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DANISH MINISTRY
OF THE ENVIRONMENT

DRAFT CRITERIA

For Legal and Sustainable Timber
and Assessment of
Certification Schemes

Public consultation:

Comments on this draft are invited from any interested party and shall be submitted by email to the Danish Forest and Nature Agency at timbercriteria@sns.dk no later than 31ST May 2007.

For comments, please read the comment guidance inside this paper.

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Introduction and background

This paper presents a draft for revised criteria for 'legal' and 'sustainable' timber as well as criteria for assessment of certification schemes. The criteria are meant to be applicable to all kinds of timber and will, when finalised, replace those that are currently being recommended in the Danish 2003 guidelines for public purchase of tropical timber. They will form the baseline for technical specifications to 'legal' and 'sustainable' timber in the context of the Danish Policy for Public Procurement of Timber. The declared line of sight for that is that all public buyers should buy legal and sustainable timber.

The background for this work is briefly outlined below.

Since 1996, the Danish Ministry of the Environment has launched more than 50 purchasing guidelines for numerous products and different aspects of procurement. The guidelines are important voluntary tools for implementing green procurement policies in Denmark.

One of these is the [2003 guidelines on public purchase of tropical timber](#)¹. These guidelines aim to assist public purchasers in ensuring that the tropical timber they buy is 'legally' and 'sustainably' produced, thereby responding to calls from the Danish parliament, "The Folketing" in its decision on application of tropical timber of 2001².

As the two terms, 'legal' and 'sustainable' timber doesn't have any unequivocal, globally applicable definition, a need was felt to specify further what was meant by these terms, when public buyers were to set up requirements for them in tenders and contracts etc. The 2003 guidelines included such further specification and also set out criteria for assessing documentation for the delivery of such standards, through means of either certification schemes or alternative means for documentation. The applied criteria was built on key concept for sustainable forest management, such as the 1992 Forest Principles from UNCED and the ITTO criteria and indicators for sustainable forest management in the tropics. They were developed in consultation with a broad range of stakeholders, and the work was followed more closely by an advisory Steering Committee, comprising representatives from timber trade, social and environmental NGO's as well public purchasers.

The guidelines suggested a three-levelled approach to tender invitations, with minimum requirements for 'legal' timber and an expressed preference, if such were offered, for either 'sustainable timber' (best option) or timber 'progressing towards sustainable' (second best). All members of the Committee agreed upon the final result, which was promoted amongst all Danish ministers and majors as well as thousands of public institutions and buyers.

An evaluation of the guidelines in 2005 revealed a need for more operational and differentiated guidance targeted better towards different needs amongst different types of users. It revealed a need for expanding the scope to cover all kinds of timber and also pointed out a need for reviewing and updating the criteria. Comparisons were made against corresponding criteria in other EU countries actively pursuing public procurement policies for timber. In addition various judicial aspects were analysed, including the inclusion of social criteria in standards for sustainable timber. The Steering Committee subsequently provided recommendations for follow-up actions.

In February 2006, Environment Minister Connie Hedegaard expanded the timber procurement policy to all kinds of timber (not just tropical) and launched a [9-point plan on purchase of legal and sustainable timber](#)³. The Minister supported all recommendations the Steering Committee could agree too, including to undertake a review and update of the criteria for legal and sus-

¹ http://www.skovognatur.dk/Udgivelser/Tidligere/2003/Tropical_timber.htm

² B197 "Folketingsbeslutning om anvendelse af tropisk træ", 1 June 2001.

³ See the 9-point-plan, key conclusions from the evaluation and a summary of recommendations at: http://www.skovognatur.dk/Emne/Skov/Miljoe/Indkoeb/Expanded_summary.htm

tainable timber, also considering options for more harmonised approaches to requirements on such matters. Whilst supporting the line of sight that all public institutions should buy 'legal' and 'sustainable' timber, the Minister maintained voluntary guidance as the leading principle for implementing the Danish timber procurement policy. [Temporary guidance on the purchase of 'legal' timber](#) (covering all kinds of timber) was issued for instant use in September 2006⁴, whilst the criteria review was undertaken in consultation with the Steering Committee.

The paper you have in front of you presents a draft for such revised standards for 'legal' and 'sustainable' timber, as well as criteria for assessing documentation for the delivery of such standards through means of certification schemes.

The guiding principle for the revision has been, as far as possible, to base the draft on international consensus and broad international agreement on key concepts of and criteria for sustainable forest management as well international guidelines for standard development processes, certification, labelling etc. This approach has two important consequences: 1) The need to look at sustainable forest management in a broad context, including the ecological, sociological and economical aspects and 2) the need to accommodate a flexible approach, which takes into account various conditions and priorities for sustainable forest management in different countries and regions.

Options for contributing to a process seeking more harmonised approaches to requirements for legality, sustainability and documentation have been considered. As will be seen, the structure of the draft follow closely corresponding criteria used by the UK⁵. On the specifics, there are both similarities and differences, varying from criteria that are identical with corresponding UK criteria, over slightly different criteria to criteria for which no corresponding UK criteria was found. For each criterion used in the present draft it is indicated, if an identical UK criterion has been identified. This should hopefully ease reading for those already familiar with the latter set of criteria.

As said, the Steering Committee has been involved in the development of the draft, but couldn't agree on a final proposal for it. Thus the presented paper takes into account opinions expressed in the Committee, but had to be finalised by the Danish Ministry of the Environment, Forest and Nature Agency, without formal approval in the Committee.

The draft is now out for comments for a broader consultation, and all interested parties are invited to provide inputs.

If you want to provide comments, please follow the instructions in the section below, and note in particular that comments shall be submitted by email and send to the Danish Ministry of the Environment, Forest and Nature Agency at timbercriteria@sns.dk no later than 31 May 2007.

As outlined further below, next steps will be to finalise the criteria, to assess certification schemes against them and to provide improved and updated guidelines for public procurement of 'legal' and 'sustainable' timber.

Christian Lundmark Jensen

Co-ordinator on International Forest Policy

⁴ <http://www.skovognatur.dk/NR/rdonlyres/542FDCD7-F0E0-4994-89D6-152F18F8ECDA/30514/briefingnote20sep2006.pdf>

⁵ Criteria for Evaluating Certification Schemes (Category A Evidence), Second Edition, CPET, May 2006

Comments and next steps

The draft presented hereby is out for comments for a broader consultation.

All interested parties are invited to provide inputs.

If you want to comment on it, please divide your comments in two parts:

1. General comments to the draft and overall approach, and
2. Specific comments related specifically to one or more of each of the draft criteria. For such comments, please specify precisely, with reference to the three digit numbers, which criteria you want to address, and in what direction you may or may not like to see it changed.

Comments shall be submitted by email and send the Danish Ministry of the Environment, Forest and Nature Agency at timbercriteria@sns.dk **no later than 31 May 2007!**

All comments received will be filed and taken into account before the criteria are finalized, after consultation with the Steering Committee. A summary report on comments received will be published. Subject to Danish law on right to access to documents and information, copies of all comments received may be released for the public domain or delivered on request to any interested party.

After finalization of the criteria, an assessment of timber certification schemes' conformity with the new revised criteria will be carried out. The assessment will be undertaken on the basis of the scheme requirements, as set out in the publicly available documentation for each scheme. Schemes that have chosen to brand themselves under an umbrella brand, covering one or more national schemes are intended to be assessed against the umbrella standards alone, not assessments of separate standards for each of the national schemes under the umbrella. However, as regards the performance, all national schemes covered by a particular umbrella scheme will be expected to comply with the umbrella standards. More detailed procedures on this upcoming assessment of schemes will be laid down in due time prior to that assessment.

Following the assessment of schemes, new and improved guidance for public procurement of timber, including on the use of certification schemes as evidence of 'legal' and 'sustainable' timber will be provided for public buyers.

It should be underlined that whilst alternative means for documentation (other than certificates) are not dealt with as such in this paper, such means may also be used for the verification of 'legal' and 'sustainable' timber. Such evidence will have to deliver credible evidence for the delivery of timber meeting the same standards for 'legal' and 'sustainable' as outlined in the draft in this paper. Updated and further guidance on the use of alternative means of documentation will be included in upcoming guidance, either alongside guidance on the use of certification schemes or separately, as additional guidance at some later stage.

The Structure and Content

The criteria are divided into four sections:

1. Forest Standards
 - 1.1. Content of standards for legally produced timber ('legal timber')
 - 1.2. Content of standards for sustainably produced timber ('sustainable timber')
 - 1.3. Requirements to the standards development process
2. Certification
3. Accreditation
4. Chain of Custody and Labelling

The criteria lay down:

- The requirement which must be met by a scheme.
- Guidance on interpretation and scoring.
- An indication of whether compliance is required for legal compliance, sustainability or both.

As said in the intro, the structure of this draft follows closely corresponding criteria used by the UK⁶. For the ease of reading for those familiar with the latter, it is for each criterion in the present draft indicated, if an identical UK criterion has been identified. The reference is made to digit the numbers for the corresponding UK criteria⁶

Scoring

When finalised, the criteria will be used to assess certification schemes' compliance with the requirements set in each criterion. Points will be scored on a 3-point scale:

0: Inadequately addressed and not acceptable.

1: Partially addressed.

2: Acceptable.

For assessing certification schemes' overall compliance with the requirements of the DK Government Timber Procurement Policy the following rules will be adopted:

Legal: a minimum score of 1 for each criterion identified as relating to legality requirements.

Sustainable⁷: a minimum score of 1 for each criterion identified as relating to sustainability requirements, and an overall score of 75% of the total possible score for criteria relating to sustainability requirements.

⁶ Criteria for Evaluating Certification Schemes (Category A Evidence), Second Edition, CPET, May 2006

⁷ Note: The 2003 guidelines on purchase of tropical timber suggested a three-levelled approach to tender invitations, with minimum requirements for 'legal' timber and an expressed preference, if such were offered, for either 'sustainable timber' (best option) or timber 'progressing towards sustainable' (second best). However, in order to provide for more simple and operational procurement guidelines the Danish Government has decided, for the time being, to carry on with a model, where only two standards for timber and timber products are defined: One for legal timber and one for sustainable timber, thereby also bringing the model more in line with the approach currently taken by other EU countries.

Essentially this means that if a particular scheme fails entirely to meet a criterion listed as relevant to 'legal' or 'sustainable' (i.e. scores "0" on one or more criteria), then the particular scheme cannot be accepted as sufficient evidence of 'legal' and 'sustainable' respectively, unless additional evidence be provided for the fulfilment of those criteria that were failed.

Additionally, for sustainability criteria, if a scheme scores less than 75 % of the total possible score, then the scheme cannot be accepted as sufficient evidence of 'sustainable' timber, unless additional evidence is provided ensuring a score of at least 75 % of possible total. Thus, with 25 sustainability criteria listed, a total score on those of at least 38 points need to be achieved in order for a scheme to be deemed credible evidence of sustainable timber – in the context of the Danish timber procurement policy.

Glossary of abbreviations

ISO	International Organisation for Standardisation
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
EMS	Environmental management system
ATO	African Timber Organization
ILO	International Labour Organization of the United Nations
FLEGT	Forest Law Enforcement, Governance and Trade
FMU	Forest management unit
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ITTO	International Tropical timber Organization
FAO	Food and Agriculture Organization of the United Nations

1. Forest Standards

1.1. Content of standards for legally produced timber

General guidance on interpretation

The criteria set out below are the Danish Ministry of the Environment's recommended minimum requirements for "legal" timber, against which standards in various certification schemes and other means for documentation will be assessed.

As it is recognised that many schemes allow mixing of certified and uncertified raw wood material, a scheme will in essence include two different legality standards to assess against: 1) one applicable to timber from certified forest and 2) one applicable to timber from non-certified forest, which up to a certain degree may be included in the chain of custody for the timber product in question. The criteria recommended below in section 1.1 to 1.4 are as a matter of principle applicable to timber from both categories. However, obviously, less strict control and less robust systems for tracking the origin of timber are to be expected for timber components originating from uncertified forests. Consequently, not all suggested legality criteria need necessarily be explicitly addressed and positively verified by schemes (or alternative documentation). A general reference to law compliance and lack of indication of non-compliance may in some circumstances - provided the assessment is based on a sufficiently robust risk-based approach - suffice as satisfactory evidence. Further guidance on this is provided adjacent to each relevant criterion.

As will be seen all the proposed criteria for legality are identical with corresponding UK criteria for legal timber. It is believed that those same criteria by and large comply well with those suggested by the EC as minimum requirements to be met in FLEGT VPAs (as outlined in FLEGT Briefing Note 09 of the European Commission, September 2005).

Criteria	Guidance on interpretation	L ⁱ	S
<p>1.1.1 The standard requires that the forest owner/manager holds legal use rights to the forest</p> <p>[Identical with UK criterion 1.1.1]</p>	<p>If schemes are only applicable to countries where legal use rights are clear then an explicit requirement for legal compliance is sufficient for a score of 1 even if legal use rights are not explicitly addressed. However, if the scheme can be applied in countries where legal use rights are not clear, there must be an explicit requirement.</p>	✓	
<p>1.1.2 The standard requires compliance from both the forest management organisation and any contractors with local and national legal requirements including those relevant to:</p> <p>Forest management</p> <p>Environment</p> <p>Labour and welfare</p> <p>Health & safety</p> <p>Other parties' tenure and use rights</p> <p>[Identical with UK criterion 1.1.2]</p>	<p>In general, compliance with the law means compliance with all relevant laws. However, it is now recognised in some countries laws may be unclear or conflicting making clear definition of legality difficult to achieve. The FLEGTⁱⁱ process has proposed that in such countries it will be necessary to have or develop a practical working definition of 'legal' or a set of core laws which must be met which has support from major stakeholder groups. This can be done through a national standard-setting process or other appropriate means.</p>	✓	
<p>1.1.3 The standard requires payment of all relevant royalties and taxes</p>	<p>Where payment is clearly required by law, then an explicit requirement for legal compliance is sufficient for a score of 1.</p>	✓	

<p>1.1.4 The standard requires compliance with the requirements of CITES.</p> <p>[Identical with UK criterion 1.1.3]</p>	<p>For standards which can only be applied in countries which are CITES signatories and have incorporated the requirements into national law this can be implicit under legal requirements. However, it must be explicit if the scheme can be used in non-signatory countries or countries which have not incorporated CITES requirements into national law.</p>	<p>✓</p>	
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1.2. Content of standards for sustainably produced timber

Criteria	Guidance on interpretation	L ¹	S
	<p>General explanation of the concept:</p> <p>There are no unambiguous and globally accepted, detailed standards for 'sustainable forest management' and neither for 'sustainable' timber. The perception of sustainability is determined by social as well cultural sets of value. They may vary from nation to nation as well as with time. There seems, however to be some global consensus on the overall principles and criteria.</p> <p>A broad definition of Sustainable Forest Management (SFM) was adopted during the UNCED conference in Rio de Janeiro in 1992 (ForestPrinciples). It reads as follows: <i>"Forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products. Appropriate measures should be taken to protect forests against harmful effects of pollution, including air-borne pollution, fires, pests and diseases, in order to maintain their full multiple value."</i></p> <p>Other internationally recognised definitions, applicable at regional scales or for certain types of forest, have been developed.</p> <p>For example, in its resolution H1 'General Guidelines for the Sustainable Management of Forests in Europe' the Ministerial Conference on the Protection of Forests in Europe adopted the following definition in Helsinki 1993 "(...in the context of this resolution) <i>"sustainable management' means the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems."</i></p> <p>The management of forest resources with a view to meet future needs and functions is also a core element in the definition on sustainable forest management developed by the ITTO. To that end many countries, in particular tropical countries, have designated special areas as 'permanent forest lands' - a land category, which was incorporated into the ITTO-definition of sustainable forest management in it's 2006 report on the status of tropical forest management. The ITTO definition of SFM used in that report read: <i>"(...) the process of managing permanent forest land to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction in its inherent values and future productivity and without undue undesirable effects on the physical and social environment"</i>.</p> <p>In spite of some differences as to the overall definition of SFM (as indicated above) and in the specific standard-setting (from country to country, and time to time) a general consensus seems to have crystallised globally on 7 key thematic elements against which SFM should be assessed.</p> <p>These 7 criteria are:</p> <ol style="list-style-type: none"> 1. Legislative and institutional framework 2. Protective functions of forest resources 		

Criteria	Guidance on interpretation	L ¹	S
3. Productive functions of forest resources 4. Forest health and vitality 5. Biological diversity 6. Extent of the forest resources 7. Socio-economic functions	<p>The clearest example of the general application of these criteria is probably the latest status report from the FAO on global forest resources. Thus in its new status report: State of World's Forest 2007, FAO measures sustainable forest management against those same 7 thematic elements.</p> <p>In order to provide the best possible contribution of the Danish timber procurement policy - as a means to promote SFM - it is considered important that the sustainability criteria for timber are based on the very same key thematic elements, whilst at the same time providing options for national and local accommodations. For each criterion used, a short quote from the above FAO 2007 report is provided to explain the rationale for including the thematic element.</p> <p>However, in order to provide for a fair, non-discriminatory and measurable specification of technical requirements to timber, in a procurement context, it is considered equally important that the key thematic elements are supplemented by some key underlying specifications. Such are added to each of the proposed key criteria/elements for sustainable timber.</p> <p>The thematic element number 1, legislative and institutional framework, relates mostly to sustainable forest management assessments at national level, and it has not been considered feasible to include sustainability criteria going beyond those that are set out as requirements for 'legal' timber (see section 1.1). Thus, in the context of the DK timber procurement policy, meeting the DK requirements for 'legal' timber will suffice for compliance with this criterion at the FMU level. Therefore, only 6 thematic elements, the above number 2-7, are addressed in the draft criteria for sustainable timber set out below.</p>		
<p>1.2.1 Standards for forest management must be defined to ensure a forest management consistent with the Forest Principles as set out by UNCED 1992, and build on relevant broadly recognised international, regional or national guidelines, criteria and indicators defining sustainable forest management at the forest management unit level. They should as a minimum cover the following six key thematic elements:</p> <ul style="list-style-type: none"> • Protective functions of forest resources • Productive functions of forest resources • Forest health and vitality • Biological diversity • Extent of the forest resources • Socio-economic functions 	<p>Relevant broadly recognised international, regional or national guidelines, criteria and indicators include those derived from intergovernmental processes designed for use at forest management unit level, such as:</p> <ul style="list-style-type: none"> • The Pan-European Operational Level Guidelines¹, • ATO/ITTO Principles, criteria and indicators for the sustainable forest management of African natural tropical forests, • ITTO guidelines on the sustainable management of natural tropical forests (1992), • ITTO guidelines on the conservation of biological diversity in tropical production forests (1993) <p>Other inter-governmental and governmental processes provide relevant frameworks as well, such as, among others: The Montreal Process (Criteria and Indicators for the Conservation and Sustainable Management of Temperate Boreal Forests); The Dry-Zone Africa Process on Criteria and Indicators for</p>		✓

¹ Pan-European Operational Level Guidelines for Sustainable Forest Management, adopted in Lisbon at the Ministerial Conference on the Protection of Forests in Europe.

Criteria	Guidance on interpretation	L ¹	S
	<p>Sustainable Forest Management; The Lepaterique Process of Central America on Criteria and Indicators for Sustainable Forest Management; The Near East Process; and The Tarapoto Proposal of Criteria and Indicators for Sustainability of the Amazon Forest.</p> <p>Other, private initiatives have developed principles and criteria, which have achieved broad international recognition, such as the Principles and Criteria for the management of forest, approved by Forest Stewardship Council.</p> <p>Guidelines, principles, criteria and indicators, can be developed either to guide national planning and reporting, or to guide management at the scale of the forest management unit. As certification applies at the latter level it is appropriate to base certification standards on guidelines etc. designed for this use. However, use of a set of appropriate principles, criteria and indicators developed for national reporting or other uses, including those above, is sufficient for a score of 1.</p>		
<p>1.2.2 The standard must include performance-based requirements for all key criteria set out in 1.2.3 - 1.2.8.</p>	<p>There are two types of requirements – performance and management system. Only performance requirements guarantee a defined level of performance. Therefore, only standards which include performance requirements (which may be in addition to system requirements) can provide the basis for the delivery of the DK government requirements for legal compliance or sustainability.</p> <p>To score 2, the standard must address all of the requirements set out in 1.2.3 – 1.2.8 as performance elements, not as issues to be addressed by a management system without any minimum threshold of performance. To score 1, each of the criteria 1.2.3 – 1.2.8 must be at least partially addressed.</p>		✓
<p>Protective functions of forest resources In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: "<i>Protective functions of forest resources. Forests and trees outside forests contribute to moderating soil, hydrological and aquatic systems, maintaining clean water (including healthy fish populations) and reducing the risks and impacts of floods, avalanches, erosion and drought. Protective functions of forest resources also contribute to ecosystem conservation efforts and provide benefits to agriculture and rural livelihoods</i>".</p>			
<p>1.2.3 The standard must ensure that harm to ecosystems is minimised. In order to do this the standard must include requirements for:</p> <p>a. Appropriate assessment of impacts and planning to minimise impacts;</p> <p>b. Protection of soil, water and biodiversity;</p> <p>c. Controlled and appropriate use of chemicals and</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>To score a 2, each requirement must be adequately addressed. Where this is not achieved, but there are no major omissions, a score of 1 can be awarded.</p> <p>Where an issue (for example, waste disposal)</p>		✓

Criteria	Guidance on interpretation	L ¹	S
<p>use of Integrated Pest Management wherever possible.</p> <p>d. Proper disposal of wastes to minimise any negative impacts.</p> <p>[Identical with UK criterion 1.2.3]</p>	<p>is adequately covered by legal requirements in all countries where a scheme can be used, it need not be explicit provided that legal compliance is required by the standard.</p>		
<p>Productive functions of forest resources</p>			
<p>In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: <i>“Productive functions of forest resources. Forests and trees outside forests provide a wide range of wood and non-wood forest products. This theme reflects the importance of maintaining an ample and valuable supply of primary forest products while ensuring that production and harvesting are sustainable and do not compromise the management options of future generations”</i>. The criterion set out below seeks to ensure that this thematic element has been considered and adequately addressed in standards for the management of forests.</p>			
<p>1.2.4 The standard must seek to ensure that productivity of the forest is maintained. In order to do this the standard must include requirements for:</p> <p>a. Management planning and implementation of management activities to avoid significant negative impacts on forest productivity.</p> <p>b. Monitoring which is adequate to check compliance with all requirements, together with review and feedback into planning.</p> <p>c. Operations and operational procedures which minimise impacts on the range of forest resources and services.</p> <p>d. Adequate training of all personnel, both employees and contractors.</p> <p>e. Harvest levels that do not exceed the long-term production capacity of the forest, based on adequate inventory and growth and yield data.</p> <p>[Identical with UK criterion 1.2.4]</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>To score a 2, each requirement must be adequately addressed. Where this is not achieved, but there are no major omissions, a score of 1 can be awarded.</p> <p>Where an issue is adequately covered by legal requirements in all countries where a scheme can be used, it need not be explicit provided that legal compliance is required by the standard.</p>		✓
<p>Forest health and vitality</p>			
<p>In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: <i>“Forest health and vitality. Forests need to be managed so that the risks and impacts of unwanted disturbances are minimized, including wildfires, airborne pollution, storm felling, invasive species, pests and diseases. Such disturbances may have an impact on the social and economic, as well as environmental, dimensions of forestry”</i>. The criterion set out below seeks to ensure that this thematic element has been considered and adequately addressed in standards for the management of forests.</p>			
<p>1.2.5 The standard must seek to ensure that forest ecosystem health and vitality is maintained. In order to do this the standard must include requirements for:</p> <p>a. Management planning which aims to maintain or increase the health and vitality of forest ecosystems</p> <p>b. Management of natural processes, fires, pests and diseases.</p> <p>c. Adequate protection of the forest from unauthorised activities such as illegal logging, mining and encroachment.</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>To score a 2, each requirement must be adequately addressed. Where this is not achieved, but there are no major omissions, a score of 1 can be awarded.</p> <p>Where an issue is adequately covered by legal requirements in all countries where a scheme can be used, it need not be explicit provided that the standard assures legal compliance.</p>		✓

Criteria	Guidance on interpretation	L ¹	S
[Identical with UK criterion 1.2.5]			
<p>Biological diversity</p> <p>In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: <i>“Biological diversity. This theme concerns the conservation and management of biological diversity at ecosystem (landscape), species and genetic levels. Such conservation, including the protection of areas with fragile ecosystems, ensures that diversity of life is maintained, and provides opportunities to develop new products in the future, including medicines. Genetic improvement is also a means of increasing forest productivity, for example to ensure high wood production levels in intensively managed forests.”</i> The criterion set out below seeks to ensure that this thematic element has been considered and adequately addressed in standards for the management of forests.</p>			
<p>1.2.6 The standard must seek to ensure that biodiversity is maintained. In order to do this the standard must include requirements for:</p> <p>a. Implementation of safeguards to protect rare, threatened and endangered species.</p> <p>b. The conservation/set-aside of key ecosystems or habitats in their natural state.</p> <p>c. The protection of features and species of outstanding or exceptional value.</p> <p>[Identical with UK criterion 1.2.6]</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>To score a 2, each requirement must be adequately addressed. Where this is not achieved, but there are no major omissions, a score of 1 can be awarded.</p> <p>Where an issue is adequately covered by legal requirements in all countries where a scheme can be used, it need not be explicit provided that the standard assures legal compliance.</p>		✓
<p>Extent of forest resources</p> <p>In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: <i>“Extent of forest resources. This theme reflects the importance of adequate forest cover and stocking, including trees outside forests, to support the social, economic and environmental dimensions of forestry; to reduce deforestation; and to restore and rehabilitate degraded forest landscapes. The existence and extent of specific forest types are important as a basis for conservation efforts. The theme also includes the important function of forests and trees outside forests to store carbon and thereby contribute to moderating the global climate”.</i> The criterion set out below seeks to ensure that this thematic element has been considered and adequately addressed in standards for the management of forests.</p>			
<p>1.2.7 The standard must seek to ensure that the extent of the forest resource is maintained. In order to do this the standard should include requirements for:</p> <p>a. Forest management planning should aim to maintain or increase forest and other wooded area, and enhance the quality of the economic, ecological, cultural and social values of forest resources, including soil and water.</p> <p>b. Forest management practices should safeguard the quantity and quality of the forest resources in the medium and long term by balancing harvest and growth rates, and by preferring techniques that minimise direct or indirect damage to forest, soil or water resources.</p> <p>c. More detailed requirements regarding operations that affect the extent and composition of forest resources in the short term should be laid down, either in nationally or locally developed standards, or in broader framework standards addressing the issue, e.g. standards regulating opportunities for the conversion of forest areas.</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>The criterion seeks to ensure the medium and long term maintenance of forest resources, qualitatively and quantitatively, including economic, ecological, cultural and social values.</p>		✓

Criteria	Guidance on interpretation	L ¹	S
<p>Socio-economic functions</p> <p>In its report on State of the World's Forests 2007, FAO summarises this thematic element as follows: <i>“Socio-economic functions. Forest resources contribute to the overall economy in many ways such as through employment, values generated through processing and marketing of forest products, and energy, trade and investment in the forest sector. They also host and protect sites and landscapes of high cultural, spiritual or recreational value. This theme thus includes aspects of land tenure, indigenous and community management systems, and traditional knowledge”</i>. The element also relates to the treatment and well being of forest workers and users, local and forest dependent peoples, indigenous peoples and other socio-economic dynamics affected by and impacting on forests and forest management. The socio-economic functions of forests are difficult to measure and can vary considerably among countries, depending on their level of development and traditions. For example, in developed, post-industrial societies, the benefits of forests for recreation and amenity values or the maintenance of a rural way of life may be most important, while in developing countries, the area of forests available for subsistence activities or the number of people employed in the sector may be a better indication of their social value. The criterion set out below seeks to ensure that this thematic element has been considered and adequately addressed in standards for the management of forests².</p>			
<p>1.2.8 The standard must seek to ensure that the socio-economic function of the forest resource is maintained. In order to do this the standard should include requirements for:</p> <p>a. Property and land tenure rights as well as legal, customary and traditional rights related to forest land and the utilisation of forest resources should be clarified, recognised and respected.</p> <p>b. Appropriate mechanisms for resolving disputes between timber production operators logging in the forests and local people should be laid down.</p> <p>c. Working conditions should be safe, and guidance and training in safe working practises should be provided.</p> <p>d. Employees must be able to organise freely and negotiate wages in accordance with the core conventions of the International Labour Organisation (ILO).</p>	<p>The first sentence sets out the goal of the criterion. Compliance will be assessed against the list of requirements.</p> <p>Conflicts over property and use rights related to forest land occur frequently in many countries and regions. In other not.</p> <p>In some countries general laws and provisions, provide good opportunities and mechanisms for conflict resolution. In other matters are not so clear.</p> <p>In some countries forest laws are comprehensive, clear and good governed. In other not.</p> <p>So the need to establish separate dispute resolution mechanisms in standards for forest management vary.</p> <p>Particular attention to these matters should be</p>		✓

² The inclusion of social criteria in technical specifications for timber over and above those legislated for in the producer country itself has been subject to debate, one of the key questions being if the link to the subject matter of the contract is strong enough to justify the inclusion. Social criteria is included in the Danish 2003 guidelines for public purchase of tropical timber. They were subject to a judicial examination as part of the 2005 evaluation of these guidelines. In conclusion, the examination suggested that social criteria may be include, inter alia due to the fact that forest dependent people, including local and indigenous peoples and forest workers, directly or indirectly affect the utilisation of and pressure on local forest resources and thereby also the potential future supply of certain types of timber and other forest resources, thereby establishing a link to the subject matter of contracts, although not directly linked. The continued inclusion of social criteria should also be seen in the context of the general Danish commitments and support to the protection and promotion of internationally recognized human rights; the promotion of sustainable development as defined in the Rio Declaration on Environment and Development of 1992, as well as the promotion of the 1992 Forest Principles and other international provisions for sustainable management of forests (in which socio-economic values are considered important and inseparable elements). It is, however, also recognised that care should govern the inclusion of social criteria.

Criteria	Guidance on interpretation	L ¹	S
	<p>paid, where forest management standards are developed in areas where conflicts are frequently occurring.</p> <p>Mechanisms for clarifying rights and resolving conflicts can include, inter alia: the involvement of indigenous peoples, local communities and other forest dependent communities in forest management operations, starting in the planning phase before road building and logging; as well as provisions for obtaining the free, prior and informed consent of indigenous peoples before utilising their traditional territories. Further adequate mechanisms are provided for in international agreements such as the ILO Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries.</p> <p>Core conventions of the ILO cover:</p> <ul style="list-style-type: none"> • No 29: Forced Labour, 1930 • No 87: Freedom of Associations and Protection of the Right to Organise, 1948 • No 98: Right to Organise and Collective Bargaining, 1949 • No 100: Equal Remuneration, 1951 • No 105: Abolition of Forced labour, 1957 • No 111: Discrimination (Employment and Occupation), 1958 • No 138: Minimum Age for Admission to Employment, 1973 <p>To score 2 the criterion must be fully met.</p> <p>A score of 1 can be achieved if there are no major omissions.</p> <p>Where an issue is adequately covered by legal requirements in all countries where a scheme can be used, it need not be explicit provided that the standard assures legal compliance.</p>		

1.3 Process for the setting of sustainability standards

Criteria	Guidance on interpretation	L ¹	S
<p>1.3.1 The standard-setting process must be consistent with the requirements of <i>ISO Guide 59: Code of Good Practice for Standardisation</i> or the <i>ISEAL Code of Good Practice for Setting Social and Environmental Standards</i> or equivalent.</p> <p>[Idential with UK criterion 1.3.1]</p>	<p>Consistency or equivalence can be assessed by reference to the list of key requirements in Annex 1.</p>		✓
<p>1.3.2 Within the overall framework set out in section 1.2, sustainability standards must be developed or adapted nationally or locally in a transparent and consultative process, which encourage participation of, and is open and accessible to all affected parties, including economic, environmental and social stakeholder groups.</p>	<p>It is essential that the processes for the development of sustainability standards are transparent and open for participation by all affected parties, so that both economic, environmental and social concerns and needs can be taken into account. In practice it is rarely possible to deliver all possible benefits from forest management for all parties concerned so it is necessary to find appropriate compromises between competing interests. In order to do this, all affected parties should be given option to join and influence the process. Affected parties can include, among others, consumer and producer groups, indigenous and local peoples, workers and unions, forest owners and managers, governments, NGOs and conservation organisations.</p> <p>It is furthermore desired that representatives from all three major interest categories (economic, environmental and social stakeholders) are represented, and thus active encouragement to achieve this as well as the setting of practical arrangements that facilitates access for all affected parties should be part of the process. This can take the form of formal invitations to a range of relevant stakeholder groups, the choosing of meeting places with a view to facilitate access etc.</p> <p>To score 2 the criterion must be fully met.</p> <p>A score of 1 can be achieved if the process is transparent, open for participation by and accessible to a range of stakeholder groups that allows for a balanced representation of major interest categories (economic, environmental and social stakeholders). If a process provides a genuine opportunity for any major stakeholder group to participate and influence the content of the standard, but a group chooses not to participate, this would not constitute a failure.</p>		✓
<p>1.3.3 Standards must be determined either in consensus or through a majority voting process which pre-</p>	<p>Consensus is defined as in ISO Guide 2: "General agreement, characterized by the</p>		✓

Criteria	Guidance on interpretation	L ¹	S
<p>vents major interest categories (representing economic, social and environmental stakeholders) from being overruled.</p>	<p>absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments. Note: Consensus need not imply unanimity.”</p> <p>The consensus building process should seek to ensure that no single interest dominates the process and that the standard isn't finalised under sustained opposition to substantial issues by any important part of the concerned interests. In order to do this the scheme must specify procedures - to be agreed upon by the parties involved in the process - for dispute resolution aiming to find an appropriate compromise between competing interests. In case of a negative vote which represents sustained opposition of any important part of the concerned interests to a substantive issue, the issue shall be resolved using appropriate conflict resolution mechanisms, such as</p> <ul style="list-style-type: none"> (a) Discussion and negotiation on the disputed issue within the Forum in order to find a compromise, (b) Direct negotiation between the stakeholder(s) submitting the objection and stakeholders with different view on the disputed issue in order to find a compromise, (c) Dispute resolution process. <p>The dispute resolution process shall be governed by the respective dispute resolution procedures agreed by the Forum.</p> <p>A majority voting process preventing major interest categories from being overruled implies that no decision may be made if it is opposed by a majority of any the three major interest categories (economic, ecological and social).</p> <p>To score 2 the criterion, as interpreted above, must be fully met following either the consensus building procedure or majority voting procedure outlined above. A score of 1 can be achieved, if one of the procedures have been applied to without major omissions.</p>		
<p>1.3.4 Formal approval of standards should be based on evidence of consensus or majority voting.</p>	<p>Standard setting fora can make use of various forms of processes when discussing and finally determining standards. It is important that such process are clearly described and agreed upon by the participating stakeholders, so that it can be clearly determined, whether or not the conditions for standard setting, in</p>		✓

Criteria	Guidance on interpretation	L ¹	S
	<p>terms of majority voting or consensus, have been met.</p> <p>To score 2 the criterion must be fully met. A score of 1 can be achieved if there is no major omission.</p>		
1.3.5 Standards should be publicly available.	<p>Certification schemes frequently specify regulations for certification and accreditation, normally requiring ISO compliance or exceeding ISO rules. Scheme-specific requirements related to accreditation, standardization, and certification, including chain of custody and control of claims should be publicly available.</p> <p>To score 2, the criterion must be fully met. A score of 1 can be achieved, if standards are easily obtained on request.</p>		✓

2. Certification

Criteria	Guidance on interpretation	L ¹	S
<p>2.1 Certification must be undertaken by a body whose organisation, systems and procedures conform to applicable ISO guidance, or publicly available equivalent.</p> <p>[Identical with UK criterion 2.1]</p>	<p>Applicable ISO guidance includes:</p> <p>ISO Guide 62:1996 General requirements for bodies operating assessment and certification/registration of quality systems</p> <p>ISO Guide 65: 1996 General Requirements for bodies operating product certification systems</p> <p>ISO Guide 66: 1999 General requirements for bodies operating assessment and certification/registration of environmental management systems (EMS).</p>	✓	✓
<p>2.2 Certification is undertaken by a body which is accredited to evaluate against forest management standards.</p> <p>[Identical with UK criterion 2.2]</p>	<p>The scope of the accreditation should include the elements set out in 2.3 – 2.8.</p>	✓	✓
<p>2.3 The requirements for certification audits must include assessment of systems and documentation together with verification of outcomes in the forest adequate to ensure that both system and performance requirements in the standard are being met.</p> <p>[Identical with UK criterion 2.3]</p>	<p>Partly covered by ISO guides governing certification and accreditation. Criterion included to underline the need for qualified and competent personnel. The make-up of the team, the sampling strategy and the amount of time spent carrying out the audit are all important in ensuring that sufficient objective evidence of compliance with the standard is collected to make the final decision robust.</p> <p>The possible scores against this criterion are either 0 or 2.</p>	✓	✓
2.4 The certification audit must include sufficient con-	(Beyond ISO guidance) Consultation with ex-		✓

Criteria	Guidance on interpretation	L ¹	S
<p>sultation with external stakeholders to ensure that all relevant issues are identified relating to compliance with the requirements of the standard.</p> <p>[Identical with UK criterion 2.4]</p>	<p>ternal stakeholders is very important to establish whether there are any issues which might prevent full compliance with the standard which the audit team has not identified (eg seasonal issues not evident at the time of the audit, ongoing social conflicts) and to ensure that any interpretation of the requirements of the standard for the immediate local conditions is appropriate.</p> <p>To score 2, the stakeholder consultation must be designed to ensure identification of all relevant issues. To score 1, there must be some provision for consultation.</p>		
<p>2.5 A summary of the results of the certification audit (excluding confidential information) must be publicly available to interested parties.</p> <p>[Identical with UK criterion 2.5]</p>	<p>(Beyond ISO guidance) Sustainability can only be delivered by an appropriate balance of economic, social and environmental imperatives. It is important that representatives of each of these groups can monitor certification to make sure that the appropriate balance is being delivered.</p> <p>The information must, at a minimum, provide a summary of the findings with respect to conformance with the requirements of the forest management standard.</p> <p>To score 2, the public summary must be available on a relevant website. To score 1, the summary must be electronically available to any interested party on request within a defined timescale.</p>		✓
<p>2.6 There is an accessible and functioning mechanism for dealing with complaints and disputes which is open to any interested party.</p> <p>[Identical with UK criterion 2.6]</p>	<p>Partly covered by ISO guides governing certification and accreditation. Criterion underlines the need for the complaint and dispute mechanism to be open to any interested party, which is not specifically addressed in ISO guidance.</p>	✓	✓

3. Accreditation

Criteria	Guidance on interpretation	L ¹	S
<p>3.1 Accreditation must be undertaken by a national (e.g. DANAK) or international body whose organisation, systems and procedures are consistent with ISO 17011:2004 <i>Conformity assessment -- General requirements for accreditation bodies accrediting conformity assessment bodies</i> or equivalent.</p>	<p>Note if this is not provided by the requirements of the certification system, or through other mechanisms such as the International Accreditation Forum's Multilateral Recognitions Arrangements then the checklist in Annex 3 must be completed.</p>	✓	✓

4. Chain of custody and labelling

Criteria	Guidance on interpretation	L ¹	S
<p>4.1 Assessment of chain of custody must be undertaken by a certification body operating in accordance with ISO Guide 65 or equivalent and accredited by an accreditation body operating in accordance with ISO 17011 or equivalent.</p> <p>[Identical with UK criterion 4.1]</p>	<p>Chain of custody certification must be undertaken by an accredited competent third-party just as for forest management certification.</p>	✓	✓
<p>4.2 The scheme must define requirements for chain of custody which provides a link between the certified material in the product or product line and certified forests.</p>	<p>This means that each organisation in the chain from forest to final certified product which owns or processes the material in any way must have been audited to confirm that they are implementing chain of custody requirements and either have a valid chain of custody certificate or by other means provide sufficient evidence that they have established a robust link between certified in- and output.</p> <p>The possible scores against this criterion are either 0 or 2.</p>	✓	✓
<p>4.3 If mixing of certified and uncertified material in a product or product line is allowed, the uncertified material must be covered by a verifiable system which is designed to ensure that it is from legal sources.</p> <p>[Identical with UK criterion 4.3]</p>	<p>This requirement is relevant when mixing of certified and non-certified material is allowed. Mixing occurs whenever the following approaches are used: percentage labelling, volume accounting, input-output or processor certification.</p> <p>In such cases, in order to meet DK government requirements for legality, there must be a system in place which provides assurance that the uncertified material is from a legal source.</p> <p>The DK government requires all timber and wood products to be from legal sources. Therefore, if mixing of certified and uncertified material is allowed, in order to meet DK government requirements for legality, there must be a system in place which provides assurance that the uncertified material is from a legal source.</p> <p>If the certification system does not include requirements to ensure that the uncertified material is from legal sources, then only products which are 100% certified can be accepted as providing assurance of legality.</p> <p>NB If a scheme scores 0 for this criterion, it only affects acceptance of products containing uncertified material.</p>	✓	
<p>4.4 If mixing of certified and uncertified material in a product or product line is allowed (and requirements for sustainability are to be fulfilled), then there must be a system in place ensuring that either:</p>	<p>This requirement is relevant when mixing of certified and non-certified material is allowed. Mixing occurs whenever the following approaches are used: percentage labelling, vol-</p>		✓

Criteria	Guidance on interpretation	L ¹	S
<ul style="list-style-type: none"> The percentage of material in the product or product line from a certified forest is reported and constitutes in average at least 70% (percentage based claim) or; The proportion of product sold as certified is equivalent to the proportion of certified raw material entering the process (mass balance claim). 	<p>ume accounting, input-output or processor certification.</p> <p>The DK government accepts timber products as sustainable if they contain or represent in average at least 70 % percent raw wood material from “sustainably managed forests” (according to the DK criteria 1.2 and 1.3). The two methods described meet this requirement.</p> <p>Of course the requirement may also be met by ensuring segregation of all certified material throughout the full chain of custody. It is noted that the requirement does not imply that any specific product need to contain at least 70 % raw wood material from a sustainably managed forest, the requirement applies to the average content of each type of product in question.</p> <p>NB If a scheme scores 0 for this criterion, it only affects acceptance of products or product lines containing more than 30% uncertified material.</p>		
<p>4.5 There is a clearly defined mechanism for controlling all claims made about the certified nature of products which ensures that claims are clear and accurate and that action is taken to prevent any false or misleading claims.</p> <p>[Identical with UK criterion 4.5]</p>	<p>If claims are not controlled, then the veracity of any claim made is in question.</p> <p>Note ISO 14020 contains general guidance on environmental labels and declarations.</p>	✓	✓
<p>4.6 If recycled material is used there must be a verifiable system in place which is designed to ensure that recycled material is from the following categories:</p> <ul style="list-style-type: none"> Pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products Post-consumer recycled wood and wood fibre Drift wood 	<p>Further guidance needs to be developed.</p> <p>NB If a scheme scores 0 for this criterion, it only affects acceptance of products containing recycled material</p>	✓	✓

Annex

Based on *Criteria for Evaluating Certification Schemes (Category A Evidence)*, Second Edition, CPET, May 2006

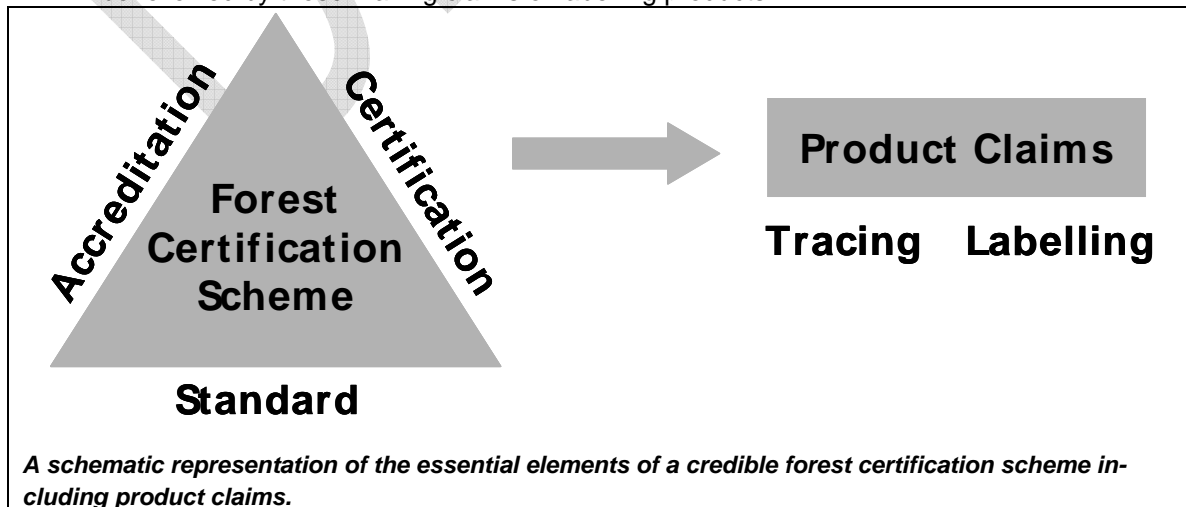
Elements of a certification scheme

Certification has been widely used in a range of sectors as a tool for providing independent verification that a defined set of requirements is being met. As a result of the experience gained, all certification schemes, including those for forestry, are usually made up of three elements:

- **Standard:** this sets out the requirements which must be met and against which certification assessments are made. Standards are developed by *standard-setting bodies*.
- **Certification:** this is the process of establishing whether or not the standard has been met, usually carried out by a *certification body* or *certifier* (also referred to as a *registration body* or *registrar* especially in North America).
- **Accreditation:** this is the mechanism for ensuring that the organisations which undertake certification are competent and produce credible, consistent results, sometimes described as 'certifying the certifiers'. Accreditation is undertaken by an *accreditation body*.

To emphasise the importance of each of these elements to the certification scheme as a whole, they are often shown schematically as the three sides of a triangle which represents the certification scheme, as shown in the Figure below.

- **Product claims**, In addition, if the scheme is going to be used as a basis for identifying products from certified forests and for making product claims then a mechanism for controlling this also needs to be in place. This requires:
 - **Tracing:** the material may go through many production and logistical stages between the forest and the final product. There must be a mechanism for tracing it from the certified forest through each stage to provide certainty that the product or product line about which the claim is being made is linked to a certified forest. This process is often referred to as *chain of custody*.
 - **Claims and Labelling:** it is essential to ensure that any claims made about a forest or a product or any labels are clear, credible and honest. This requires a set of rules to be followed by those making claims or labelling products.



The International Organization for Standardization (ISO)

ISO is a non-governmental organisation made up of a network of the national standards bodies from more than 140 countries in all regions of the world. As well as co-ordinating and managing the development of hundreds of international standards for different industry sectors, ISO has also produced a number of Guides to help with the development of certification schemes. The Guides provide guidance on:

- The development and use of standards (Guide 59);
- Certification bodies and certification (Guides 62, 65, 66);
- Accreditation (ISO 17011);
- Environmental labels and declarations (the 14020 series of guides)

There is also a range of guidance relating to claims. These ISO Guides, which are based on several decades of experience, usually provide excellent baseline requirements and are also important because ISO is one of a number of international standards groups recognized by the World Trade Organisation (WTO) in trying to ensure that certification requirements comply with WTO agreements and do not become technical barriers to trade.

ⁱ L: required to meet requirements for legal, S: required to meet requirements for sustainable variant.

ⁱⁱ Forest Law Enforcement, Governance and Trade is the European Union's response to the problem of illegal logging and trade in associated timber products. The process of developing a working definition of 'legal' has been initiated for Indonesia.