

PEFC certification & the combat against illegal logging



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Promoting Sustainable Forest Management
for more info: www.pefc.org

Overview



- **The Programme for Endorsement of Forest Certification (PEFC)**
- **PEFC Position on Controversial Sources**
- **PEFC's Approach to Controversial Sources**
- **PEFC China Initiative & Status of Forest Certification in China**



Programme for the Endorsement of Forest Certification (PEFC)

PEFC is an independent, non-profit, non-governmental organisation, founded in 1999 which promotes sustainably managed forests through independent third party certification.

The PEFC provides an assurance mechanism to purchasers of wood and paper products that they are promoting the sustainable management of forests.



Global Network and Global Influence

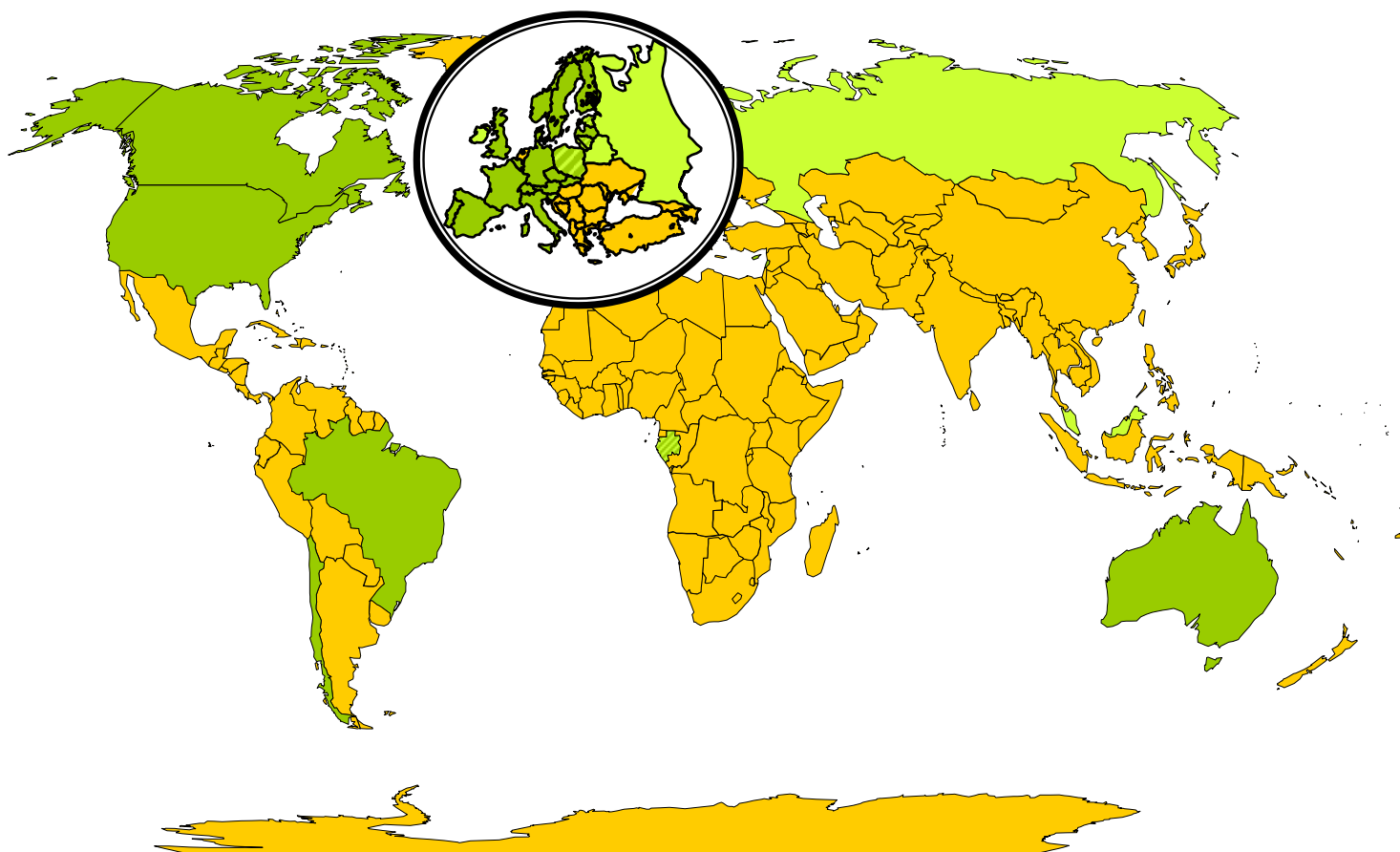
35 independent national forest certification systems of which 23 to date have been through a rigorous assessment process involving public consultation and the use of independent assessors and endorsed by PEFC.

These 23 systems account for more than 200 million hectares of certified forests making PEFC the world's largest certification system.

The other national members schemes are at various stages of development and are working towards mutual recognition under the PEFC processes.



PEFC Council International



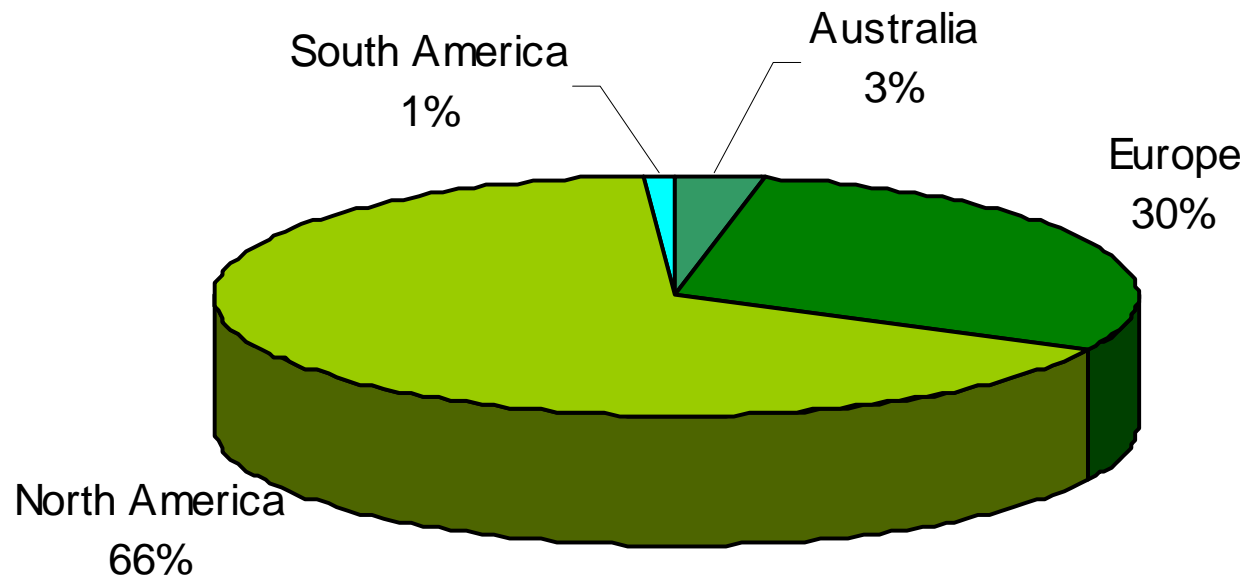
**PEFC endorsed
certification systems**

**PEFC members
undergoing endorsement**

**PEFC member systems
not endorsed yet**

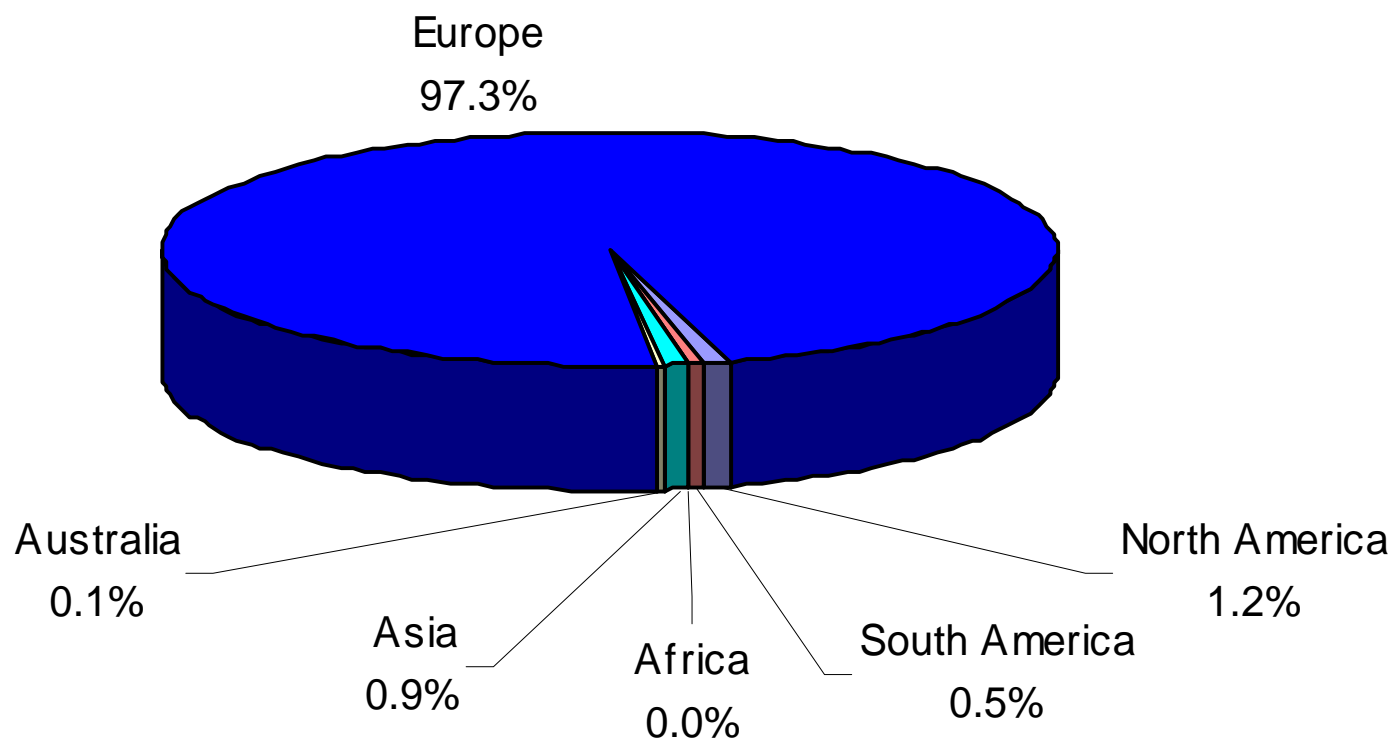
(1 January 2007)

PEFC Forest Certification



(31 December 2006)

PEFC CoC Certification



(31 December 2006)



PEFC Position on Controversial Sources

PEFC's definition of controversial sources

“Illegal or unauthorised harvesting.

Note: Examples of the illegal and unauthorised harvesting include harvesting in forest areas protected by law as well as in forest areas officially published by government authorities (or body with the legal authority to do so) as planned to become strictly protected by law, without the government authorities (or the body with the legal authority to do so) giving permission to harvest.”

(Annex 4 of PEFC Technical Document – 1.3.4)

PEFC's definition of controversial sources

The definition covers:

- Raw material **harvesting and extraction** itself,
- Administrative requirements related to raw material harvesting (**permissions, taxes, royalties, etc.**)
- **Social rights** related to harvesting protected by legislation,
- **Protection of conservation areas** designated by legislation.

PEFC's approach to controversial sources



What is PEFC's approach to controversial sources?

The reality is that due to the complexity and fragmentation of the supply chain it **is not feasible** to have a “full” chain of custody for the supply chain of “un-certified raw material”.

However PEFC's approach requires that every company with a PEFC chain of custody certificate must have **control** over its un-certified raw materials and implement measures to eliminate the risk of procuring controversial sources.

PEFC approach to controversial sources

Supplier self-declaration

To make all suppliers responsible for their supplies

Risk analysis

To identify supplies which require a special attention

2nd or 3rd party verification

To audit / inspect the high risk supplies

STEP 1: Self-declarations

A self-declaration is required from all suppliers of non-certified products which includes:

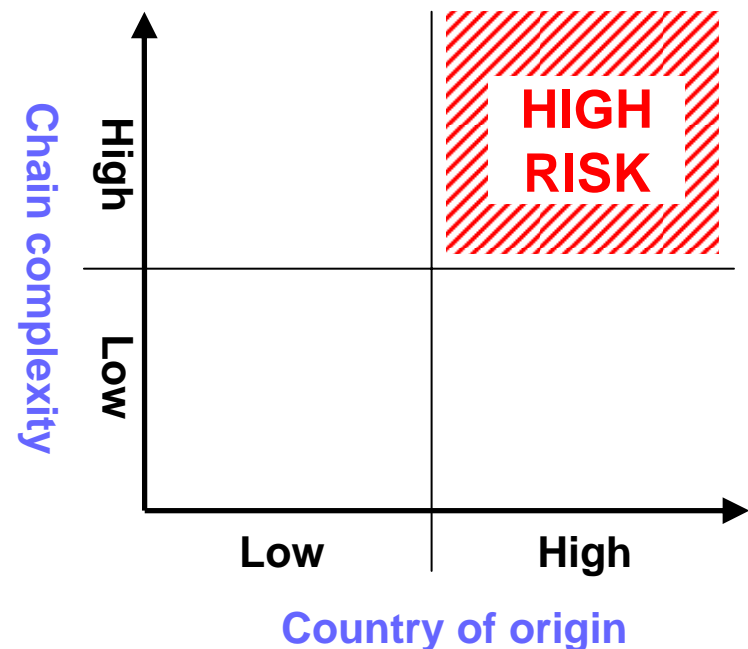
- (a) A written **statement in the contract that** raw material does **not originate from controversial sources**,
- (b) A commitment to supply information on the **geographical origin** of the supplies (country / region),
- (c) A commitment to supply **detailed information for high risk supplies**,
- (d) An agreement for a **second or third party audit to be undertaken for, and in the case of high risk supplies**

STEP 2: Risk Analysis

This is a mechanism that determines whether a company's supplies have a high risk of originating from controversial sources. (If so their control requires a higher level of scrutiny, i.e. a second or third party inspection).

**Risk = likelihood of procuring
“illegal wood”** depends on:

- **Country of origin:** in some countries / regions “likelihood” is higher than in others
- **Complexity and uncertainty of supply chain:** In more complex, unclear, unidentified supply chain the “likelihood” that illegal wood is procured is higher than in simple, clear and data supported supply chains



STEP 3: 2nd and 3rd party verification programme for high risk supplies

Identification of the supply chain



On site inspections (sampling based)

- Suppliers in the supply chain,
- Forest Management Unit (FMU)



Corrective and preventive measures



PEFC China & Status of Forest Certification



PEFC China Initiative

- PEFC China Initiative formally launched last October in Beijing
- Working with NGOs, government and supply chains to:
 - promote awareness of forest certification;
 - support sustainable forest management;
 - promote Chain of custody as a market access tool;
 - address international concerns about illegal logging and sustainable forest management;
 - offer technical support.





Status of Forest Certification in China

- There are 3 forest certification scheme in operation in China: PEFC, FSC and CFCC (national scheme).
- At present 7 forest management units with a total about 576,000 hectares forests have passed forest management certification.
- At present totally around 380 enterprises have gained COC certification.



China Forest Certification Council (CFCC)

- Developing an appropriate national forest certification scheme was initiated by SFA (the State Forestry Administration) in 2002.
- In 2004 specific funds from state budget went for forest certification.
- To set up China forest certification governing body and technical committee.
- China Forest Certification Standards issued by SFA last Oct.
- Since 2005 Forest Certification Pilot Projects have been implemented in China.
- Up to now 18 FMUs have been selected from different types of forests of the whole country. They involved in improving management, capacity building, testing standards and training native auditors under the CFCC system.



Logo of CFCC

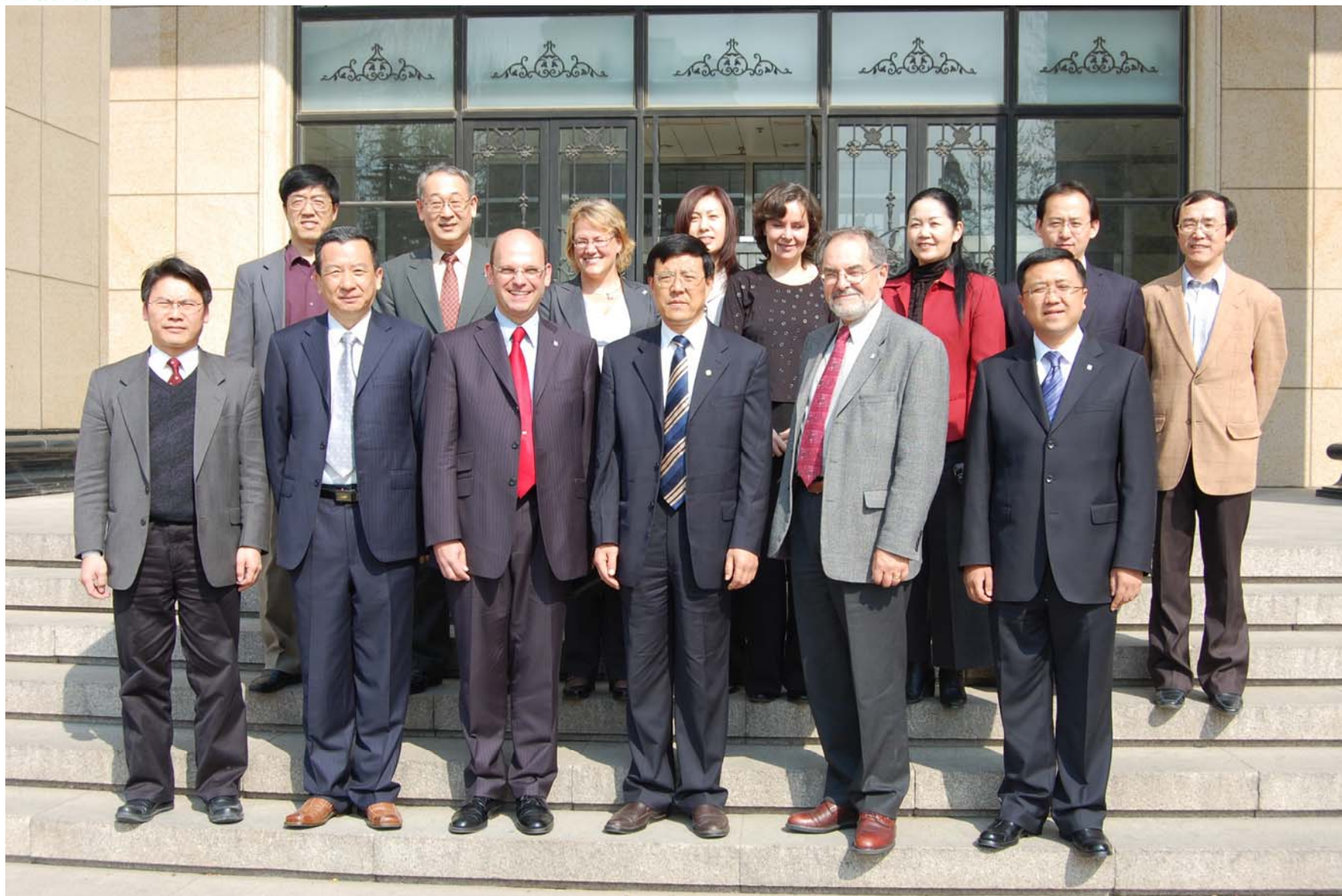




Challenges of Chinese Forest Certification

- Weak domestic demand for certified forest products
- Cost and benefit of forest certification
- Mutual recognition between national and international schemes

Cooperation between PEFC and CFCC



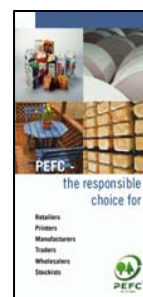


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For more information : www.pefc.org www.pefcasia.org

Thank You for Your Attention!

