheme is endorsed. The report, prepared by the independent consultant, is submitted to an independent Panel of Experts prior to being submitted to the PEFC Council Board for endorsement. This peer review process was initiated to ensure that the assessment has been properly and robustly conducted and that the Board can have confidence in it. PEFC can only operate where satisfactory national standards are in place.

### 3. GOVERNANCE

The three pillars of sustainability are widely accepted as being:

- Environmental/ecological
- Social
- Economic.

FSC has chosen to reflect this in its structure with a defined three chamber system, members being allocated to an individual chamber. These chambers then play a part in the consensus decision-making process.

However, PEFC considers that this system can be insensitive to local conditions. Private landowners, may not see their interests as being solely “economic”, labour unions representing local workers certainly do not see themselves as natural members of the “economic” chamber; are local hunting communities “social”, “economic” or even “environmental”?

PEFC accepts the principle of the three pillars of sustainability in defining criteria and assessment, but does not extend this to membership, believing that the pillars need to be implemented on a holistic basis.

### 4. WHY DO THE SCHEMES TAKE DIFFERENT APPROACHES

The answer lies in their different origins. FSC was originally established in the early 1990s to address consumer concerns, principally in the UK, about the indiscriminate and often illegal felling of tropical hardwoods to supply the construction and DIY sectors. WWF, together with a number of concerned ENGOs and UK retailers set up the FSC. They identified a number of key issues in tropical forest areas:

- forestry practices were generally unsustainable and often illegal
- there were very few, if any clear land ownership records
- governments were generally held to be the land owners, in the absence of any other legal evidence, and the concept of large scale, single owner certification was both practical and efficient
- the above meant there were very valid reasons to protect the rights of indigenous peoples, who live in and from the forests, but who have no ownership rights
- there were few if any credible legal, financial or commercial infrastructures which could form the basis for robust governance processes.

It was therefore appropriate that FSC set up an external global standard which could be adopted as a top down process in these countries.

However, as the demand for certified SFM became global, what had originally been developed primarily for a tropical environment was considered incompatible with the boreal and temperate forest regimes in Europe and North America because here:

- land ownership was usually very clearly defined
- forest ownership was clearly defined, but often highly fragmented (around 6 million private commercial forest owners in Europe) and very small scale
- there were, generally, very efficient and often very long standing legal, financial and commercial infrastructures governing forest management practices
- there was clearly a need for better management practices, but the basic tools were largely already in place.
- FSC did not initially cover plantations – most of Europe's productive forests
- there are a large number of very small forest owners.

Thus, FSC was initially unsuited to the European and North American environment, particularly as it could not then accommodate "group certification" i.e. every individual owner would have to be separately certified (this would mean 350,000 separate certifications in Finland alone).

PEFC was therefore developed in the late 1990s to enable certification in Europe, designed to give equivalent assurances of sustainability to that provided by FSC, but with processes that were compatible with infrastructural realities. Also, the original FSC principles and criteria did not cover plantation forestry.

However, the existence of two international certification schemes has resulted in continuous improvement; both PEFC and FSC have significantly modified their schemes over the past ten years. PEFC is now competent to deal with tropical forestry and plantation regimes, just as FSC has developed a group certification process to accommodate small-scale land owners.

## 5. SOCIAL ISSUES

The top down FSC standard setting process highlights social criteria, notably reflecting the rights of indigenous peoples. This is a product of their history.

PEFC does not set its own standards but instead relies on international conventions and agreements to determine its social criteria. This does not mean that the standards are any less robust, nor less rigorously implemented. Whilst FSC social criteria focuses very much of the rights of indigenous peoples, PEFC extends its scope to embrace organised labour and forest communities, i.e. the people dependent both economically and socially on forest-based industries.

## 6. RESPONSIBLE SOURCING

PEFC actively promotes the use of wood and wood products from credibly certified, independently verified, sustainably managed sources believing that both PEFC and FSC provide equivalent assurances of sustainability. In addition, companies have welcomed the principle of free competition and consider that by having two competing global schemes, the interests of all concerned are best protected.

PEFC firmly believes that competition between the schemes encourages continuous improvement, ensures cost effectiveness, delivers efficiency and provides legitimate choice.