

## On the Ground 2011 – The Controversy of Greenpeace (Annexes)

A report entitled “*On the Ground 2011 – The controversies of PEFC and SFI*”<sup>1</sup> was published on 11<sup>th</sup> July 2011, in the name of Greenpeace, on the FSC website<sup>2</sup>.

PEFC believes that collaboration beats confrontation – every time. We take all criticism regarding our organization very seriously and endeavour to cooperate fully with those who seek to understand or enquire of our work and achievements.

Any form of dialogue between stakeholders, however, must be held in an open, transparent and truthful manner, and be based on the best intentions in order to be constructive and bear fruit.

We sincerely hope that, notwithstanding the criticism of those who do not share the same perspective, we can engage in constructive, forward-looking dialogues for the benefit of forests and people.

*PEFC International, 9 August 2011*

**Update 11 August 2011: Shortly after the publications of this article, FSC Czech Republic removed the Greenpeace report from its website<sup>3 4</sup>**

### Annex 1: Disclosing the links to FSC and Greenpeace

The report “*On the Ground 2011 – The controversies of PEFC and SFI*” relies to a large extent on sources which are directly or indirectly linked to FSC, a competing certification system, and/or Greenpeace itself. Greenpeace does, however, not disclose these links:

- Cadman, Timothy: is an environmental consultant for Greenpeace<sup>5</sup> and the brother of Sean Cadman<sup>6</sup>, a member of the board of FSC Australia<sup>7</sup>.
- Cashore, Benjamin: has been involved with FSC for a number of years, participating in FSC General Assemblies as early as 2002<sup>8</sup>. Most recently, he essentially hosted the 2011 General Assembly,

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<sup>1</sup> Anon (2011). *On the Ground 2011 – The controversies of PEFC and SFI*. Greenpeace. Available at <http://www.czechfsc.cz/data/dd28/controversies%20PEFC%20a%20SFI-%20OTG%202011%20Final.pdf> Shortly after the publications of these annexes and the associated article, FSC Czech Republic removed the report from its website

<sup>2</sup> *Studie Greenpeace o kontroverzních lesních majetcích s certifikátem PEFC*. <http://www.czechfsc.cz/novinky/novinky-ve-svete/studie-greenpeace-o-kontroverznich-lesnich-majetcich-s-certifikatem-pefc-92.html>. Viewed 5 August 2011.

<sup>3</sup> A screenshot of the FSC Czech Republic homepage before the deletion of the article is available at

<http://www.pefc.org/images/stories/images/screenshot-fsc-5August.jpg>

<sup>4</sup> A screenshot of the article on the FSC Czech Republic website before its deletion is available

<http://pefc.org/images/stories/images/screenshot-fsc-5August-art.jpg>

<sup>5</sup> <http://www.e3network.org/srcdtl.php?cnID=338>

<sup>6</sup> See Rae, Michael, WWF Australia. *Timber Labelling You can Trust*. Footnote 1.

[http://www.rainforestinfo.org.au/good\\_wood/fst\\_ecol.htm](http://www.rainforestinfo.org.au/good_wood/fst_ecol.htm) Viewed 5 August 2011.

<sup>7</sup> <http://www.fscaustralia.org/about-fsc/members-board-and-officers> Viewed 5 August 2011

<sup>8</sup> [http://www.auburn.edu/academic/forestry\\_wildlife/forest\\_policy\\_ctr/cashore/cashore\\_cv\\_060708.pdf](http://www.auburn.edu/academic/forestry_wildlife/forest_policy_ctr/cashore/cashore_cv_060708.pdf) Viewed 5 August 2011

providing the “Welcome” and “Wrap-up”<sup>9</sup>

- Coalition for Credible Forest Certification: This website was set up by known FSC supporters, including Greenpeace<sup>10</sup>. It fails to include material critical of FSC<sup>11 12 13 14 15 16 17 18 19 20 21 22 23</sup>, even if published by the members of the Coalition<sup>24</sup> as well as positive material about PEFC by independent parties such as public procurement policy assessments<sup>25 26</sup>.
- Conroy, Michael: is on the Board of Directors of FSC International<sup>27</sup> and Chairperson of the Board of Directors of FSC US<sup>28</sup>

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<sup>9</sup> <http://www.ga.fsc.org/825.html> Viewed 5 August 2011

<sup>10</sup> [http://credibleforestcertification.org/about\\_us/](http://credibleforestcertification.org/about_us/) Viewed 5 August 2011

<sup>11</sup> Numerous material is available at <http://fsc-watch.org/> Viewed 2 August 2011

<sup>12</sup> Van Assen, Bart W. (2010). *Certified Jungles?* In: EFRN News 51: September 2010. Tropenbos International. pp 90. Available at <http://www.etfrn.org/etfrn/newsletter/news51/Chapters/3.7Assen.pdf>

<sup>13</sup> Sahlin, Malin (2010). *Cutting the Edge – the Loss of Natural Forests in Sweden*. Swedish Society for Nature Conservation. Available at <http://www.naturskyddsforeningen.se/upload/press/rapport-cutting-the-edge.pdf>

<sup>14</sup> Sahlin, Malin (2011). *Under the Cover of the Swedish Forestry Model*. Swedish Society for Nature Conservation. Available at

<http://www.naturskyddsforeningen.se/upload/skog/Under%20the%20Cover%20of%20the%20Swedish%20Forestry%20Model%20-%20A5gupp%20B6st.pdf>

<sup>15</sup> ITS Global (2011a). *Forest Certification – Sustainability, Governance and Risk*. ITS Global. Available at

<http://www.itsglobal.net/sites/default/files/itsglobal/Forestry%20Certification-Sustainability%20Governance%20and%20Risk%20-%20282011%29.pdf>

<sup>16</sup> ITS Global (2011b). *Mixed Species: Assessing FSC’s ‘Mixed Source’ Certification*. ITS Global. Available at

<http://www.itsglobal.net/sites/default/files/itsglobal/Mixed%20Species%20-%20Assessing%20FSC.pdf>

<sup>17</sup> Innis, Niger (2011). *Stop the War On the Poor - FSC and NGOs: Environmental Mythology*. Congress of Racial Equality (CORE). Available at

[http://www.congressofracialequality.org/Portals/CORE/CORE Stop the War on the Poor 07.2011.pdf](http://www.congressofracialequality.org/Portals/CORE/CORE%20Stop%20the%20War%20on%20the%20Poor%2007.2011.pdf)

<sup>18</sup> Wilson, Tim (2010). *Green Excuses: Collusion to Promote Protectionism?* Institute of Public Affairs. Available at

[http://www.ipa.org.au/library/publication/1280968694\\_document\\_100805\\_report\\_green\\_excuses\\_collusion\\_to\\_promote\\_protectionism.pdf](http://www.ipa.org.au/library/publication/1280968694_document_100805_report_green_excuses_collusion_to_promote_protectionism.pdf)

<sup>19</sup> Al Jazeera (2011). *Latvia's pulp fiction*. Al Jazeera . Available at

<http://english.aljazeera.net/programmes/peopleandpower/2011/02/2011211357149645.html>

<sup>20</sup> <http://www.swr.de/report/-/id=233454/nid=233454/did=7462706/mpdid=7637284/preov/index.html>

<sup>21</sup> SWR (2011). *Kahlschlag für Ökoholz*. SWR. Available at

<http://www.ardmediathek.de/ard/servlet/content/3517136?documentId=6479700>

<sup>22</sup> Agblede, Humphery (2010). *Forest Stewardship Council’s (FSC) Certification Dispute in Sweden: A Case Study Involving the Swedish Society for Nature Conservation (SSNC) and Svenska Cellulosa Aktiebolaget (SCA)*. Swedish University of Agricultural Sciences. Available at

[http://stud.epsilon.slu.se/1837/1/agblede\\_h\\_100922.pdf](http://stud.epsilon.slu.se/1837/1/agblede_h_100922.pdf)

<sup>23</sup> WRM Briefing (2008). *FSC certification of tree plantations needs to be stopped*. World Rainforest Movement (WRM). Available at

[http://wrm.org.uy/actors/FSC/WRM\\_Briefing.pdf](http://wrm.org.uy/actors/FSC/WRM_Briefing.pdf)

<sup>24</sup> Greenpeace International (2011). *Crisis for FSC in the Congo Basin*. Greenpeace. Available at

<http://www.greenpeace.org/africa/Global/africa/publications/FSC%20Credibility%20Crisis%20in%20the%20Congo.Final.pdf>

<sup>25</sup> TPAC (2010). *Summary Report of the Final Judgement of PEFC International*. Timber Procurement Assessment Committee (TAPC). Available at

[http://www.tpac.smk.nl/webadmin/files/pdf/publieksrapporten/TPAC\\_Public%20Assessment%20Report%20of%20PEFC%20International\\_DEF.pdf](http://www.tpac.smk.nl/webadmin/files/pdf/publieksrapporten/TPAC_Public%20Assessment%20Report%20of%20PEFC%20International_DEF.pdf)

<sup>26</sup> CPET (2010a). *Evaluation of Category A Evidence: Review of Forest Certification Schemes – Results*. Central Point of Expertise on Timber (CPET). Available at

<http://www.cpet.org.uk/files/2010%20Review%20of%20forest%20certification%20schemes%20Final%20report%20December%202010.pdf>

<sup>27</sup> <http://www.fsc.org/bod.html>. Viewed 4 August 2011

- ForestEthics is a US-based pressure group and supporter of FSC<sup>29</sup>
- Renström, M.: Margareta Renström is Member of the Board of FSC International<sup>30</sup> and Forest Certification Manager at WWF International<sup>31</sup>, one of the co-founders of FSC
- Walter, Martin: a member of FSC<sup>32</sup>, worked as a consultant for FSC Germany<sup>33</sup>, contributed to the work of FSC International<sup>34</sup>, and is an External Technical Expert to ASI<sup>35</sup>, the wholly owned subsidiary accreditation body of FSC. The credibility of the WWF-commissioned assessment using the World Bank/WWF Forest Certification Assessment Guide (FCAG) has been questioned before<sup>36 37</sup>
- WWF-NL et al: Includes the Dutch subsidiaries of the FSC International co-founders Greenpeace<sup>38</sup>, Friends of the Earth<sup>39</sup>, and WWF<sup>40</sup>; as well as ICCO, a Dutch co-founder and support of FSC in the Netherlands and a member of FSC International<sup>41</sup> and NCIV, a supporter of FSC<sup>42</sup>.

The document attributed to WWF-NL et al, quoted by Greenpeace at several places in *On the Ground 2011*, was a complaint against the assessment results of PEFC International by the Dutch Timber Procurement Assessment Committee (TPAC)<sup>43</sup>. TPAC rejected the complaint, concluding that “[a]fter careful consideration of the objection filed by five Dutch NGOs, TPAC concludes that there are no grounds for revising its positive judgement of PEFC International for the Dutch market”<sup>44</sup>

<sup>28</sup> [http://www.fscus.org/about\\_us/board\\_of\\_directors.php](http://www.fscus.org/about_us/board_of_directors.php) Viewed 4 August 2011

<sup>29</sup> ForestEthics describes FSC as the “only credible certification program”. <http://forestethics.org/resources-for-your-company>. It references the Coalition for Credible Forest Certification to explain “why to use FSC standards, rather than other certification standards”. Accessed 2 August 2011.

<sup>30</sup> <http://www.fsc.org/bod.html> Accessed 2 August 2011.

<sup>31</sup> [http://www.nepcon.net/4388/English/HOME/News\\_2011/June/GAissue4/FSC\\_movers\\_and\\_shakers\\_Interview\\_with\\_Margareta\\_Renstr\\_m\\_WWF/](http://www.nepcon.net/4388/English/HOME/News_2011/June/GAissue4/FSC_movers_and_shakers_Interview_with_Margareta_Renstr_m_WWF/) Accessed 2 August 2011.

<sup>32</sup> <http://info.fsc.org/publicmembersearch> Accessed 2 August 2011.

<sup>33</sup> See *Aspects of quality assurance under the certification schemes FSC and PEFC*. pp 51. Available at [www.rainforest-alliance.org/forestry/documents/aspects.pdf](http://www.rainforest-alliance.org/forestry/documents/aspects.pdf)

<sup>34</sup> See *Some notes on the early years of FSC*. pp 40. Available at [http://www.fsc.org/fileadmin/web-data/public/document\\_center/publications/Notes\\_on\\_the\\_early\\_years\\_of\\_FSC\\_by\\_Tim\\_Synnott.pdf](http://www.fsc.org/fileadmin/web-data/public/document_center/publications/Notes_on_the_early_years_of_FSC_by_Tim_Synnott.pdf)

<sup>35</sup> <http://www.accreditation-services.com/team0.html> Viewed 4 August 2011

<sup>36</sup> Disarmingthegreens.it (2011). *Environment: Secret and Lies*. Disarmingthegreens.it Available at [http://disarmingthegreens.it/wp-content/uploads/2011/04/Paper\\_Disarmingthegreens\\_English.pdf](http://disarmingthegreens.it/wp-content/uploads/2011/04/Paper_Disarmingthegreens_English.pdf)

<sup>37</sup> PEFC Council (2008). *PEFC comments on recent WWF’s 2008 certification scheme assessment and public statement on PEFC Stakeholder Forum*. Programme for the Endorsement of Forest Certification Council (PEFC). Available at <http://pefc.org/news-a-media/general-sfm-news/news-detail/item/download/29>

<sup>38</sup> <http://www.greenpeace.org/international/en/campaigns/forests/solutions/alternatives-to-forest-destruct/>. Accessed 5 August 2011

<sup>39</sup> <http://redapes.org/take-action/friends-earth-rejects-forest-stewardship-council> Viewed 5 August 2011

<sup>40</sup> [http://www.wwf.org.nz/about\\_us/50\\_years\\_wwf/responsible\\_forestry/](http://www.wwf.org.nz/about_us/50_years_wwf/responsible_forestry/) Viewed 5 August 2011

<sup>41</sup> <http://www.icco.nl/en/projects/project&project=571> Accessed 5 August 2011

<sup>42</sup> [http://www.fsc.nl/documents/docs/publications/APB\\_030610.pdf](http://www.fsc.nl/documents/docs/publications/APB_030610.pdf) Accessed 5 August 2011

<sup>43</sup> The Timber Procurement Assessment Committee (TPAC) assesses certification systems on behalf of the Dutch Procurement Policy for timber.

<sup>44</sup> TPAC (2011a). *TPAC Confirms its Positive Judgement of PEFC International*. Timber Procurement Assessment Committee (TAPC). Available at [http://www.tpac.smk.nl/webadmin/files/Press%20release%20PEFC%20Objection%207JUNE2011%20\(D\).doc](http://www.tpac.smk.nl/webadmin/files/Press%20release%20PEFC%20Objection%207JUNE2011%20(D).doc)

## Annex 2: Clarification of some of the factual errors contained in the report

### STANDARDS<sup>45</sup>

***Greenpeace implies that poor practices concerning the protection of “key forest conservation values” are common in many PEFC endorsed forest management units, caused by weak standards***

**PEFC rejects this allegation.**

PEFC is the largest and most assessed forest certification system globally and is accepted in national public procurement policies worldwide<sup>46</sup>. Most notably in this context are the processes in the Netherlands<sup>47</sup> and the UK<sup>48</sup>, which have developed a comprehensive catalogue of criteria against which certification systems are assessed. These criteria cover environmental, social and economic aspects of forest certification, and both the Dutch and the UK assessment include a number of criteria pertaining to “key forest conservation values”.<sup>49</sup>

**What Greenpeace doesn't say is that** PEFC has been positively assessed by both the Netherlands<sup>50</sup> and the UK<sup>51</sup>. Greenpeace also fails to mention that WWF found that PEFC “fulfilled” the respective requirement in its own FCAG assessment, which Greenpeace utilizes as reference material elsewhere in the “On the Ground 2011” report. The FCAG states concerning “[m]aintenance of critical forest areas and related natural critical habitats. The scheme/system explicitly requires that forest operations maintain critical forest areas and other critical natural habitats”<sup>52</sup> WWF commented positively on PEFC's revised standards, stating that “[i]mportant FCAG requirements that are addressed in the revised PEFC standards include: “[...] forest operations shall maintain critical forest areas and other critical natural habitats affected by the operation”.”<sup>53</sup>

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<sup>45</sup> Anon (2011). pp 12.

<sup>46</sup> This includes Belgium, Denmark, Finland, France, Germany, Japan, New Zealand, Norway, Switzerland and the UK among others.

<sup>47</sup> Timber Procurement Assessment Committee (TPAC). <http://www.tpac.smk.nl/>

<sup>48</sup> Central Point of Expertise for Timber (CPET). <http://www.cpet.org.uk>

<sup>49</sup> See TPAC (2009). Principle 4 *Biodiversity shall be maintained and where possible enhanced* & Principle 5 *The regulation function and quality, health, and vitality of the forest shall be maintained and where possible enhanced* in *User Manual for Assessing Forest Certification Schemes*. TPAC (2009). Available at [http://www.tpac.smk.nl/webadmin/files/pdf/system%20documents/Annex%20I%20Category%20A\\_User%20Manual%20TPAC\\_Feb%202010%20%282%29.pdf](http://www.tpac.smk.nl/webadmin/files/pdf/system%20documents/Annex%20I%20Category%20A_User%20Manual%20TPAC_Feb%202010%20%282%29.pdf). See CPET (2010b). *CPET 1.2 Content of standards for sustainable variant in Criteria for Evaluating Certification Schemes (Category A Evidence) Third Edition*. CPET. Available at <http://www.cpet.org.uk/files/Category%20A%20Criteria%20April%202010.pdf>

<sup>50</sup> TPAC (2010a).

<sup>51</sup> CPET (2010a)

<sup>52</sup> Walter, Martin (2011). *Analysis of the PEFC System for Forest Management Certification using the Forest Certification Assessment Guide (FCAG)*. Commissioned by WWF International. pp. 12. Available at [http://assets.panda.org/downloads/2011\\_03\\_20\\_mwalter\\_fcag\\_analysis\\_pefc.pdf](http://assets.panda.org/downloads/2011_03_20_mwalter_fcag_analysis_pefc.pdf) Note that PEFC has serious reservations concerning the credibility of this study as well as the preceding study from 2008. The fact that PEFC references this study here does not mean that it in any way endorses the study; the concerns, outlined in PEFC Council (2008), remain.

<sup>53</sup> WWF International (2011). *WWF statement on the PEFC international standards launched in November 2010*. WWF International. Available at [http://assets.panda.org/downloads/wwf\\_statement\\_on\\_pefc\\_standards\\_march\\_2011.pdf](http://assets.panda.org/downloads/wwf_statement_on_pefc_standards_march_2011.pdf)

In fact, the FCAG report shows that PEFC is currently the only global forest certification system that completely “fulfils” all requirements relating to the standards content as listed under “*Criterion 2 — Compatible with globally applicable principles that balance economic, ecological, and equity dimensions of forest management and meet Global Forest Alliance requirements*” of the FCAG.<sup>54</sup>

**Greenpeace also makes the assumption that** “[t]he number of non-conformances found during audits and subsequent corrective action requests (CARs), conditions or recommendations issued, can be viewed as an indication of the strength of the standards: stronger standards are more difficult to meet and require more change from the status quo in forest management practices.”<sup>55</sup>

**What Greenpeace doesn’t say is that with this statement** it blatantly disregards the explicit note by the authors of the Canadian study that Greenpeace cites to support its assumption. The authors of the study state on the website where it is published that : “[we] specifically warn against comparing the stringency of the standards based on the number of audit conditions: ‘it is not possible to make conclusions on the stringency of the standard based on how many or how few conditions were found in audit reports.’”<sup>56</sup>

PEFC also wishes to clarify that it does not “endorse” forest management units as stated by Greenpeace. PEFC sets standards and firmly believes that the independence and strict separation of the processes of standard setting, certification and accreditation is of the utmost importance to the long-term credibility of any certification system. Consequently, PEFC does not issue certificates itself, but has implemented internationally recognized ISO certification and accreditation procedures to ensure the highest credibility of the certification process.

## **GOVERNANCE<sup>57</sup>**

**Greenpeace implies that balanced representation and real decision-making authority does not exist either at the level of the international governance of PEFC nor in many of the national-level governance structures.**

**PEFC rejects this allegation.**

PEFC is committed to balanced representation of various stakeholder interests. PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners, as an international umbrella organization providing independent assessment, endorsement and recognition of national forest certification systems. It is the only global forest certification system that makes explicit reference to the nine major groups as defined by Agenda 21 of the 1992 United Nations Conference on Environment and Development in Rio de Janeiro, Brazil, as an example of stakeholders involved in/concerned by sustainable forest management<sup>58</sup>.

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<sup>54</sup> Compare with latest available assessment of FSC in: Martin Walter (2008). *Analysis of the FSC and PEFC Systems for Forest Management Certification using the Forest Certification Assessment Guide (FCAG)*. WWF International. pp. 15. Available at [http://assets.panda.org/downloads/2008\\_11\\_17\\_final\\_fcag\\_assessment\\_.pdf](http://assets.panda.org/downloads/2008_11_17_final_fcag_assessment_.pdf)

<sup>55</sup> Anon (2011). pp 12.

<sup>56</sup> See N.B. on <http://www.forestry.ubc.ca/sfm/Publications.aspx> Accessed 8 August 2011.

<sup>57</sup> Anon (2011) pp. 13.

<sup>58</sup> PEFC Council (2010a), *Standard Setting – Requirements (PEFC ST 1001:2010)*. Programme for the Endorsement of Forest Certification Council (PEFC). Available at <http://pefc.org/resources/technical-documentation/pefc-international-standards-2010/item/download/290>

**What Greenpeace doesn't say is that** it bases its assessment to a large extent on a single study<sup>59</sup> that, as also indicated by Table 3, 4 and 5 in the *On the Ground 2011* report<sup>60</sup>, favours a three chamber system of environmental, social and economic stakeholders, a system adopted by FSC<sup>61</sup>.

Greenpeace itself has not adopted the three chamber system for its own organisation<sup>62</sup>, neither is a three chamber system distinguishing between environmental, social and economic stakeholders implemented by leading certification systems in other sectors such as agriculture (SAN<sup>63</sup>, GLOBALG.A.P.<sup>64</sup>, IFOAM<sup>65</sup>), biofuels (RSB<sup>66</sup>) coffee (4C<sup>67</sup>, UTZ Certified<sup>68</sup>), cotton (BCI<sup>69</sup>, CmiA<sup>70</sup>) fair trade (FLO<sup>71</sup>), fishery (MSC<sup>72</sup>), soy (RTRS<sup>73</sup>), or sugar cane (Bonsucro<sup>74</sup>), to name but a few.

In fact, the effectiveness and independence of the three chamber system is disputed<sup>75</sup>. The State of Sustainability Initiatives (SSI) Review 2010<sup>76</sup> finds that the key challenges for participatory governance has been to find mechanisms for empowering stakeholders upstream on global supply chains to participate in downstream supply chain management decision, and, with this in mind, distinguishes representation of stakeholders by their supply chain role: "Producer", "Industry/private sector", "Workers"

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<sup>59</sup> Tomothy Cadman (2009). Quality, Legitimacy and Global Governance: A Comparative Analysis of Four forest Insitutions. Degree of Doctor of Philosophie, University of Tasmania. September 2009. Available at <http://eprints.utas.edu.au/9288> The author of the thesis is environmental consultant for Greenpeace and the brother of Sean Cadman a member of the board of FSC Australia (see Annex 1: *Disclosing the links to FSC and Greenpeace*)

<sup>60</sup> Anon (2011), pp 14.

<sup>61</sup> Details about the FSC governance structure are available at <http://www.fsc.org/governance.html>

<sup>62</sup> Details about the Greenpeace governance structure are available at <http://www.greenpeace.org/usa/en/about/governance/>

<sup>63</sup> Details about the governance structure of the Sustainable Agriculture Network (SAN) are available at <http://sanstandards.org/sitio/subsections/display/4>

<sup>64</sup> Details about the governance structure of the GLOBALG.A.P. are available at [http://www.globalgap.org/cms/front\\_content.php?idcat=15](http://www.globalgap.org/cms/front_content.php?idcat=15)

<sup>65</sup> Details about the governance structure of the International Federation of Organic Agriculture Movements (IFOAM) are available at [http://www.ifoam.org/about\\_ifoam/inside\\_ifoam/boards.html](http://www.ifoam.org/about_ifoam/inside_ifoam/boards.html)

<sup>66</sup> Details about the governance structure of the Roundtable on Sustainable Biofuels (RSB) are available at <http://rsb.epfl.ch/page-24932-en.html> seven stakeholder groups

<sup>67</sup> Details about the governance structure of the 4C Association are available at <http://www.4c-coffeeassociation.org/en/governance.php>

<sup>68</sup> Details about the governance structure of the UTZ Certified are available at [http://www.goodinside.jp/serve\\_attachment.php?file=archive/downloads/100610\\_utz\\_governance\\_overview\\_for\\_web\\_site\\_final.pdf](http://www.goodinside.jp/serve_attachment.php?file=archive/downloads/100610_utz_governance_overview_for_web_site_final.pdf)

<sup>69</sup> Details about the governance structure of the Better Cotton Initiative (BCI) are available at <http://www.bettercotton.org/index/122/governance.html>

<sup>70</sup> Details about the governance structure of the Cotton made in Africa (CmiA) initiative are available at [http://www.cotton-made-in-africa.com/fileadmin/cmia\\_abtf/news/documents/Verification\\_Governance\\_EN.pdf](http://www.cotton-made-in-africa.com/fileadmin/cmia_abtf/news/documents/Verification_Governance_EN.pdf)

<sup>71</sup> Details about the governance structure of the Fairtrade Labelling Organizations International (FLO) are available at [http://www.fairtrade.net/how\\_we\\_are\\_run.0.html](http://www.fairtrade.net/how_we_are_run.0.html)

<sup>72</sup> Details about the governance structure of the Marine Stewardship Council (MSC) are available at <http://www.msc.org/about-us/governance/structure>

<sup>73</sup> Details about the governance structure of the Round Table on Responsible Soy Association (RTRS) are available at [http://www.responsiblesoy.org/index.php?option=com\\_docman&task=doc\\_download&gid=1&Itemid=29&lang=en](http://www.responsiblesoy.org/index.php?option=com_docman&task=doc_download&gid=1&Itemid=29&lang=en)

<sup>74</sup> Details about the governance structure of the Better Sugar Cane Initiative (Bonsucro) are available at <http://www.bonsucro.com/governance.html>

<sup>75</sup> See e.g. Hallström, Boström (2010). *NGO Power in Global Social and Environmental Standard Setting*. In *Global Environmental Politics* (November 2010, Vol. 10. No. 4). pp 36-59. Available at [http://www.mitpressjournals.org/doi/abs/10.1162/GLEP\\_a\\_00030?journalCode=glep](http://www.mitpressjournals.org/doi/abs/10.1162/GLEP_a_00030?journalCode=glep)

<sup>76</sup> Potts, Jason; van der Meer, Jessica; Daitchman, Jaclyn (2010). *The State of Sustainability Initiatives Review 2010: Sustainability and Transparency*. A Joint Initiative of IISD, IIED, Aidenvironment, UNCTAD and ENTWINED. pp. 38. Footnote 15. Available at [http://www.iisd.org/pdf/2010/ssi\\_sustainability\\_review\\_2010.pdf](http://www.iisd.org/pdf/2010/ssi_sustainability_review_2010.pdf)

association/unions”, “NGO & civil society”, and “Other (e.g. consultants, law firms, financial institutions)”. PEFC is the only forest certification system that, according to the SSI review, includes representatives of all five stakeholder groups among its board members, with more representatives from the “NGO & civil society” and “workers’ associations/unions” roles than any other certification system in the forest sector.<sup>77</sup>

**What Greenpeace also doesn’t say is that** independent parties such as TPAC concluded that PEFC faces specific challenges when it comes to balanced stakeholder representation: “*Interested groups often voluntarily choose not to participate in the PEFC decision making bodies in spite of being invited. This may also be caused by the fact that FSC International does not allow its Board members to also participate in the decision making bodies of another certification system*”<sup>78</sup>.

PEFC would like to clarify that the “Stakeholder Forum” listed in the Greenpeace report in fact does exist; it was renamed as “International Stakeholder members” when it was incorporated into PEFC Statutes.<sup>79</sup> A simple telephone call to PEFC would have allowed Greenpeace to get clarification on this issue.

## **STAKEHOLDER CONSULTATION AND PARTICIPATION**<sup>80</sup>

***Greenpeace implies that PEFC systems around the world have been very weak on consulting and listening to stakeholders***

**PEFC rejects this allegation.**

There are multiple levels at which stakeholders are involved in the certification process, first and foremost in the development of standards for forest management; the certification process itself; and through appeals and complaints procedures. Essentially stakeholders can get involved at any stage throughout the whole process. PEFC is unique amongst global forest certification systems in that it requires stakeholder participation in the development of all sustainable forest management standards,<sup>81</sup> based on ISO/IEC Guide 59<sup>82</sup>.

**What Greenpeace doesn’t say is that** PEFC fully addresses the respective principles in the TPAC<sup>83</sup> and CPET<sup>84</sup> assessments. Greenpeace also neglects to make readers aware that Greenpeace itself has been implicated in the exclusion of native groups from the Canadian Boreal Forest Agreement (CBFA), an agreement in which Greenpeace was a major driver<sup>85</sup>. Many indigenous groups objected to the fact that as First Nations they were not involved in its development. Others indigenous groups questioned the legitimacy of environmental groups advocating conservation on ancestral lands without consulting them. In December 2010, a special assembly of First Nation Chiefs voted to “*reject and demand the termination*” of the agreement. Then in February 2011, Nishnawbe Aski Nation Grand Chief Stan Beardy sent an open letter to the signatories of the

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<sup>77</sup> Potts, Jason; van der Meer, Jessica; Daitchman, Jaclyn (2010). pp. 39. Figure 2.5.

<sup>78</sup> TPAC (2011b). *Response to Notice of Objection – Annex II (June 2011)*. Timber Procurement Assessment Committee (TAPC). Available at <http://www.tpac.smk.nl/webadmin/files/TPAC%20Response%20to%20Objection%20%28complete%29.pdf>

<sup>79</sup> This was based on a General Assembly decision which sought to offer International Stakeholder members the right to complete integration into PEFC General Assembly as a member with full voting rights.

<sup>80</sup> Anon (2011), pp 15.

<sup>81</sup> See e.g. ITS Global (2011a). pp 18.

<sup>82</sup> PEFC Council (2010a). pp 5.

<sup>83</sup> TPAC (2010). pp 14.

<sup>84</sup> CPET (2010a). pp 26.

<sup>85</sup> <http://www.greenpeace.org/usa/en/news-and-blogs/campaign-blog/canadian-boreal-forest-agreement/blog/26018/>  
Viewed 8 August 2011

CBFA calling for its termination<sup>86</sup>. Commentators have noted that “[p]erhaps the most tangible outcome of the CBFA thus far is the division it has created, not only between ENGOs and Indigenous communities, but also among Indigenous groups and organizations across the country”.<sup>87</sup> The CBFA covers, among others, the Kenogami area referred to in the Greenpeace report.

## **VOLUNTARY PARTICIPATION<sup>88</sup>**

***Greenpeace implies that forest owners do not voluntarily participate in PEFC certification***

**PEFC rejects this allegation.**

PEFC defines group certification as “an alternative approach to forest certification which allows forest owners to become **voluntarily** certified [...]”<sup>89</sup>.

Greenpeace correctly points out that “[t]he rules of the International Standards Organisation (ISO) state that a contract must be signed between certification body and certificate holder so that the obligation of continual compliance with the relevant standards is clear.”

**What Greenpeace doesn’t say is that** WWF in fact finds that PEFC fulfils this criteria “[i]n cases of group certification, a set of contractual arrangements exists between the owners or their designated intermediary and the entity that holds the group certificate for the requirements of certification” and “[a]ll participating forest owners have signed a commitment to adhere to the standards set by the scheme.”<sup>90</sup>

**What Greenpeace also doesn’t say is that** the “Issues study” in its report is based entirely on a report by Greenpeace itself, published seven years ago. Without going into any details concerning the objectivity of that particular report, it needs to be noted that PEFC Finland has comprehensively revised its standards twice since 2004. Ensuring continuous improvement, through regular stakeholder consensus-based decision-making is a unique feature of PEFC, the only global forest certification system that implements the requirement of regular revisions of national system at minimum every five years.

## **AUDIT PRACTICES<sup>91</sup>**

***Greenpeace implies that audit practices within the PEFC system differ greatly and are often weak***

**PEFC rejects this implication**

PEFC requires forest management certification to be aligned with internationally recognized requirements. Certification procedures must fulfil or be compatible with the requirements defined in ISO 17021 or ISO

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<sup>86</sup> <http://www.listedmag.com/content/boreal-deal-putting-down-roots> Viewed 5 August 2011

<sup>87</sup> <http://dawnpaley.ca/2011/02/25/fracturing-solidarity-the-canadian-boreal-forest-agreement-in-context/> Viewed 5 August 2011

<sup>88</sup> Anon (2011). pp 16.

<sup>89</sup> PEFC Council (2010b). *Group Forest Management Certification (PEFC ST 1002:2010)*. Programme for the Endorsement of Forest Certification Council (PEFC). pp. 6. Available at <http://pefc.org/resources/technical-documentation/pefc-international-standards-2010/item/download/291>

<sup>90</sup> WWF International (2011). pp 37.

<sup>91</sup> Anon (2011). pp 16.



Guide 65 (EN 45 011)<sup>92</sup>. The applied auditing procedures shall fulfil or be compatible with the requirements of ISO 19011<sup>93</sup>. If major (or “severe”) non-conformities are detected in audits, corrective action has to be taken within a given time frame (usually between 2-4 months), otherwise the certificate will be withdrawn.

While Greenpeace quotes an anonymous source whose credibility cannot be verified, **what Greenpeace doesn't say is** that PEFC is assessed as fully addressing the respective principles dealing with auditing requirements in both the TPAC<sup>94</sup> and CPET<sup>95</sup> assessments.

Greenpeace also omits important facts concerning other cases mentioned. It references for example Chain of Custody audits in Indonesia, stating that *“[a] subsequent audit by the same audit firm has shown that the wood originated from peat forest with a depth of greater than three metres, a critical depth in terms of the law, however in this case the auditors have declared the wood legal and ‘noncontroversial’.”*

**What Greenpeace doesn't say is that** while it views peat forests with a depth of greater than three metres as “critical”, this view is not necessarily shared by other stakeholders. The audit firm reported that in interviews with soil scientists, it was stated that *“there is no scientific basis for a specification of three meters for deep peat”* and concluded that *“the investigation found that the material used as input into APP mills certified against the PEFC Chain of Custody standard comes from legal sources.”*<sup>96</sup> Although it was originally Greenpeace which made the accusations of “illegality”, PEFC is not aware if Greenpeace has, or intends to, challenge the results of the initial complaint through the formal processes as designed by ISO with a complaint to the respective accreditation body. Neither is PEFC aware of whether Greenpeace has or intends to press legal charges against the company it claims to be acting illegally.

The Greenpeace reference to Accreditation Service International (ASI) in this section is misleading. ASI is a wholly-owned commercial for profit subsidiary of FSC, whose “[..] purpose [...] will be realized according to the statutes, by-laws, principles and criteria of the Forest Stewardship Council A.C. and as far as possible through the inclusion of the international network of FSC”.<sup>97</sup> With 80% of FSC's incoming resources coming from the “Accreditation Program” in 2010, ASI provides a substantial contribution to FSC's overall budget.<sup>98</sup>

While Greenpeace implies that FSC's ASI system is superior to the internationally recognized ISO processes, **what Greenpeace doesn't mention is that** the same reference source, a 2008 report by Greenpeace itself, actually criticises the performance of ASI, in line with other reports<sup>99 100 101 102</sup>: *“Problems have been suspected and observed by stakeholders and FSC members including in the rigour of the audit processes of certification bodies (CBs) and of FSC's key delivery and control body Accreditation Services International's*

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<sup>92</sup> PEFC Council (2007a). pp 3.

<sup>93</sup> PEFC Council (2007a). pp 3.

<sup>94</sup> TPAC (2010). pp. 15

<sup>95</sup> CPET (2010a). pp 28

<sup>96</sup> <http://pefc.org/news-a-media/general-sfm-news/news-detail/item/download/364> Accessed 30 July 2011

<sup>97</sup> ASI Articles of Partnership, § 2

<sup>98</sup> Forest Stewardship Council. *Annual Report 2010*. FSC International Center. pp 42. Available at [http://www.fsc.org/fileadmin/web-data/public/Annual\\_report\\_2010/FSC\\_Annual\\_Report\\_2010.html](http://www.fsc.org/fileadmin/web-data/public/Annual_report_2010/FSC_Annual_Report_2010.html)

<sup>99</sup> [http://www.fsc-watch.org/archives/2008/03/16/How\\_Accreditation\\_Se](http://www.fsc-watch.org/archives/2008/03/16/How_Accreditation_Se) Accessed 30 July 2011

<sup>100</sup> [http://www.fsc-watch.org/archives/2008/08/26/Controversy\\_deepens](http://www.fsc-watch.org/archives/2008/08/26/Controversy_deepens) Accessed 30 July 2011

<sup>101</sup> [http://www.fsc-watch.org/archives/2008/03/12/How\\_the\\_FSC\\_broke\\_t](http://www.fsc-watch.org/archives/2008/03/12/How_the_FSC_broke_t) Accessed 30 July 2011

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[http://www.nepcon.net/4369/English/HOME/News\\_2011/June/GAissue2/Overhaul\\_of\\_FSC\\_s\\_control\\_system\\_Field\\_Performance/](http://www.nepcon.net/4369/English/HOME/News_2011/June/GAissue2/Overhaul_of_FSC_s_control_system_Field_Performance/) Accessed 30 July 2011

(ASI) ability to monitor and correct any such failures.”<sup>103</sup> A November 2010 follow up report continues to list “[c]ontrol of CBs and improving their performance” as an “[o]ngoing weakness”.<sup>104</sup>

ASI is not member of a mutual surveillance/peer review mechanism such as the International Accreditation Forum (IAF)<sup>105</sup> that aims at ensuring high standards and performance.

## COMPLAINTS AND DISPUTE RESOLUTION SYSTEMS<sup>106</sup>

***Greenpeace implies that PEFC’s complaints and disputes resolution mechanisms are poor***

### **PEFC rejects this implication**

PEFC’s complaints and appeals mechanisms are based on the internationally recognised ISO processes. PEFC’s complaints and appeals mechanism operate at different levels. For example, at forest management level, it requires “appropriate mechanisms for resolving complaints and disputes relating to forest management between forest operators and local people”<sup>107</sup> At certification level, PEFC fully utilizes the internationally recognized ISO procedures. Complaints against certification bodies are dealt with by national accreditation bodies, as appropriate<sup>108</sup>, which in turn are required by PEFC to be members of the International Accreditation Forum (IAF), thus serving as a mutual surveillance mechanism<sup>109</sup>. The strength of these complaint mechanisms is that each is independent of each other to ensure maximum credibility, and that no stakeholder can bring to bear undue influence or pressure on any of the mechanisms. PEFC is the only international forest certification system that uses these robust independent mechanisms<sup>110</sup>. Finally, complaints against endorsed national certification systems are governed by the PEFC Council Procedures for the Investigation and Resolution of Complaints and Appeals.<sup>111</sup>

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<sup>103</sup> Rosoman, G ; Rodrigues, J. & Jenkins, A. (2008). Holding the Line with FSC : Recommendations and Progress to Date on Certification Body and FSC Performance Following a Critical Analysis of a Range of ‘Controversial’ Certificates. Greenpeace International. pp 3. Available at <http://www.greenpeace.org/france/PageFiles/266591/holdingtheline.pdf>

<sup>104</sup> Greenpeace International (2010). *Holding the Line with FSC [reloaded 2010]* . Greenpeace International. pp 3. Available at <http://www.greenpeace.org/international/Global/international/publications/forests/2011/Holding%20the%20Line%20Reloaded%20-%20Nov%202010.pdf>

<sup>105</sup> <http://www.iaf.nu/> Accessed 30 July 2011

<sup>106</sup> Anon (2011). pp 17.

<sup>107</sup> PEFC Council (2010c). Sustainable Forest Management (PEFC ST 1003:2010). Programme for the Endorsement of Forest Certification (PEFC) Council. pp 13. Available at <http://pefc.org/resources/technical-documentation/pefc-international-standards-2010/item/download/292>

<sup>108</sup> ISO/IEC (2004), *ISO/IEC 17011:2004 -Conformity assessment –General requirements for accreditation bodies accrediting conformity assessment bodies*, ISO/IEC. Section 5.9.

<sup>109</sup> IAF (2011). *IAF ML 4:2011 MLA Policies and Procedures*. International Accreditation Forum.

<sup>110</sup> ITS Global (211a). pp 18.

<sup>111</sup> PEFC Council (2007b). *PEFC Council Procedures for the Investigation and Resolution of Complaints and Appeals (GL 7/2007)*. Programme for the Endorsement of Forest Certification Council (PEFC). Available at <http://pefc.org/resources/technical-documentation/pefc-guides-2010/item/download/248>

Greenpeace bases its implication to a large extent on the complaint by a Dutch NGO Consortium (which it itself is part of), but **what Greenpeace doesn't say is that** the complaint was rejected by TPAC, which scores PEFC as “fully addressing” the respective criteria.<sup>112</sup>

While Greenpeace complains that “*there is no provision for dispute resolution at the PEFC International level if the certification bodies fail to resolve disputes*”, what **Greenpeace doesn't mention is that** ISO requires a strict separation of standard setting, certification and accreditation to ensure impartiality and independence. The internationally recognised ISO complaints mechanism, that comes under fire in this section of the report, is actually applied to millions of certification decisions globally in all sectors. PEFC is not aware that Greenpeace has ever lodged any concerns concerning these procedures for complaints with ISO itself or indeed with the International Accreditation Forum.

Greenpeace also references an Indonesian case study in this section, stating that “*PEFC has not initiated a complaint with the accreditation body in question to flag up stakeholder concerns and the need for independent verification of the situation.*”

**What Greenpeace doesn't mention is that** it has been the major stakeholder mentioning concerns to PEFC, that PEFC has lodged a complaint with the certification body when Greenpeace itself failed to do so, and that PEFC has repeatedly asked Greenpeace to provide further evidence to support its claims.<sup>113</sup> PEFC was unable to further pursue the case without any evidence substantiating the serious allegations brought forward by Greenpeace, but is committed to follow up if additional evidence comes forward.

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<sup>112</sup> TPAC (2010). See e.g. C1.16, C1.17, C2.5

<sup>113</sup> <http://www.pefc.org/index.php/news-a-media/general-sfm-news/news-detail/item/786-pefc-publishes-results-of-complaint-against-app> Accessed 5 August 2011