

# Behind the logo

The development, standards  
and procedures of the  
Forest Stewardship Council  
and the Pan European  
Forest Certification scheme  
in Sweden



A report prepared for Fern

Karin Beland Lindahl  
Taiga Consulting, Jokkmokk Sweden  
April 2001

## **The development, standards and procedures of the Forest Stewardship Council (FSC) and the Pan European Forest Certification scheme (PEFC) in Sweden**

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This report is part of a series, including a report on the PEFC in France; the PEFC and the FSC in Germany; the PEFC in Finland; the SCA in Canada and the SFI in the US. All reports are available at Fern's website: [www.fern.org](http://www.fern.org), as is a synthesis report based on these studies.

Fern UK, 1c Fosseyway Business Centre, Moreton-in Marsh, Gloucestershire, UK, GL56 9NQ.

## Conclusions

As this report shows, at first sight, a number of similarities can be identified between the PEFC and the FSC schemes in Sweden:

- The PEFC and FSC standards for the southern part of Sweden are quite similar. The PEFC regional adaptation for southern Sweden and the FSC standard are probably more similar than the regional PEFC adaptations for southern and northern Sweden.
- Both schemes operate on the forest management unit level and ‘regional’ certification as practised for example by PEFC Finland and Germany, is not permitted in any of the systems.
- Both schemes have developed group certification systems, which are similar in main principle and structure.
- Both schemes use a performance-based standard.
- Both schemes are membership organisations, with mechanisms for members to exercise their influence.
- Both schemes have set up a three-chamber system for the purpose of weighting the decision-making power of different interest groups.

However, at a closer look there are many differences between the two schemes. The main differences are:

- **Balance of power.** There are fundamental differences in how the decision-making power is shared between the different interest groups. The FSC gives economic, environmental and social interests equal decision-making power, and requires a balanced representation in decision-making processes, including the standard setting process. The PEFC scheme in Sweden, on the other hand, ensures forest owners and primary processing industry (i.e. economic interests) two thirds of the decision-making power in the General Assembly. The PEFC has no requirements for a balanced representation of all interest groups in the standards-development process. Economic interests have so far been in a clear majority in all groups responsible for the development of the PEFC standard in Sweden.
- **Environmental standard.** With the exception of Swedish southernmost region, the requirements of the FSC environmental standard are significantly stricter than those of the PEFC. Main differences are found on issues such as set-asides, mountain forests, key habitats, burning, fertilisers, conservation- and eternity trees, spruce policy etc.
- **The social standard (indigenous peoples’ rights and community development)** The requirements of the social standard of the FSC and the PEFC differ, in approach as well as in content. The main difference is the lack of requirement in support of indigenous peoples’ needs and customary rights in the PEFC standard. When it comes to requirements relating to local community development, the PEFC is slightly more progressive than the FSC in Sweden.
- **Stakeholder consultation** According to the available documentation, the PEFC includes no requirements on consultation with stakeholders during the certification process.

- **Transparency** The PEFC scheme provides very limited information about the certificates and the auditing processes. Although concerns have been raised about how the FSC's requirements on consultation and transparency are implemented, the requirements as such demonstrate the FSC has a completely different approach to openness and dialogue with stakeholders than the PEFC.
- **Accreditation and certification procedures** FSC's certification and accreditation requirements are all collected in the FSC's Accreditation Manual, a document available to anybody who is interested. Certification and accreditation requirements of the PEFC are not available in one document. PEFC accreditation and certification are based on a variety of different documents and routines. At present it is difficult to get an overview of the certification and accreditation process and its requirements.
- **Dispute resolution mechanisms** Whereas dispute resolution mechanisms of the FSC are defined and clear, with the PEFC scheme the responsibility for conflict resolution is divided between PEFC Sweden, the certification bodies and SWEDAC, the accreditation body. The procedures are not yet clear. It is for example unclear who may file a complaint pertaining to the standard or its implementation.
- **Costs versus subsidies** The available data on costs do not provide for a fair comparison between the two schemes. However, it is clear that the most significant difference (when it comes to costs facing the individual forest owner) is related to the practice of the Forest Owners' Association of subsidising certification costs of their members. An individual forest owner, who is a member of a Forest Owners' Association, may get his PEFC certificate for free, as well as a guaranteed price premium for his products. The same forest owner would have to pay a market-based price for an FSC certificate without any assurance of receiving a price premium. The implication of this (and of the fact that there already are established business relations between the forest owners and their associations) is that PEFC has a very strong competitive position when it comes to small private forest owners and their choice of certification system in Sweden.
- **Chain of custody rules** The chain of custody rules of the FSC and PEFC are different. The more flexible requirements of the PEFC, based on the % in % out principle without a minimum threshold, gives less assurance to the customer about the products origin and means of production. Nevertheless, they are easier for the processing industry to comply with. PEFC in Sweden may consequently be able to supply the market with a relatively large quantity of labelled products compared to the forest area certified.

## PART I: THE FOREST STEWARDSHIP COUNCIL

### I. History and current state of play of the FSC

#### **When and by whom was the certification initiative created?**

The Forest Stewardship Council (FSC) in Sweden was established when an FSC working group was set up on February 15, 1996. The working group included representatives of social, environmental and economic interests.<sup>1</sup> It was founded by the Swedish Union of Forest Workers, the Swedish Forest Industry Workers Union, the National Union of Sami People, the World Wildlife Fund for Nature (Swedish chapter), the Swedish Society for Nature Conservation, the Swedish Youth Association for Environmental Studies and Conservation, Greenpeace, Friends of the Earth Sweden (Miljöförbundet Jordens Vänner), the Swedish Ornithological Society, the Church of Sweden, the Forestry Society, Kinnarps AB, IKEA of Sweden, STORA, SCA, AssiDomän, SÖDRA (forest owners association of Southern Sweden), Mellanskog (forest owners association of Central Sweden).<sup>2</sup> The FSC working group developed the Swedish FSC standard, which furthermore was endorsed by the Forest Stewardship Council in Mexico.<sup>3</sup>

When the standard was finalised, the FSC working group was re-established as the Swedish FSC Council, on September 24, 1997. The Swedish FSC Council is, legally, a non-profit membership organisation with 33 members. Membership of the organisation is open to all organisations and individuals committed to its objectives and to the Principles and Criteria of FSC AC. Members are divided into three chambers: social, economic and environmental.<sup>4</sup>

The board is the executive body of the Swedish FSC Council and its mandate includes initiating and deciding on revisions of the standard, dealing with questions regarding the implementation of the standard, and spreading information about the FSC and FSC certification. The Annual Meeting is the highest decision-making body of the FSC Council.<sup>5</sup>

The board can have up to nine seats (three within each chamber), six of which are reserved for the organisations that initially took part in making the Swedish standard. These reserved seats are elected by the Council. The remaining three seats are elected at the annual meeting among all the members. The Annual Meeting takes place each year in spring. Ideally decisions (by the board and the Annual Meeting) are taken by consensus. If it is not possible to achieve

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<sup>1</sup> FSC Sverige. FSC i Sverige (FSC in Sweden). From <http://www.fsc-sverige.org/rod/fscsv.sfm>. 2001-01-16-Original with the author.

<sup>2</sup> Peter Roberntz, secretary of the Swedish FSC Council. Personal communication, 2001-03-16.

<sup>3</sup> FSC Sverige. FSC i Sverige (FSC in Sweden). From <http://www.fsc-sverige.org/rod/fscsv.sfm>. 2001-01-16-Original with the author.

<sup>4</sup> FSC Sweden. Stadgar för Svenska FSC-rådet Ideell Förening (Statutes for the Swedish FSC Council non profit organisation) as adopted by the constituting Annual Meeting Oct., 1, 1999 and Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

<sup>5</sup> FSC Sweden. Stadgar för Svenska FSC-rådet Ideell Förening (Statutes for the Swedish FSC Council non profit organisation) as adopted by the constituting Annual Meeting Oct., 1, 1999 and Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

consensus, decisions are taken by majority voting. To adopt a decision, a majority of at least half of the representatives of each chamber is required<sup>6</sup>.

Current members of the board of the Swedish FSC Council are the National Union of Sami People, the Forest and Wood Workers Union, the World Wildlife Fund for Nature (Swedish chapter), the Swedish Society for Nature Conservation, Korsnäs AB and the Forestry Society<sup>7</sup>.

### **What was the motivation to set up the scheme?**

The Swedish FSC Working Group was formed for the purpose of producing a proposal for a Swedish FSC standard to be submitted to FSC AC for approval. The overall objective of the FSC in Sweden is to encourage the environmentally responsible, socially beneficial and economically viable management of Sweden's forests, as part of the FSC's global endeavour<sup>8</sup>. This objective was shared by the parties of the working group, although it can be assumed that the specific motivation of the individual organisations shifted according to their very diverse missions and histories.

### **How many hectares have been certified?**

Currently about 10 million hectares of productive forest land are FSC certified in Sweden. No statistics have been compiled regarding size and tenure of the certified operations. However, the sizes of the certified holdings do range from five hectares (a client of the Forestry Foundation) and 1.8 million hectares (belonging to the forest industry corporation, SCA).<sup>9</sup>

### **Is the certification scheme relevant to all forest types and sizes?**

The Swedish FSC standard is applicable to all types of forests in Sweden. Regional variation is addressed by a small number of requirements that are specific to certain regions. For example, a set of requirements exists on forestry activities in mountain forests (referred to as Montane forests) as well as on spruce plantations in the nemoral zone. A mechanism exists for group certification of small businesses.<sup>10</sup>

### **Does the Scheme certify at forest management unit level?**

The Swedish FSC standard is applicable at the forest management unit level. The Swedish FSC certifies owners of forest land. By signing the certification contract the individual landowner undertakes to follow the standard.<sup>11</sup>

According to the Swedish FSC standard, it is the total land holding of an owner that constitutes the unit to be certified. In addition, no official FSC documentation makes specific reference to the existence of a particular target group for FSC certification. The Swedish standard document includes appendices specifying requirements for "private forest owners and other small land owners" as well as "companies and other major land holdings". FSC offers certification in two ways: certification as a result of direct agreement between FSC-

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<sup>6</sup> FSC Sweden. Stadgar för Svenska FSC-rådet Ideell Förening (Statutes for the Swedish FSC Council non profit organisation) as adopted by the constituting Annual Meeting Oct., 1, 1999 and Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

<sup>7</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

<sup>8</sup> FSC Sweden. Stadgar för Svenska FSC-rådet Ideell Förening (Statutes for the Swedish FSC Council non profit organisation) as adopted by the constituting Annual Meeting Oct., 1, 1999 and Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16

<sup>9</sup> Peter Roberntz, secretary of the Swedish FSC Council. Personal communication, 2001-03-16.

<sup>10</sup> FSC Sweden. Swedish FSC Standard for Forest Certification. May, 1998. English version.

<sup>11</sup> *Ibid.*

accredited certifiers and individual landowners, and as a result of an agreement between FSC-accredited certifiers and an umbrella organisation.<sup>12</sup>

### **What are the costs of certification?**

The Swedish FSC Council has not compiled information on costs of FSC certification. The costs vary depending on whether an individual certificate, a group certificate, a chain of custody certificate is applied for, and in accordance with the size and complexity of the operation. The actual cost of a possible certificate must be discussed and negotiated with the certification bodies. Two examples on costs for FSC group certification, based on prices as of spring 2000<sup>13</sup>, are presented below.

Skogssällskapets Förvaltning AB (manager of the group being certified):

Cost to enter the group: 0,5 – 1,0 Euro per hectare (200-2000 ha)

Grönt Paraply i Sverige AB (manager of the group being certified)

Cost to enter the group: 110 Euro + 0,1 Euro per hectare (< 1000 ha)

110 Euro + 0,8 Euro per hectare (1000-3000 ha)

## **II. The FSC Sweden standard**

The objective of the Swedish FSC standard is to manage and use forest and forest land in ways that:

- *“maintain and where necessary regenerate the ecosystem’s production capacity, fundamental ecological processes and biodiversity;*
- *secure people’s livelihoods, promote a safe working environment, respect the cultures of, respectively, the local population and the Sami people and their time-honoured rights, and attach due importance to values such as wildlife, fungi, berries, fish and recreation; and*
- *promote long term valuable wood production and good economic profitability”.*<sup>14</sup>

The standard is performance based since it requires defined, measurable results on the ground before a certificate is granted.

### **Is the standard in line with international agreements such as the Rio Principles, ILO Conventions, the Convention on Biological Diversity?**

The standard is broadly in line with the spirit and content of international agreements such as the Rio Principles, ILO 169<sup>15</sup>, the relevant text of the IPF Proposals for Action and the Draft UN Declaration on Indigenous Peoples’ Rights. More, specifically the Swedish FSC standard makes a direct reference to international agreements in paragraph 3.1.3: *“The provisions of all applicable international agreements/directives to which Sweden is a signatory or which*

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<sup>12</sup> *Ibid.*

<sup>13</sup> Lindahl, K. & Garforth, M. 2001. The Effectiveness of FSC Group Certification; a study of the accessibility of the Forest Stewardship Council Group Certification Scheme to small forest holdings in Western Europe. A report for the WWF European Policy Office.

<sup>14</sup> FSC Sweden. Swedish FSC Standard for Forest Certification. May, 1998. English version.

<sup>15</sup> ILO Convention 169 deals with rights of indigenous and tribal people

*Sweden has in some way undertaken to observe or implement shall be respected. Such international agreements include CITES, ILO Conventions, ITTA and the Convention on Biological Diversity”.*<sup>16</sup>

### **Does the standards reflect national regulations?**

The FSC requires forest management to respect all applicable Swedish laws (FSC Principle 1), in many cases, the Swedish FSC standard goes beyond existing national requirements relating to forest management.

### **Does the standard include social, spiritual, environmental and economic values?**

The objectives of the Swedish FSC standard, make specific reference to the environmental, social and economic values of the forests. The standard document is divided into several parts, including a “standards for the social sphere”, “environment and biodiversity standards” and “standards for the areas of production and economics”. The “social standard” includes requirements regarding workers’ rights, indigenous peoples’ rights and local communities. Whereas the requirements on workers’ rights and indigenous peoples’ rights are detailed and relatively specific, the text concerning “local communities” is comparatively weak and general. The “environment and biodiversity standard” includes a broad range of requirements relating to conservation of specific habitat and species, water management, soil management, silviculture methods and planning. The “standard for the areas of production and economics” is divided into two parts: “multiple use” and “production”. The recreational values of the forests are addressed in the FSC standard. No other reference is made to “spiritual values of the forests”<sup>17</sup>.

### **Is the standard set at regional or national level?**

The Swedish FSC standard is set at the national level. Most of the requirements are intended for application across the entire country. Some regionally occurring forest and nature types or conservation aspects are addressed by requirements specific to the region or habitat in question.<sup>18</sup>

### **Is the standards formulated in a broad or specific manner?**

The precision of the language of the Swedish FSC standard varies. On the whole, the language is relatively precise and specific. Examples of precise language include:

- *“Unless otherwise agreed, workers shall be employed on a permanent basis.”*
- *“Areas of virgin-type forest according to the FSC’s main criteria (which are defined) are exempted from forestry measures with the exception of measures intended to promote natural biodiversity.”*
- *“At least 5 % of the productive forest area is exempted from measures other than the management required to preserve and support the natural biological diversity of the habitat.”*
- *“The forest is open to one and all by means of the right of public access.....”*
- *“Felling levels shall be sustainable long term.”*

Nonetheless, examples do exist of broad and fairly vague language. The environment and biodiversity standards especially seem to include less precise language. Examples include:

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<sup>16</sup> FSC Sweden. Swedish FSC Standard for Forest Certification. May, 1998. English version.

<sup>17</sup> FSC Sweden. Swedish Standard for Forest Certification. May 1998. English version.

<sup>18</sup> *Ibid.*

- “Measures relating to water courses and open water areas are normally planned on land while not snow-covered, and carried out in a way that avoids damage.”
- “Soil scarification is to be limited to sites where this measure is required to achieve good regeneration”
- “Owners of larger landholdings are to take all reasonable measures to burn an area corresponding to at least 5 % of the regeneration area of dry and mesic.....”
- “Stands on moist land are regenerated when possible with regard to regeneration and wind conditions, by means of selective felling.....”
- “Cleaning and thinning are carried out in a way that protects to a reasonable extent potentially high biodiversity-value trees”.<sup>19</sup>

### **Differences between FSC and PEFC standard in Sweden**

Some of the main differences between the standards of PEFC and the FSC schemes are described in the second part of this report: “*The Pan European Forest Certification Scheme’s standards and procedures in Sweden*”.

## **III. The FSC standard-setting procedures**

The Swedish FSC working group was mandated to take decisions relating to standard development. For a list of the founders of the working group, see point I under “When and by whom was the certification initiative created?” Decisions were taken by consensus. A number of sub groups was established to work on specific issues, for example marketing, social issues, environment and biodiversity, production and economy. The organisations standing behind the standard when it was submitted to the FSC board for endorsement were as follows:

#### *Social chamber:*

Swedish Union of Forest Workers  
Swedish Forest Industry Workers Union  
National Union of Sami People

#### *Environmental chamber:*

World Wildlife Fund for Nature (Swedish chapter)  
Swedish Society for Nature Conservation  
Swedish Youth Association for Environmental Studies and Conservation  
Swedish Ornithological Society  
Friends of the Earth

#### *Economic chamber*

Swedish Forest Industries Association  
Church of Sweden  
Forestry Society  
Kinnarps AB  
IKEA of Sweden.

In addition to the organisations listed above, which were all part of the standard development process<sup>20</sup>, private forest owners associations and Greenpeace participated but chose to leave

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<sup>19</sup> *Ibid.*

<sup>20</sup> FSC Sweden. Swedish FSC Standard for Forest Certification. May, 1998. English version and Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

the process just before the standard was finalised; according to LRF Skogsagärna, the private forest owners felt that the model being developed by the FSC process was geared towards large-scale forestry and did not suit the forest owner associations. Decisions during the standard-development process were taken by consensus.<sup>21</sup>

#### **Have other groups provided input?**

According to the Swedish FSC Council, scientists and relevant governmental agencies were consulted during the standard development process. Examples of co-operation with scientists and agencies today, include excursions with the forest service and regional environmental protection agencies, arranged by the Swedish FSC Council, to clarify the definition and implementation of requirements relating to key habitats. Scientists are also participating in the process concerning key habitats as well as in the clarification and development of requirements for nitrogen fertilisation. The Swedish FSC Council expects consultation and co-operation with scientists and agencies to intensify as the upcoming revision of the Swedish FSC standard approaches.<sup>22</sup>

#### **Who approved the standard?**

The Swedish FSC standard was approved by the international board FSC on 5 May 1998.<sup>23</sup>

#### **Is there evidence that the standard has been unduly influenced by economic interests?**

There is no documented evidence that the standard-setting process has been unduly influenced by vested interests. A number of formal complaints have been filed to the FSC by various stakeholders. The content of the complaints vary, but generally concern the implementation of the standard rather than the standard itself or the process by which it was developed.<sup>24</sup>

## **IV. The FSC certification and accreditation procedures**

#### **Which certifiers are qualified to certify the forests?**

The FSC International board accredits certifiers and specifies their area of work, depending on their competence. *See Appendix 1* for a list of FSC qualified certifiers and their area of work. Certifiers qualified to certify forest management in Sweden are: GFA Terra Systems; SABS; SGS Qualifor; Soil Association; Rainforest Alliance and SCS.

#### **Which standards does the certifier use for certification?**

In regions in which a national or regional Forest Stewardship Standard has been endorsed by the FSC International Board, the FSC Accreditation Manual requires that *“the certification body ... explicitly evaluate any forest in that nation or region against the requirements of the national or regional standard”*.<sup>25</sup> The Swedish FSC standard was endorsed by the FSC board on May 5<sup>th</sup>, 1998, and consequently serves as the basis for FSC certification in Sweden.

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<sup>21</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

<sup>22</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

<sup>23</sup> FSC Sweden. Swedish FSC Standard for Forest Certification. May, 1998.

<sup>24</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-02-21.

<sup>25</sup> Forest Stewardship Council A.C. FSC Accreditation Manual. January, 1998.

## **Which stakeholders are to be consulted in the certification process and how does consultation take place?**

The FSC Accreditation Manual specifies the requirements regarding stakeholder consultation throughout the certification process. Certification bodies are required to identify and consult with a broad spectrum of relevant stakeholders within the social, economic and environmental sphere on the local and national level. The results of the consultation process must be documented and included in the certification report.<sup>26</sup> Some cases have been documented where Swedish stakeholders felt that they were not properly consulted. In the case of the village Drevdagen, the local community has expressed its concerns about not having been properly consulted during the certification process and furthermore about not having been able to engage representatives of the FSC, certified companies or certification bodies in a constructive dialogue regarding the issues.<sup>27</sup>

## **Who chooses the certifier?**

The individual forest owner or the umbrella group may freely choose a certification body. The requirement is that the certification body is accredited by the FSC. This is a universal FSC requirement.

## **Is the certification repeatable?**

The accreditation process (below) and the standard are intended to ensure the quality of certification decisions as well as the ability to repeat them.

## **Is there any evidence that certifiers have been unduly influenced by vested economic interests?**

No documented evidence has been found that certifiers are unduly influenced by vested interests. However, concerns have been expressed, for example by the Swedish Board for Accreditation and Conformity Assessment (SWEDAC), over the fact that the FSC is involved both in accreditation and standard development. It is argued that there may be a conflict of interest between offering accreditation services on a commercial basis and setting the standards against which the same certification bodies are evaluated. According to SWEDAC, the WTO's Code of Good Practice for standardisation bodies stresses separation between those setting the rules and those evaluating performance (and making profit) against the same rules. SWEDAC also points out that the FSC tried to become a member of the International Accreditation Forum (IAF), but were denied membership because they do not meet the organisation's requirements concerning independence and 'open systems'.

A small number (2-3) of formal complaints have been filed. However, none of the complaints suggests that the certification bodies have been unduly influenced by vested interest, but they do include concerns about the implementation of the standard by the forestry companies and the approval by the certification bodies<sup>28</sup>.

## **Who accredits the certifier and how are they accredited?**

The certifiers are accredited by the international board of the FSC. Accreditation decision are based on compliance with the requirements of the FSC Accreditation manual. The FSC has now accredited eleven certification bodies, all of which are monitored annually, including by

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<sup>26</sup> Forest Stewardship Council A.C. FSC Accreditation Manual. January, 1998

<sup>27</sup> Forests, Trees and People Newsletter. Swedish villagers object to FSC certification – but nobody wants to know. No 43 November 2000.

<sup>28</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-02-21.

office and field visits to a sample of certified operations according to the procedures outlined in the Accreditation Manual. *See Annex 1*. Once accredited the certifiers are licensed to inspect and certify forest management and chain of custody procedures and to issue the FSC trademark to certificate holders. As concern has been expressed over the fact that FSC is involved both in accreditation and standard development there are now plans to separate these functions<sup>29</sup>.

#### **Is a complaints mechanism available?**

At the international level FSC has a dispute resolution procedure that lays out in detail how complaints must be dealt with. The principle followed is to solve the problems as close to the source as possible. There are five levels, with the first being directly with the forest manager (if it is a complaint about a certified forest), and moving up the levels if it cannot be resolved at that level. The second level is the certifier who is required to have procedures for dealing with complaints. The final recourse within FSC, is the Dispute Resolution Panel that is independent of the Board and the Secretariat and is elected from amongst the membership<sup>30</sup>. This system is also applied on the national level in Sweden.

## V. FSC transparency

#### **Are procedures clear and is documentation available?**

The Swedish FSC standard does not include any additional requirements concerning transparency beyond what is already defined at the international level. The FSC Accreditation Manual states that the certification body must prepare a public certification summary for each forest management enterprise that is certified. The summary must be translated into the official languages of the FSC and the recommended length is 5-15 pages<sup>31</sup>. According to the Swedish FSC Council, public summaries are available and translated as required, although not always updated as quickly as could be desired.<sup>32</sup>

## VI FSC rules for chain of custody and use of label.

#### **Chain of custody rules**

The FSC label can only be used on products where the chain of custody has been audited (and monitored annually) between the forest-gate and the final point of packaging and labelling the finished product. If there are several stages of processing in different plants or even different countries, each stage must be audited to ensure that the certified product genuinely originates from a specific certified forest. Any FSC-labelled product will have a chain of custody certificate number on the label and this can be used to trace the product in the event of a question arising. Products made from timber from multiple sources, such as paper and chip products, can be labelled indicating the percentage of the material that is from FSC certified

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<sup>29</sup> [www.fscoax.org](http://www.fscoax.org) and personal communication with Hannah Scrase, FSC board member 30 April 2001.

<sup>30</sup> Dispute panel procedures at [www.fscoax.org](http://www.fscoax.org)

<sup>31</sup> Forest Stewardship Council A.C. FSC Accreditation Manual. January, 1998

<sup>32</sup> Peter Roberntz, Swedish FSC Council. Personal communication, 2001-03-16.

forests, provided a certain minimum percentage is certified. In these cases the chain of custody audit includes checks on the percentages of material from different sources. Keeping track of the flows of timber can be done in several ways, depending on the value of the product and the risk of contamination from other sources. These include physically marking and segregating the wood, bar-coding individual logs and using waybills and shipping documents to track species and volumes<sup>33</sup>.

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<sup>33</sup> Chain of custody rules at [www.fscoax.org](http://www.fscoax.org).

## PART II: THE PAN EUROPEAN FOREST CERTIFICATION SCHEME

### I History and current state of play of the PEFC

#### **When and by whom is the certification initiative created?**

The Swedish PEFC process started with the founding meeting of “the Swedish PEFC Interim Council” (*Svenska PEFC Interimsråd*), on June 23, 1999<sup>34</sup>. The Interim Council was responsible for developing the Swedish PEFC standard and certification scheme. Founding members of the Interim Council were Forest Owner Associations and Private Independent Sawmills of Sweden<sup>35</sup>. In 1999 The Swedish PEFC Interim Council applied to the PEFC Council for endorsement of the scheme<sup>36</sup>.

The Swedish PEFC Economic Association (*ekonomisk förening*), the current governing body of PEFC Sweden, was founded on May 15, 2000. Founding members were the same forest owner associations and private independent sawmills as above, as well as a federation of forest machine entrepreneurs (*Skogsmaskinföretagarna*) and an outdoor sports association (*Svenska Orienteringsförbundet*). One unit of the Swedish Church, a significant land-owner in Sweden, had observer status in the founding meeting and the Union of Forest and Wood Workers had observer status during the proceedings<sup>37</sup>. Membership is open to a broad spectrum of organisations, commercial companies, unions, forest owners associations, NGOs, etc.

Membership applications are processed by the board of PEFC Sweden (PEFC economic association). The members are divided into three “groups” representing “forestry,” “primary wood processing industry” and “other” interests. The voting power of each group is capped to ensure that the maximum number of votes for each group is restricted to seven, i.e. the group can have up to, but no more than seven votes. The General Assembly, i.e. the members, elect the board of the association. The board has the mandate to approve revisions of the standard, prior to endorsement of the PEFC Council.<sup>38</sup>

#### **Is the scheme relevant to all forest types and all forest sizes?**

The Swedish PEFC scheme has been intended to fit all kinds of forests and land-tenure existing in Sweden. However, the primary target group of the scheme is small private forest

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<sup>34</sup> PEFC Sweden. Home page; <http://www.pefc.se/text.htm>, 2001-01-17. Original with the author.

<sup>35</sup> More precisely the Forest Owner Federation (LRF Skogsägarna), the forest owners of southern Sweden (Södra Skogsägarna), the forest owners of western Sweden (Västra Skogsägarna), the forest owners of central Sweden (Skogsägarna Mellanskog), the forest owners of northern Sweden (Skogsägarna Norrskog, Norra Skogsägarna, Norrbottens Läns Skogsägare); as well as the National Federation of Private Independent Saw Mills (Sågverkens Riksförbund), the sawmills of southern Sweden (Såg i Syd), the saw mills of central Sweden (Sågverken i Mellansverige), the sawmills of northern Sweden (Nedre Norrlands Sågverksförening and SÅGAB).

<sup>36</sup> The Swedish Interim Council. Application to PEFC for Endorsement of the PEFC Sweden Scheme, Draft 3. 1999-12-13.

<sup>37</sup> PEFC Sweden, minutes of the founding meeting. Home page: [http://www.pefc.se/sv\\_pefc/prot\\_1.htm](http://www.pefc.se/sv_pefc/prot_1.htm), 2001-01-07. Original with the author.

<sup>38</sup> PEFC Sweden. Statutes for Swedish PEFC Economic Association. From [http://www.pefc.se/sv\\_pefc/stadgar.htm](http://www.pefc.se/sv_pefc/stadgar.htm) Original with the author.

owners. The scheme was developed for Swedish “family forestry” (Family Forest Certification scheme) and subsequently submitted to PEFC Council for endorsement.<sup>39</sup>

### **What was the motivation to set up the scheme?**

The Forest Owners’ Associations had participated in the Swedish Forest Stewardship Council (FSC) process for two years, but chose to leave prior to the standard’s finalisation. According to the Forest Owners’ Federation (LRF Skogsägarna), they felt that the model that was developed by the FSC process was geared towards large-scale forestry and did not suit the forest owner associations. The need for “flexible solutions corresponding to various conditions” was one reason for the forest owners to seek another solution.<sup>40</sup> According to the Forest Owners’ Federation, other reasons to seek an FSC alternative included:

- the chain of custody rules, which were seen as a major barrier for the small saw mills that are supplied by small forest owners;
- the FSC position on customary grazing rights of Sami reindeer herders on private lands; and current restrictions on forestry in the mountainous forests of northern Sweden<sup>41</sup>.

The question of influence and “ownership” of the system may also have been a factor contributing to the Forest Owners’ Association’s decision to develop a Swedish PEFC scheme.<sup>42</sup> The general interest in certification of SÖDRA, the Forest Owners’ Association in the south of Sweden is motivated by the fact that certification is a useful tool to structure and verify the environmental efforts needed for credibility in the marketplace. They feel a responsibility to live up to a progressive environmental profile and are convinced this will improve access to interesting markets in the future. Anticipated market advantages include stable business relations with certain clients or simply the availability to increase their products’ attractiveness to environmentally concerned consumers.

### **How many hectares have been certified?**

Currently no certification bodies accredited for PEFC certification are in operation in Sweden<sup>43</sup>. However, In Sweden, 1,3 million hectares forest-land are currently certified and “approved for PEFC”.<sup>44</sup> The 1.3 million hectares currently “certified” are covered by an interim regulation, valid for the period 2000-2004 (paragraph 9 of the Technical Document)<sup>45</sup>. Under the regulation, certificates issued by the forest owners associations in accordance with the Family Forest Certification scheme, may be “approved” for PEFC until PEFC Sweden becomes operational<sup>46</sup>.

The ‘certified’ forests are consequently not yet audited by a PEFC-accredited certifier. Only some of them have undergone a third party audit. This will take place when the ongoing audit of the PEFC umbrella organisations, including the forests currently under the interim

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<sup>39</sup> PEFC – Säkrar småskogsbrukets miljö (PEFC – ensures the environment of small scale forestry), from Team LRF, #9/1999

<sup>40</sup> PEFC – Säkrar småskogsbrukets miljö (PEFC – ensures the environment of small scale forestry), from Team LRF, #9/1999.

<sup>41</sup> Lindahl, K. 2000. Small Forest Owners and Group Certification – Information obtained from Sweden. Background paper to WWF study on European Small Forest Owners and the Effectiveness of Group Certification (in press) . Interview with Christer Segerstéen, LRF Skogsägarna.

<sup>42</sup> Lindahl, K. 2000. Small Forest Owners and Group Certification – Information obtained from Sweden. Background paper to WWF study on European Small Forest Owners and the Effectiveness of Group Certification (in press) . Interview with Christer Segerstéen, LRF Skogsägarna.

<sup>43</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26

<sup>44</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24.

<sup>45</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>46</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

regulation, is finalised and the certification bodies receive their accreditation.<sup>47</sup> The average size of the certified properties is 90-100 hectares (the average size of Swedish private properties is 50 hectares) and the tenure is 100 percent private<sup>48</sup>.

### **Is the certification scheme relevant to all forest types and sizes?**

The Swedish PEFC Scheme was designed to be relevant to all forest types in Sweden. The fact that the forests in the southern part of the country differ considerably from those of the north is supposed to be reflected in the regional differentiation of the standard.<sup>49</sup> As mentioned above, the scheme is primarily developed to fit “family forestry”, the private forest owners of Sweden. The average size of Swedish private forest properties is 50 hectares, which in a Swedish context is small, when compared to corporate and state holdings.

The PEFC scheme also includes mechanisms for certification of entrepreneurs and independent businesses offering forest management services to forest owners. Certification of small properties and entrepreneurs involved in wood production is facilitated by a mechanism for group certification.<sup>50</sup> Nevertheless, certification by PEFC Sweden is not restricted to group certification of small forest owners. The system is also open for “*direct certification of large owners and entrepreneurs*”.<sup>51</sup>

### **Does the scheme certify at forest management unit level?**

Under the Swedish PEFC scheme, certification operates on the forest management unit level. This implies that a certification contract is signed with every individual forest owner or entrepreneur included in an umbrella group. Certification of ‘regions’ without contractual commitments by the individual forest owners is not possible according to the Swedish scheme. Similarly, individual certification contracts are established with larger owners that are audited directly by the certifier<sup>52</sup>. The entire holding of a landowner situated within the activity area of the umbrella organisation should be certified together.<sup>53</sup>

### **What are the costs of certification?**

The cost of PEFC certification in Sweden varies depending on whether an owner is a member of a forest owners association, what kind of agreement he has with the association and what is included in the calculation of costs. It may also vary between different umbrella groups.<sup>54</sup> According to the Forest Owners’ Federation (LRF Skogsägarna), the fee is normally subsidised by the forest owners associations.<sup>55</sup> Many associations subsidise the certification process as well as the production of a so-called ‘Green Plan’, which is a requirement; they also pay a price premium to members who commit to sell their timber through the associations.<sup>56</sup>

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<sup>47</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>48</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24.

<sup>49</sup> Christer Segerstéen, vice ordförande i Södra, om miljöarbete: Skogen är mer än avkastning och virke (Interview with Christer Segerstéen, vice chair of Södra: The Forest is more than yield and timber), in Skogsägaren (the Forest Owner), special advertisement issues, December 15, 1998

<sup>50</sup> PEFC Sweden. Vägledningsdokument för paraplyorganisationer (Guiding document for umbrella organisations). From <http://www.pefc.se/cert/paraplyorg.htm>, 2001-01-17. Original with the author.

<sup>51</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

<sup>52</sup> Ibid

<sup>53</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication 01-03-23.

<sup>54</sup> Ibid

<sup>55</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24.

<sup>56</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

The Mellanskog forest owners association practices a price system for certification that varies according to the following:

- Member with a forest management agreement with Mellanskog 100% discount
- Member without forest management agreement 50 % discount
- Non-members 4 SEK (0.44Euro)/hectare<sup>57</sup>
- Mellanskog also grants a price premium of 3 SEK (0.33 Euro) per cubic meter for deliveries from certified forestry.

The real costs depend on what is included in the calculation. Mellanskog estimates the cost for complying with the requirements to be about 10-15 % of possible growth and its value. The cost for producing a Green Plan is approximately 100 SEK (11 Euro)/hectare and there are usually additional costs for the umbrella organisation associated with the introduction of environmental management systems and external revisions.<sup>58</sup>

## II. The PEFC Sweden standard

### **Are the standards performance based?**

According to PEFC Sweden<sup>59</sup> and the Swedish Board for Accreditation and Conformity Assessment (SWEDAC)<sup>60</sup>, the Swedish PEFC standard is performance based (the standard defines a qualitative performance level which should be met prior to certification). The standard document is supposed to form one part of an environmental management system or process certificate. Concerning chain of custody, the standard document can also be part of a quality management system. Compliance with the standard, as evaluated by desk studies and field visits, is an absolute requirement for a positive certification decision.<sup>61</sup>

### **Are the standards in line with international agreements such as Rio Principles, ILO Conventions, Convention on Biological Diversity etcetera?**

The stated objective of the Swedish PEFC standard is *“to develop sustainable forest management with a good balance between production, environment and social interests”*.<sup>62</sup> This statement generally reflects the spirit of the Rio principles, although on a very superficial level. The standard is also based on the “Lisbon Declarations” adopted in June 1998 by the third Ministerial Conference on Protection of European Forests and is consistent with relevant national legislation. In addition, the Swedish PEFC standard requires that the ILO conventions about workers’ rights<sup>63</sup> are all taken into account.<sup>64</sup> No additional reference is made to international agreements, such as the Rio principles, other ILO Conventions, relevant text of the Intergovernmental Panel on Forests (IPF) or the Draft UN Declaration on Indigenous Peoples’ Rights.

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<sup>57</sup> Based on rate as of 01-03-27; 1 Euro = 9.12 SEK

<sup>58</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-03-23.

<sup>59</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26

<sup>60</sup> Kent Gustavsson, SWEDAC. Personal communication, 2001-10-22.

<sup>61</sup> Ibid

<sup>62</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

<sup>63</sup> See Annex 2.

<sup>64</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>

On matters related to indigenous peoples' rights, the Forest Owner Association's position has been that the question of Sami grazing rights should not be handled through certification, i.e. not included in a certification standard.<sup>65</sup> The standard does not elaborate any specific requirements with regard to indigenous peoples, in this case the Sami, or their rights. Instead it stipulates that the "*relations between the reindeer herding business and forestry, be handled in accordance with the "Family Forestry and Reindeer Herding Business"* policy adopted by the Forest Owner's Federation (LRF Skogsägarna) in July 1999.<sup>66</sup> The international documents mentioned above (Rio Principles, ILO, IPF, UN declaration) refer to indigenous peoples participation and/or rights, in the context of holistic forest management. The fact that the Swedish PEFC standard does not include any specific requirements on this issue may be regarded as not 'broadly in line' with the above-mentioned international agreements. A more substantial analysis of the compatibility between the Swedish PEFC standard and the international agreements in question is beyond the scope of this study.

### **Does the standard reflect national regulations?**

The Swedish PEFC standard reflects national regulations. The introduction to the standard says: "*Principles, rules and guidelines contained in the Swedish Forestry Act and other relevant legislation constitute the basis of the Standard*"<sup>67</sup>. Under point five (certification responsibilities) of the Technical Document, compliance with relevant national legislation is explicitly required for individual as well as group certificate holders.<sup>68</sup>

### **Are the standards inclusive of social, spiritual, environmental and economic values?**

Social, environmental and economic values of the forests are addressed in the Swedish PEFC standard. The standard is divided into three parts: a "*forestry standard*", a "*social standard*" and an "*environmental standard*".<sup>69</sup> The forestry standard sets the "*principal direction for economically viable, site-adapted forestry*".<sup>70</sup>

The "*social standard*" defines the "principal direction for employment conditions, working conditions, labour organisation, competence, relations with the Sami population and reindeer herding, and development of local communities". It also includes requirements on public access to forest lands.<sup>71</sup> It should be noted that, although the social standard on this overall level includes "relations to the Sami population and reindeer herding", it nowhere defines the specific values of the forest to the Sami. Nor does it include specific requirements (beyond the existing requirements of Swedish legislation) on issues of special importance to the Sami, such as grazing rights on private lands, consultation before forest management operations, retention of forest areas of special importance, etc.

The "*environmental standard*" defines "*requirements with regard to environment and culture in forestry*". More specifically forestry "*should aim to mimic natural and/or culturally influenced processes that have created those habitats, substrates and structures that are important for biological diversity*".<sup>72</sup>

The standard does not include any specific reference to "spiritual values" of the forest.

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<sup>65</sup> PEFC Sweden. Guiding document on Family Forestry and Reindeer herding. From [www.pefc.se/cert/tekndoc.htm](http://www.pefc.se/cert/tekndoc.htm), 2001-01-17. Original with the author.

<sup>66</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

<sup>67</sup> Ibid

<sup>68</sup> Ibid

<sup>69</sup> Ibid

<sup>70</sup> Ibid

<sup>71</sup> Ibid

<sup>72</sup> Ibid

### **Are the standards set at regional or national level?**

The Swedish PEFC standard operates on the national level, but includes ‘regional adaptations’. The “*environmental standard*” is regionally adapted to three regions: “*the Region of Southern Sweden*”, “*the Region of Central Sweden*” and “*Region of Northern Sweden*”.<sup>73</sup> Generally, requirements tend to be less strict in the northern region than in southern and central Sweden.

The main differences between the three regional adaptations are: requirements for key habitats, restrictions on forestry activities in mountain forests, ditching policy, retention of “eternity trees”, creation of dead wood, proportion of deciduous trees, requirements on removal of bio fuels and plantation on former cultural lands.<sup>74</sup> On examination, certain differences are considerable.

For instance, in the southern and central regions, a requirement exists to set aside at least five percent of productive forest-land for conservation purposes. In the northern regions this is reduced to three percent, and in the northern mountain forests no set-asides are required. PEFC Sweden explains that the reason for this is that large reserves already exist in this area<sup>75</sup>. It should however be noted that the Scandinavian mountain forests are recognised for conservation values of international importance.<sup>76</sup>

In the southern region, key habitats should be preserved, regardless of size and other set-asides, whereas the national PEFC document outlines a special policy for these in the central and northern regions. This policy gives them temporary protection during a five-year period, intended to give the government time to resolve the issue of economic compensation for preservation of key habitats. No specific requirement to preserve key habitats over the long-term exist in the national standard.

In northern Sweden, no restrictions are placed on water drainage by means of ditching, whereas this practice is strongly restricted in the southern region. All trees with special conservation values and/or at least ten eternity trees per hectare are required in a forest stand in the north.

A further, significant difference between the southern and northern adaptations is that the so-called general guidelines (*Allmänna råd*) of the Swedish Forestry Act are mandatory in the south but not in the north.<sup>77</sup> The guidelines strengthen certain conservation requirements considerably, for example those relating to eternity trees and trees with high conservation values (as discussed above), sensitive habitats and red-listed species.

### **Are the standards formulated in a broad or more specific way?**

The precision of the language of the Swedish PEFC national standard varies greatly. Generally, the “regional adaptation” for the southern region is much more detailed and precise than the national document and the other regional supplements.<sup>78</sup> Examples of precise language can be found:

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<sup>73</sup> Ibid

<sup>74</sup> PEFC regionala tillämpningar/precisering av hur nationell standard skall tolkas (PEFC regional adaptations/precision of how the national standard should be interpreted). 2001-01-26. Internal Working Paper.

<sup>75</sup> <sup>75</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

<sup>76</sup> Bryant, D., Nielsen, D., Tangle, L. 1997. The Last Frontier Forests; Ecosystems and Economies on the Edge. The World Resources Institute.

<sup>77</sup> PEFC Sweden. Technical Document with supplements specifying regional adaptations. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

<sup>78</sup> Ibid

- “PEFC certified businesses use.....entrepreneurs/companies who have paid their legally required fees and taxes.” “For both their own employees as well as employees in entrepreneur businesses, employment and working conditions shall follow existing regulations”. In addition, “the collective agreement shall form the basis for agreements between employer and worker”.
- “In the southern and central regions of Sweden, at least five percent productive forest land is set aside and in the northern regions, at least three percent”.

However, relatively vague language is more common, such as:

- “chemical treatment shall be *minimised* and only used when *other suitable* methods at *reasonable* cost are not available”, “In all forestry activities soil damages, such as....., shall be *avoided* by use of *suitable* methods and equipment”;
- “It is *usually recommended* that eternity trees are left in groups or adjacent to areas of special consideration (*hänsynsytor*) or protection zones”;
- “*Long term*, the standard *aims for* 2-3 m<sup>3</sup>/hectare of dead solid wood”.<sup>79</sup>

### **Differences between PEFC Sweden and FSC Sweden standards.**

Restricting the comparison to standards, there are a number of points on which the Swedish PEFC and FSC schemes differ. The differences are considerable if the FSC is compared with the PEFC standard’s adaptations for its northern region, whereas the differences between the FSC standard and PEFC with adaptations for the south are actually quite minor. Generally speaking the FSC requirements are more stringent.

The main differences concern the requirements relating to: indigenous peoples and reindeer herding (relevant in northern part of the country), local community development, restrictions on forestry activities in mountain forests (relevant in northern part of the country), protection of key habitats (mid and northern adaptation), general set asides (northern adaptation), water drainage, fertilisers, burning, chemicals, trees with special conservation value, eternity trees (northern adaptation), dead wood, spruce plantation in the far south of Sweden, ecological landscape planning and age structure.

- The Swedish FSC standard requires respect for Sami customary grazing rights on private lands, consultations with the Sami before significant forest management operations, and special considerations on forestry in areas of special importance to the Sami. The Swedish PEFC standard refers to a policy that includes the Forest Owner’s Federation’s (LRF Skogsägarna) position on several issues relating to their relations with the Sami: it outlines a process for further dialogue but it require this for certification.
- The FSC’s Principles and Criteria number three stresses “*legal and customary rights of indigenous peoples to own, use and manage their lands, territories and resources*”<sup>80</sup>. Conversely, under its “objectives” the PEFC policy states that progressive politics in this field “*should be based on respect for farmer’s and forest owner’s private property rights*”.<sup>81</sup>

<sup>79</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author

<sup>80</sup> Forest Stewardship Council AC. Principles and Criteria for Forest Stewardship. Principle #3. Oaxaca, Mexico.

<sup>81</sup> PEFC Sweden. Guiding document on Family Forestry and Reindeer herding. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author

- Under the FSC in Sweden, forestry activities in mountain forests are strongly restricted. The Northern adaptation of the PEFC standard includes no special restrictions in mountain forests; on the contrary, the mountain regions are exempted from the general requirement on set-asides.<sup>82</sup>
- Under the FSC standard, key habitats should generally be preserved. As mentioned, with the exception of its southern adaptation, the PEFC standard currently does not give key habitats general long-term protection.<sup>83</sup> PEFC Sweden argues that it is unreasonable to demand that small private forest owners preserve large key habitats, which may represent an economic value of several hundred thousand Swedish crowns, without economic compensation. According to PEFC Sweden, the effect of such a requirement (i.e. the FSC approach) would lead small forest owners to choose not to certify their holdings. PEFC Sweden, stresses that they are actively working to achieve a political solution that will grant key habitats permanent protection.<sup>84</sup>
- The requirements on set-asides vary between the different regional adaptations of the PEFC standard. The FSC generally requires set aside of five percent of productive forest land for conservation purposes, giving priority to inclusion of areas of great importance for biodiversity. The PEFC requirement for the south is the same, but there is a considerable difference between the FSC and the PEFC requirements in the north. The PEFC is also less clear on which areas may qualify for set-aside; “*consideration should be given to conservation values of the area when prioritisations are made*”. The same trend of stricter requirements in the south is true for retention of trees with conservation values and eternity trees, where the FSC requires at least 10 trees per hectare and retention of all trees with special biodiversity values all over the country.
- On properties larger than 5000 hectares, the FSC requires the introduction of controlled burning for conservation purposes. There are no such requirements in the PEFC standard. The PEFC includes no requirements on fertilisation of forest-land, a restricted practice under the FSC standard; and the PEFC prescribes less strict restrictions on ditching (especially in the north), and on the use of chemicals. Another difference is that the FSC includes requirements on landscape planning on properties larger than 5000 hectares.
- Owners of large properties are obliged to develop a so-called ecological landscape plan and there is also a requirement relating to the age structure of the property. The PEFC standard includes no such mechanisms. However, the PEFC standard places more emphasis on local community development than the FSC. The standard particularly mentions small-scale forestry and access to raw materials and services as means to achieve this objective. The FSC, on the other hand, stresses the recreational values of forests surrounding local communities, an aspect that is not mentioned in the PEFC standard.<sup>85</sup>

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<sup>82</sup> PEFC Sweden. Technical Document with supplements specifying regional adaptations. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author. The Swedish FSC Council Council. Swedish FSC Standard for Forest certification, May 5, 1998, English version.

<sup>83</sup> Ibid

<sup>84</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-03-23.

<sup>85</sup> PEFC Sweden. Technical Document with supplements specifying regional adaptations. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author. The Swedish FSC Council. Swedish FSC Standard for Forest certification, May 5, 1998, English version.

### III. The PEFC standard setting procedures

#### **Which groups have been involved in formulating the standard?**

The standard was developed by the PEFC Interim Council, composed of forest owners associations and saw mill associations. In addition, sections of the Swedish Church (as forest owners) the Federation of Forest Machine Entrepreneurs (Skogsmaskinföretagarna) participated as observers. No NGOs participated. *See 1.1 of this part.* According to PEFC Sweden all parties were invited and had the possibility to give their opinion on the standard document. The Interim Council was advised by three regional committees, which, according to PEFC, are open to all. The board of PEFC Economic Association currently has the mandate to approve changes to the standard, which must be endorsed by PEFC.<sup>86</sup>

#### **Has there been input from other groups?**

PEFC Sweden states that the Swedish Forest Service, the Environmental Protection Agency and the National Heritage Board have contributed to the standard by submitting written comments. In addition, the standard was made available on the web for comments from the public after it was sent to the PEFC Council for approval in December, 1999. (It was finally approved in May 2000). It has furthermore been reviewed by international consultants commissioned by PEFC Council. PEFC Sweden has set up a Scientific Council, which will be consulted prior to future revisions of the standard.<sup>87</sup>

#### **Who has approved the standard?**

The standard was approved by the Swedish Interim Council and furthermore sent to PEFC Council for their endorsement<sup>88</sup>. The PEFC Council endorsed the Swedish standard on May 24<sup>th</sup>, 2000.<sup>89</sup>

#### **Is there evidence that the standard has been unduly influenced by economic interests?**

The standard-setting process of PEFC Sweden was led by the PEFC Interim Council; today, decision-making power rests with the board of the PEFC Economic Association. Generally, environmental organisation have criticised the PEFC, beginning with its initial standard-setting process, as heavily influenced/controlled by economic or ‘vested’ interests.

The critique goes back to the structure of the PEFC, which in the case of Sweden, implies that two thirds of the voting power of the General Assembly rests with forest owners and the wood-processing industry, i.e. economic interests. The chair of the Swedish Society for Nature Conservation, the largest Swedish environmental NGO, stated in a press release: *“PEFC is totally dominated by economic interests. It is not credible as a certification system”*.<sup>90</sup> WWF Sweden has also criticised PEFC for being dominated by economic interests: *“Forestry always has the last word – In the PEFC, the economic interests linked to forestry always have a large majority in all decision-making functions. In WWF’s opinion, it*

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<sup>86</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>87</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24 and Folke Stenström, Executive Director PEFC Sweden, personal communication 2001-03-23.

<sup>88</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>89</sup> PEFC. Pan European Forest Certification – application from Sweden. From <http://www.pefc.org/application/sweden2.htm>. Original with the author.

<sup>90</sup> PEFC inget trovärdigt miljömärke för skogen (PEFC no credible environmental label for the forests). Press release by WWF Sweden and the Swedish Society for Nature Conservation. 2000-05-25.

*is not possible to achieve a reasonable balance between environmental, social and economic aspects with such a structure... ”<sup>91</sup>.*

Environmental organisations contend that the composition and decision-making powers of the PEFC were already determined when they were invited to take part in the process. WWF Sweden refers to the invitation, which stated that PEFC Sweden is starting out “*with an organisational structure where the forest owner movement is responsible for design and administration of the PEFC certification system*”. “*Environmental interests, social interests and wood processing/market have a key role as advisers in their capacity of competence may be better; due to their competence on and overview of the issues*”.<sup>92</sup>

PEFC Sweden responds to this criticism by pointing out that the situation leading up to the creation of PEFC, and the available alternatives, also should be taken into consideration. According to PEFC, the private forest owners participated in the Swedish FSC process in order to “adapt the FSC alternative” to something that was useful for small private forest owners and the sawmills that they supply. When this proved impossible, primarily because of the labelling and chain of custody requirements at the time, the forest owners and the saw mills saw only two alternatives; no certification at all or what in their opinion was the best possible alternative: PEFC.

PEFC Sweden questions whether it would be in the interest of the environmental NGOs were the small private forest owners to refrain from certification altogether. Taking this background into account, PEFC Sweden suggests it would be reasonable for environmental NGOs to contribute their expertise in order to develop the scheme rather than to criticise the PEFC.<sup>93</sup>

## IV The PEFC certification and accreditation procedures

### **Which certifiers are qualified to certify the forests?**

Certification bodies that are accredited by the Swedish Board for Accreditation and Conformity Assessment (SWEDAC) are qualified to certify forests under the Swedish PEFC scheme. As yet, no certification bodies have completed the accreditation process, but two are in the process: SEMKO-DEKRA Certification AB and Det Norske Veritas (DNV).<sup>94</sup> Both are large and established companies on the general certification and verification market.

### **Which standards does the certifier use for certification?**

The bases for certification are the general requirements in the ordinances (STAFS) from SWEDAC and the international standards with requirements on certification bodies and certification (see 4.8). The specific requirements on forest certification and chain of custody are in PEFC’s Technical document<sup>95</sup>. Based on those documents, the certification bodies write their routines and procedures. As they work in many areas they have general routines and specific routines. Each certification body has its own routines and procedures, which will be

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<sup>91</sup> WWF Sweden. Är PEFC ett alternativ till FSC för trovärdig certifiering av ansvarsfullt skogsbruk? (Is PEFC an alternative to FSC for credible certification of responsible forestry?). 01-02-26. Original with the author.

<sup>92</sup> LRF Skogsägarna (the Forest Owner Federation). Inbjudan till WWF, SNF, Svenska Samernas Riksförbund, Sägverkens Riksförbund, Skogs- och Träfacket (Invitation). 1999-06-16.

<sup>93</sup> Folke Stenström. Executive Director PEFC Sweden. Personal communication, 010323.

<sup>94</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24.

<sup>95</sup> PEFC Sweden. Technical Document with supplements specifying regional adaptations. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author.

assessed by SWEDAC.<sup>96</sup> In SWEDAC's experience, the general routines of the certification bodies are usually sufficient to deal with specific requirements such as those of the PEFC.<sup>97,98</sup>

### **Which stakeholders are to be consulted in the certification process and how does consultation take place?**

The Swedish PEFC scheme does not include any documented requirements on stakeholder consultation during the certification process.<sup>99</sup>

### **Describe briefly the certification process.**

According to SWEDAC, the PEFC's specifications determine what the certification bodies are to do; relevant aspects that the PEFC's specification (guiding documents) does not include, must be covered by the certification bodies' routines. The ambition has been to identify such aspects during the test audits in order to complement the PEFC documents in such a way that the certification bodies work with common interpretations and guidelines. These specific routines are not yet finalised and consequently, not available. According to SWEDAC, it is aiming for a document that does not regulate the certification bodies in too great detail.

It is more important, according to SWEDAC, to ensure that the certification bodies have competent staff on their teams (expertise on forest management, management systems, industrial processes, etc). It is up to the professional judgement of the certification bodies to interpret the standards. If the standard is unclear, PEFC Sweden will be consulted. SWEDAC states that the certification process will include mandatory field visits during which compliance with the standard will be checked before certification is granted, as well as monitoring visits.<sup>100</sup>

### **Who chooses the certifier?**

The individual forest owner or the umbrella group may freely choose a certification body. The requirement is that the certification body is accredited for PEFC certification.<sup>101</sup>

### **Is the certification repeatable?**

The accreditation process and the standard is intended to ensure quality and repeatable certification decisions.

### **Is there any evidence that certifiers have been unduly influenced by vested economic interests?**

No documented evidence has been found or suspicion exists, that certification bodies are unduly influenced by vested interests.

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<sup>96</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22 and 2001-03-23

<sup>97</sup> Two basic options exist for organisations seeking PEFC certification in Sweden<sup>97</sup>. The first option is with PEFC as an "other requirement" to an environmental management system, according to ISO 14001. Under the first option, PEFC becomes "another requirement" of the ISO 14001 environmental management system. Under the second option, the PEFC standard is a criteria document of process certification. The basis for this kind of process certification is, for example, ISO guide 62. For chain of custody, the standard document may also form a part of an ISO 9001 or -2 system, which is then certified.

<sup>98</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22 and 2001-03-23.

<sup>99</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>100</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22 and 2001-03-23.

<sup>101</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author

### **Who accredits the certifier and how are they accredited?**

According to the Swedish PEFC scheme, applicant certification bodies are to be accredited by the Swedish Board for Accreditation and Conformity Assessment (SWEDAC). The basis for the accreditation process is found in a ISO/IEC guide 61 and EN 45010. According to SWEDAC, two options for certification are possible: environmental management system certification or process certification. For environmental management system certification, additional requirements for the certification body are outlined in SWEDAC's ordinances STAFS 2000:5, which is based on ISO/IEC guide 66, and EA 7/02. For process certification, requirements are defined in STAFS 1999:12, based on EN 45011/ ISO guide 65 and EA 6/01.<sup>102</sup>

### **Is there a complaints mechanism available?**

The responsibility for conflict resolution and investigation of complaints is shared between PEFC Sweden and the certification- and accreditation bodies. PEFC Sweden is developing a mechanism for complaints regarding the standard and its application. This document is being developed and currently not available. PEFC Sweden claims that it is not yet clear who will have the right to file a formal complaint. According to PEFC Sweden, the responsibility for handling complaints regarding certification and/or accreditation decisions are the accreditation body SWEDAC's.<sup>103</sup> SWEDAC has indicated that the parts of the PEFC document dealing with conflict resolution will be further developed and rewritten. It is, according to SWEDAC, generally the "owner" of a document who is responsible for its interpretation. Rules in the ISO standards (for example ISO/IEC Guide 66:1999, 4.4 Appeals, complaints and disputes) exist concerning complaints and how they are to be handled by the certification and accreditation bodies. Every certification body must have routines for complaints associated with its activities. SWEDAC points out that PEFC is not unique in this respect. Conflicts that are not satisfactorily resolved at the level of the certification bodies may be taken to the accreditation body.<sup>104</sup>

## **V. PEFC transparency**

### **Are there clear procedures and is documentation available?**

According to PEFC Sweden's Technical Document, "available information about certification status should be open for questions regarding the validity of certification. No other information may be released".<sup>105</sup> In addition, PEFC Sweden indicates that the "Green Plans", which form the basis for certification, may be released with permission of the forest owner in question.<sup>106</sup> According to SWEDAC, auditing reports are generally not available to the public. The certificate and the decision on certification are generally available. This issue has not yet

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<sup>102</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22.

<sup>103</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>104</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22 and 2001-03-23.

<sup>105</sup> PEFC Sweden. Technical Document. From <http://www.pefc.se/cert/tekndok.htm>, 2001-01-17. Original with the author

<sup>106</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

been fully analysed by PEFC and SWEDAC, and it is not clear what information will be publicly available.<sup>107</sup>

## VI. PEFC rules for chain of custody and use of label

### Chain of custody rules

The scheme of PEFC Sweden includes mechanisms for chain of custody certification and labelling.<sup>108</sup> However, no labelling may take place until “definitive” certificates issued by a certification body accredited for PEFC certification replace the certificates temporarily covered by the interim regulation.<sup>109</sup>

Two basic approaches to chain-of-custody certification exist: process certification of routines that are not part of a management system covered by an ISO certificate; and certification of the wood-handling organisation’s management system according to ISO 14001. Organisations with valid chain-of-custody certificates are also required to apply an official policy under which the company cannot accept wood deliveries from “controversial sources”. Such sources are wood from illegal logging operations or wood from key habitats, as defined by the PEFC policy on key biotopes.

Use of the PEFC logotype requires a valid logo license issued by PEFC Sweden.<sup>110</sup> Two alternative approaches to labelling are based on the “percent in- percent out” principle. All products may be labelled if a minimum of 70 percent of incoming raw material is PEFC certified. If less than 70 percent of the incoming raw material is certified, a proportion of the output corresponding to the proportional input of certified raw material may be labelled. If 100 percent certified input corresponds to 100 percent labelled output by means of physical separation. Products may be labelled: “*From sustainable forestry*”. If x percent (less than 100 %) certified input corresponds to x percent labelled output, products may be labelled: “*Promoting sustainable forestry*”.<sup>111</sup>

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<sup>107</sup> Kent Gustavsson, SWEDAC. Personal Communication, 2001-02-22

<sup>108</sup> PEFC Sweden. Vägledningsdokument; Organisering för PEFC spårbarhetscertifikat (Guiding Document on PEFC Chain of Custody Certificate). From <http://www.pefc.se/sparbarhet/vledndok.htm>, 2001-01-17. Original with the author.

<sup>109</sup> Folke Stenström, Executive Director PEFC Sweden. Personal communication, 2001-01-26.

<sup>110</sup> PEFC Sweden. Guiding Document; Organisation for PEFC chain of custody certificate. From <http://www.pefc.se/sparbarhet/vlednodok.htm>. Original with the author.

<sup>111</sup> Sven Lundell, LRF Skogsägarna. Personal communication, 2001-01-24.



## APPENDIX 1: FSC Accredited certifiers

Silva Forest Foundation, Ms. Susan Hammond; P.O. Box 9,  
Slocan

Park BC V0G 2E0 Canada

Website:<http://www.silvafor.org/>

Scope of accreditation: Within Canada for Forest Management and Chain of Custody

GFA Terra Systems, Hans-Joachim Droste; Eulenkrugestrasse 82,  
Hamburg 22359 Germany

Website:<http://www.gfa-certification.de/>

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

ICILA(Istituto per la Certificazione ed I Servizi per  
Imprese dell'arrendamento e del legno),

Mr. Matteo Allegretti; Via Braille 5, Lissone (Milano) I-20035 Italy

Website:<http://www.icila.org/>

Scope of accreditation: Worldwide for Chain of Custody

South African Bureau for Standards (SABS), Mr. C.F. du Toit;

Private Bag X191, Pretoria 0001 South Africa

Scope of accreditation: Chain of Custody evaluation in South Africa

Institut für Marktökologie IMO, Mr. Thomas Papp-Vary;

Poststrasse 8, Sulgen CH-8583 Switzerland

Website:<http://www.imo.ch/>

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

BM TRADA Certification, Mr. Alasdair McGregor; Stirling Business Centre,  
Wellgreen Place, Stirling FK8 2DZ United Kingdom

Website:<http://www.bmtrada.com/>

Scope of accreditation:Chain of Custody certification Worldwide

SGS Forestry QUALIFOR Programme, Mr. Neil Judd; 58 St. Aldates,  
Oxford OX1 1ST United Kingdom

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

Soil Association, Mr. Matthew Wenban-Smith; Bristol House, 40-56

Victoria Street, Bristol BSI 6BY United Kingdom

Website:<http://www.soilassociation.org/>

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

Rainforest Alliance Smart Wood Program,, Mr. Richard Donovan;

# 61 Millet St. Goodwin Baker Building,

Richmond Vermont 05477 United States

Website:<http://www.smartwood.org/>

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

Scientific Certification Systems, Dr. Robert Hrubec; Park Plaza Building, 1939 Harrison Street, Suite  
400, Oakland California 94612-3532 United States

Website:<http://www.scs1.com/>

Scope of accreditation: Worldwide for Forest Management and Chain of Custody

## **Annex 2**

### ILO Conventions on workers rights

- No. 87 Freedom of Association and Protection of the Right to Organize (Convention)
- No. 98 Right to Organize and Collective Bargaining (Convention)
- No. 100 Equal remuneration (Convention)
- No. 90 Equal Remuneration (Recommendation)
- No. 105 Abolition of Forced Labour (Convention)
- No. 111 Discrimination (Employment and Occupation) (Convention)
- No. 135 Workers' Representatives (Convention)
- No. 138 Minimum Age (Convention)
- No. 146 Minimum Age (Recommendation)
- No. 154 Collective Bargaining (Convention)
- No. 163 Collective Bargaining (Recommendation)
- No. 155 Occupational Safety and Health (Convention)

