

cpet

Central Point of Expertise on Timber

Evaluation of Category A Evidence

***Review of forest
certification schemes***
Results

December 2006

1. Introduction

The UK Government's procurement policy on timber and timber products was announced in July 2000¹. This policy requires all Government departments and their agencies to actively seek to buy timber products from legal and sustainable sources. In 2003 the Government issued a model contract specification for the supply of timber and timber products which required timber to come from legal sources. The model contract also included a variant specification for timber from sustainable sources.

A key requirement of the contract and variant specification is that suppliers must be able to provide evidence to the Government that the wood or wood products they supply are from legal and, if promised by the supplier, sustainable sources. A number of ways were identified for achieving this. One of the most straightforward is to supply products from certified sources², provided that the certification scheme involved delivers the Government's requirements for legality or sustainability. As there are a number of different timber certification schemes available, the Government recognised that it needed a framework for assessing which ones deliver its timber policy, incorporating the requirements contained in the new contract and variant specifications.

Therefore, a study was carried out through the Central Point of Expertise in Timber (CPET) to review the contract and variant specifications and to assess the five certification schemes identified by procurement staff as the most commonly encountered in the UK wood supply chain to establish which of them deliver UK Government requirements for legal and sustainable timber. These five schemes were:

- The Canadian Standards Association scheme (CSA), which is applicable in Canada.
- The Forest Stewardship Council system (FSC), which is international in scope.
- The Malaysian Timber Certification Council scheme (MTCC), which is applicable in Malaysia.
- The Programme for the Endorsement of Forest Certification schemes (PEFC), which is international in scope.
- The Sustainable Forestry Initiative (SFI), which is applicable in the US and Canada.

The results of the original assessments (together with several re-assessments) were finalised as procurement guidance for public sector buyers in August 2005.

Defra has committed to undertaking regular reviews of all the certification schemes already assessed. The 2006 Review of forest certification schemes was undertaken

¹ http://www.press.dtlr.gov.uk/pns/DisplayPN.cgi?pn_id=2000_0516

² It is important to note that the UK Government has no intention of requiring suppliers to supply only certified products. It is simply one of the ways in which evidence of legality or sustainability can be delivered. Any other adequate form of evidence will be equally acceptable.

to ensure the currently assessed schemes continue to provide assurance of legality and sustainability.

2. The methodology for assessing schemes

As discussed in the introduction, the UK Government selected five forest certification schemes for review: CSA, FSC, MTCC, PEFC and SFI. These were chosen as the ones most commonly encountered in tenders and sales to UK central government.

2.1. Methodology

The review of each scheme was made based on publicly available documentation from each scheme. For each criterion, relevant scheme requirements were identified together with a note of whether these constituted inadequate, partial or full compliance with the criterion. The reviews also considered any objective verifiable evidence relating to non-compliance with the documented scheme requirements after October 2004, which was submitted by stakeholders during the consultation period.

The draft assessments were then sent to the respective scheme with an invitation to review the findings and, wherever appropriate, to provide further information or comment on the draft results.

Comments, together with additional information or documentation, were submitted by each scheme and discussions were held with some scheme personnel to address and clarify particular issues. The initial findings were reviewed on the basis of this additional input and proposed changes to the findings were drafted. These proposed changes, together with all of the comments submitted by the schemes, were sent for internal Government review and then discussed with the CPET Reference Board. Further clarification was then sought from schemes relating to potential non-compliances. Based on all the input received from this process, the findings were then finalised, again discussed with the CPET Reference Board, and submitted to DEFRA.

Following acceptance by DEFRA, the completed findings were sent to the respective schemes.

2.2. Information sources

As discussed above, the assessment for each scheme was carried out based on publicly available documentation from the scheme, together with direct discussions with some scheme personnel. Objective verifiable evidence relating to non-compliance with the documented scheme requirements that was submitted by stakeholders during the consultation period was also considered. No assessments of the actual outcome of certification in the forest were made, as this was not part of the terms of reference for the review.

2.3. Scoring system used

For each scheme compliance with the requirements of each criterion was scored on a 3-point scale:

0: Inadequately addressed and not acceptable.

1: Partially addressed.

2: Fully addressed.

As a result of having only three possible scores, the score of 1 applied to a wide range of situations, but this was considered a better option than trying to divide partial compliance into a number of different levels which carries a significant risk of becoming subjective.

To achieve recognition as delivering requirements for legality the scheme must achieve a score of at least 1 for each criterion applicable to legality.

To achieve recognition as delivering requirements for sustainability the scheme must achieve a score of at least 1 for each criterion applicable to sustainability as well as an overall score equal to 75% of the total possible.

Therefore, a score of zero for any criterion prevents a scheme from being recognised for the category³.

2.4. Addressing products containing certified and uncertified material

All of the certification schemes examined allow mixing of certified and uncertified raw material in certified products. As a result, two types of certified product exist:

100% certified products: these products contain only material which originated in certified forests. For these products it is only necessary to assess the control of certified material.

Mixed source products: these products contain material from a range of sources including certified forests, uncertified forests and recycled. Therefore, it is necessary to assess the control not only of certified material, but also of uncertified and recycled material to establish whether it meets the contract conditions and variant specification.

Therefore, although the bulk of the analysis deals with the control of certified material, it is also necessary to decide what controls are adequate for the uncertified material, in a mixed source product. This was determined as follows:

Legal compliance: the requirements of the certification scheme must be adequate to ensure that there is a verifiable system in place to check that all uncertified material is from a legal source. It is recognised that this is less rigorous than the requirements for the certified material and provides less of a guarantee that the material is from a legal source. However, it was considered that this was adequate to demonstrate due diligence provided the certification schemes included mechanisms to enforce the requirement.

³ With the exception of Criteria 4.4 and 4.6.

Meeting the sustainable variant: the UK Government requirements for sustainable timber set out in the variant specification do not require that 100% of the product is from a source meeting the requirements for sustainability. The variant specification specifies a minimum of 70% of the product must be from a sustainable source while the remainder must meet the contract requirements for legality.

Uncertified material and sustainability: all five schemes assessed allow the use of uncertified material in certified products. Most schemes have a number of requirements for the control of this uncertified material. These control mechanisms generally focus on ensuring that the material is not from illegal (and in some cases other controversial) sources. Where this is the case the controls are generally adequate to deliver UK Government requirements for legal timber. However, none of the schemes has requirements which are sufficiently rigorous to ensure that the uncertified material is from a sustainably managed source as defined in Section 1.2 of the criteria. This means that a certificate for a composite product identifying that a minimum of 70% of the wood used came from sustainably managed forests is acceptable⁴ but any less than 70% is not.

3. Results

3.1. Summary of results

The full findings, scores and results for each scheme can be found in Appendix 1. The results are summarised below indicating which schemes deliver government requirements for legal compliance and for the sustainable variant.

N.B. The UK Government sustainable variant requires that to qualify as sustainable 70% of the content of a product must meet the criteria for sustainable. See Section 2.4 above.

	Legal (100% from legal sources)	Sustainable (>70% from sustainable sources)
CSA	All certified products	Yes
FSC	All certified products	Products containing >70% certified or recycled raw material
MTCC	All certified products	No
PEFC	All certified products	Products containing >70% certified or recycled raw material
SFI	All certified products	Products containing >70% certified or recycled raw material ^a

^a Only the SFI Chain of custody system will provide assurance of sustainability. The procurement system and wood flow approach do not meet the requirements for sustainability.

⁴ The UK Government sustainable variant requires that to qualify as sustainable 70% of the content of a product must meet the criteria for sustainable. See Section 2.4.

3.2. The CSA scheme

3.2.1. Legal

The assessment indicated that the CSA scheme is adequate to ensure that certified forests meet UK Government requirements for legal timber. In addition, the requirements for control of uncertified material in mixed source products are adequate to deliver legality. Therefore, all CSA-certified products deliver UK Government requirements for legality.

3.2.2. Sustainable

The assessment indicated that the CSA scheme is adequate to ensure that certified forests meet UK Government requirements for sustainable timber. In common with all schemes, uncertified material cannot be guaranteed as coming from sustainable sources. Therefore, CSA-certified products containing 70% or more material from certified forests deliver UK Government requirements for sustainability. In practice, the CSA scheme only allows up to 30% uncertified material in certified products so all CSA-certified products should meet UK Government requirements for sustainability.

3.3. The FSC system

3.3.1. Legal

The assessment indicated that the FSC system is adequate to ensure that certified forests meet UK Government requirements for legal timber. In addition, the requirements for control of uncertified material in mixed source products are adequate to deliver legality. Therefore, all FSC-certified products deliver UK Government requirements for legality.

3.3.2. Sustainable

The assessment indicated that the FSC system is adequate to ensure that certified forests meet UK Government requirements for sustainable timber. In common with all schemes, uncertified material cannot be guaranteed as coming from sustainable sources. Therefore, FSC-certified products containing 70% or more material from certified forests deliver UK Government requirements for sustainability.

3.4. The MTCC scheme

3.4.1. Legal

The assessment indicated that the MTCC scheme is adequate to ensure that certified forests meet UK Government requirements for legal timber. In addition, the requirements for control of uncertified material in mixed source products are adequate to deliver legality. Therefore, all MTCC-certified products deliver UK Government requirements for legality.

Main issues

Criterion 1.1.2 The listing of additional relevant laws and legislation has now been included as part of the MTCC's *Assessment Procedures*.

Criterion 4.2. In order to ensure a certified Chain of Custody is in place from the forest of origin to the final certified product, the MTCC's *Assessment Procedures* have been updated to require the forest assessor to carry out chain of custody checks for the forest checking stations relevant to the randomly selected logging areas that are being audited. The *Assessment Procedures for COC* requires the COC assessor to visit randomly selected checking stations to check removal pass records and the origin of the relevant logs. This combination provides adequate scrutiny of the government 'removal pass' system and forest checking-stations.

Criterion 4.3: (Criterion 4.2.2 in the 2004 assessment) The chain of custody requirements permit mixing with uncertified material (section 2.2), and now include requirements relating to control of the source of the uncertified portion. As a result, all MTCC-certified products now deliver UK Government requirements for legality.

3.4.2.Sustainable

The assessment indicated that the current requirements of the MTCC scheme are not adequate to ensure that certified forests meet UK Government requirements for sustainable timber.

Main issues

Criterion 1.3.3: The *MC&I* (2001) standard setting process was coordinated by MTCC, and involved consultation with a broad range of organisations. Although the standard was adopted by consensus, the decision-making process did not have any clear procedures or safeguards relating to the influence of different interest categories. The process was not designed to ensure that decisions could not be made in the absence of agreement from the majority of an interest category.

The membership of the body for setting the revised MC&I as a multi-stakeholder entity consisting of representatives of the main interest categories will address this requirement, with the objective of achieving consensus-based decisions with agreement from each interest category.

3.5. The PEFC system

3.5.1.Legal

The assessment indicated that the PEFC system is adequate to ensure that certified forests meet UK Government requirements for legal timber. In addition, the requirements for control of uncertified material in mixed source products are adequate to deliver legality. Therefore, all PEFC-certified products deliver UK Government requirements for legality.

3.5.2.Sustainable

The assessment indicated that the PEFC system is adequate to ensure that certified forests meet UK Government requirements for sustainable timber. In common with

all schemes, uncertified material cannot be guaranteed as coming from sustainable sources. Therefore, PEFC-certified products containing 70% or more material from certified forests deliver UK Government requirements for sustainability.

Main issues

Criterion 1.3.3: The adopted definition of consensus (Annex 1) is taken from ISO Guide 2, which requires '*the absence of sustained opposition to substantial issues by any important part of the concerned interests*' but need not imply unanimity. The PEFC Council interpretation of requirements for consensus has now also been further detailed in *Guideline GL5/2006*. This explicitly allows for voting, with the safeguard that "a negative vote which represents sustained opposition of any important part of the concerned interests to a substantive issue" triggers a further negotiation and dispute resolution process. *Guideline GL5* does not provide definitions of "any important part of the concerned interests" or "substantive issue". However, PEFC have confirmed that groups such as small forest owners, ENGOs or indigenous peoples would be considered as an "important part of the concerned interests". In addition, PEFC Council have now strengthened (amendments to *Annex 7*) the process of assessing national schemes by introducing a mandatory peer review stage.

The PEFC probationary period has now ended.

3.6. The SFI scheme

3.6.1. Legal

The assessment indicated that the SFI scheme is adequate to ensure that certified forests meet UK Government requirements for legal timber. In addition, the requirements for control of uncertified material in mixed source products are adequate to deliver legality. Therefore, all SFI-certified products deliver UK Government requirements for legality.

3.6.2. Sustainable

The assessment indicated that SFI forest management standards are adequate to ensure that certified forests meet UK Government requirements for sustainable timber. In common with all schemes, uncertified material cannot be guaranteed as coming from sustainable sources. Therefore, SFI-certified products containing 70% or more material from certified forests deliver UK Government requirements for sustainability. However, SFI allows the use of two approaches to product traceability wood flow accounting and chain of custody. The wood flow accounting approach does not provide information on the proportion of material from SFI certified forests and is not acceptable.

Main issues

Only products produced in accordance with the voluntary chain of custody approach as set out in Section 12.1 *X Percent Content Label* and Section 12.2 *100% Content Label* of the SFI On-Product Label Use Requirements, which can identify the percentage of certified material from forests independently certified to the SFI Standard meet the UK Government requirements for sustainability.

Appendix 1 Full results of the assessments for each scheme

This appendix contains the full results of the assessments of the five forest certification schemes against the UK Government criteria. They are set out sequentially in alphabetical order:

Appendix 1a CSA

Appendix 1b FSC

Appendix 1c MTCC

Appendix 1d PEFC

Appendix 1e SFI

The results are presented in the form of a table with six columns containing the following information:

- **Criteria:** This sets out the UK Government criteria for assessing forest certification schemes which a scheme must meet.
- **Guidance on interpretation:** This provides notes on the origin of each criterion and how it should be interpreted.
- **Findings:** This contains notes from the assessment process summarising the objective evidence compiled from the scheme documentation to justify the score given. It should be noted that the text in this column is in the form of notes to summarise the information to be used in making an assessment and may in some cases be ambiguously or imperfectly worded. It was not designed to replace original scheme wording nor to be quoted in isolation.
- **Score:** This sets out the score given for the degree of compliance with the scheme with each criterion. See Section 2.3 for notes on the scoring system used.
- **L:** A tick in this column indicates that the criterion relates to meeting UK Government requirements for legality.
- **S:** A tick in the column indicates that the criterion relates to meeting UK Government requirements for sustainability.