

PEFC AND SNDI: COMPATIBILITIES AND POSSIBLE IMPROVEMENTS
MG PIKETTY, P.E. HUET
WORKSHOP 14/01/2022

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Key conclusions and follow-up

The PEFC standard meets the main requirements of the SNDI and PEFC is active to support and contribute to the SNDI. PEFC views: Forest certification is a part of the solution to stop deforestation, voluntary requirements are complementary to mandatory requirements.

The workshop allowed PEFC representatives to clarify some specificities of this standard and to exchange with SNDI representatives on the advantages and potential evolutions of this standard. Some limitations of the standard have been discussed and can already be addressed through concrete actions. The main conclusions and follow-up are the following.

Participation of PEFC to the SNDI cocoa working group

As presented by M. Reboul, 6 commodities are particularly concerned by SNDI, palm oil, timber, soy, cocoa, rubber and beef. The priority for 2022 is to develop sector commitments, starting with two working groups on soy and cocoa. The objective is to reach engagements by May 2022. PEFC representatives expressed their interest particularly with the cocoa working group because PEFC is looking into expanding their label to those types of lands (trees outside forests). M. Reboul invited PEFC to join this working group.

M.Reboul informed that for those two commodities, the cut-off date proposed has been 30/12/2020, however there is no official position regarding the choice of the cut-off date for the whole SNDI. As recalled during the workshop, there is a risk with cut-off dates, less stringent than those in existing standards, to decrease interest in these standards. This specific point could be part of the debate at the European level.

Follow up: Paul Emmanuel Huet has been identified as the person who could contribute to this group. Marine Reboul will include P.E Huet in the next meetings of this working group.

The agenda of the monitoring of import products in line with SNDI requirements

SNDI does not monitor importations yet. The idea of the national strategy is to create the French National Imported deforestation footprint. Monitoring for each sector is complex,

certification is very important and has to be considered but will not be the only criteria to consider that the product is free from deforestation.

Clarifying some specificities of the governance of PEFC standard

PEFC is an alliance of different national certification schemes, historically was created by smallholders in 1999. PEFC is governed by the general assembly that includes international and national members. At the international level, there is the benchmark standard which defines rules and principles of forest management. The benchmark standard has been built together with various stakeholders and then validated by general assembly. It is then declined in each member country taking into account the national context. To be endorsed by PEFC at the international level, each national standard must satisfy all the criteria of the benchmark standard. It is a bottom up process of validation. National standards are thus more adapted to the specificities of the local context. They can be more stringent than the international metastandard but not less stringent. Currently some national standards are still revised following the publication of the new benchmark standard in 2018.

To ensure that national standards are in compliance with PEFC requirements, they are independently assessed. 787 requirements are looked at. If there is any non-consistency in the way the standard has been defined, it can lead to a non-conformity and endorsement from PEFC can be denied. As an example, a national standard that does not respect indicators 8.1.4, 8.1.5. et 8.1.6 cannot be endorsed by PEFC. Those indicators guarantee that there is no forest conversion after 31 Dec 2010 other than for “justified circumstances”.

Regarding the integration between EU and French deforestation strategies and the French priorities as president of EU

M. Reboul inform that regarding the Amsterdam partnership, France has been raising several points already on specific aspects of the zero-imported deforestation strategy. Several countries have converged on the current edited document. France will have a position of neutrality as president of EU, after the presidency France will go back to defending an ambitious text. For now, the objective is to avoid any downgrading of the current version of the text.

The issue of degradation in PEFC

The current version of the PEFC international benchmark standard (PEFC ST 1003:2018) does not define degradation explicitly because there is no consensus about what forest degradation is. However, PEFC international requires the local entities to minimize risks of degradation and damage to forest ecosystems through six principles of the sustainability benchmark standard. Thresholds are not defined because it depends on the local context. Sustainable rate of harvesting wood and non-wood products are required to minimize the risk of forest degradation.

Possible follow up: Conduct an assessment in PEFC national standards from the main tropical countries exporting to France and Europe to assess and compare sustainable rate of timber harvest considered locally and their potential to avoid degradation. Carry out an in-depth

study on the forest basins exporting to France to analyze whether it is possible to define thresholds for forest degradation, which considers the complexity of the relation between the forest stand, the site conditions and the different types of forests, and can be easily verified, audited. Such assessment has been proposed to AFD by a specific team at CIRAD, also in order to operationalize the HCS approach.

Frequency of verification of key indicators for SNDI

Only full assessment audit (every 5 years) verify all the indicators. During annual audits, the frequency of verification is based on experience of the auditors and how they want to manage their audits. For example, in French Guyana, PEFC France informed that it could be possible to make specific requirements involving that degradation and deforestation could be controlled every year. It is possible to include the obligation to verify during each annual audit some of the SNDI key indicators.

Possible Follow up : SNDI informs PEFC which indicators and for which countries shall be verify annually. If there is a strong green light for PEFC certified forests from France or the EU, that could lead to priority access to markets, then it will be an additional incentive for PEFC to move on these thematic.

The issue of minor non- conformities

According to the standard for certification bodies to administer sustainable forest management (as of today the document is currently under development), a new rule is proposed to be imposed during full assessment audit (every five years) : the granting of certification or re-certification will require that non-conformities to be solved before. This is already common practice in some countries, including France, but not governed by PEFC documentation until this standard will be adopted. Such change is still to be debated and assessed but it is an important improvement as the issue of granting minor non -conformities will then be restricted to annual audits (year 2 , 3 and 4) and their possible recurrence will thus be more limited (year 2 and year 4) for each certification cycle.

Possible follow-up : PEFC informs SNDI of the final decision regarding this specific change in PEFC international standard.

The issue of the 5% conversion rate

In the international standard, it is true that there is no checklist for the exceptions allowing a 5% conversion, but it does give concrete guidance of the different strict conditions to be met and to deliver evidence about the justified circumstances. Some national standards have already put their verifiers, for example Malaysia has defined that an EIA (environmental impact assessment) needs to explicitly allow the clearance of the forest. This specific issue and the list of verifiers chosen could be reviewed during the national standards review.

Possible follow up : Intern analysis of PEFC audit reports looking at the specific verifiers when some conversion is authorized. Communication on the results of this analysis and possible review of the indicators if indeed significant areas can potentially be converted. This could be

a possibility but subject to further discussions. Just a warning concerning data protection which has to be for sure considered (mandatory).

The issue of HCS and HCV

The specific terminologies HCS and HCV are not included in PEFC. However, it is more a question of terminology as many requirements found in PEFC ST 1003:2018 are very similar with HCV or HCS approaches. Internal revision process will most likely include HCS discussions. Regarding HCV the choice of PEFC is to avoid to use the terminology with upper capital because it is mostly external to the local context, it is a FSC concept and it adds a constraint particularly for smallholders, referring to very specific methodology. However, several similarities are found and we can say that high conservation values (without capital) are considered through PEFC certification. In PEFC concept it is the forest manager that would conduct these environmental studies and they are the ones who apply the definition of these protected areas and implementation of protection plans. That is then audited by the independent auditor during the process of certification.

Possible follow-up :

For PEFC, document through an exhaustive analysis of PEFC national standards how the protection of HCV and HCS are guaranteed *de facto* even using other methodologies than HCV and HCS. Before, PEFC needs to make sure that such analysis can actually be done and funded. For SNDI, use a terminology not restricted to HCV and HCS methodologies, specifying specific indicators /criteria rather than referring to those specific methodologies.

Reducing barriers to smallholder's inclusion

PEFC is based on the inclusion of small-scale producers. Group certification is now being recognized as an effective strategy. However, PEFC needs to find solutions in tropical contexts where there are issues of governance, land tenure for example. For example, in Southeast Asia, there is a dedicated team working on those topics. PEFC is actively working on this, there is no one size fits all solution. More than 1.000.000 smallholders are certified PEFC. There is no official data yet to confirm this number, it is an estimation based on the number of group certificates. Up to now, smallholders' certifications must be in conformity with all PEFC criteria because, PEFC trusts smallholders can manage their forests as sustainably as large landholders. This belief is mostly based on the situation in European countries and maybe must be changed in more complicated landscapes of tropical countries.

Possible follow up: Continue the dialogue between the French public institutions and PEFC to explore project possibilities to establish group certifications for small holders in selected countries of interest.

Increasing access to certification reports

PEFC recognizes that access to certification reports (public summaries) must be facilitated and that a generic format for these reports must be built to increase transparency. It is currently

underway as also the building of database to register such reports so that important data can be easily check (evolution of non-conformities etc....).

Possible follow up: Regular communication of PEFC towards SNDI on this specific issue. Possible feedback expected from SNDI regarding some data/format that should be included.

PEFC and SNDI: compatibilities and possible improvements : Program

January 14th, 2021, 8:30 am - 12:30 pm

8h30- 8h45	“Tour de table“ (brief presentation of the participants)
8:45 - 9:00	Reminding the questions appointed regarding compatibilities of PEFC standard and SNDI criteria + objective of the workshop. M.G. Piketty
9h00 - 9h20	The SNDI: main requirements, modalities and timing of implementation, link between SNDI and ongoing work on timber standards (M Reboul / I. le Roncé / M. Schwartzenberg? (tbc))
9h30 - 9h45	Presentation of the processes that govern PEFC (governance, establishment of standards, their revisions, articulation between PEFC International and member countries, etc.) (P.E. Huet)
9h45 - 10h00	Presentation of the work carried out by PEFC in Brussels in relation to these topics (M. Drca)
10h00 - 10h15	Questions/Answers
10:15 - 10:30 Break	
10H30-10H45	How the PEFC standard takes into account the deforestation/ degradation aspects (H. Inhaizer)
10H45-11h00	Questions/Answers
11:00 - 12:00	The 8 questions (see document sent) are reviewed and in turn PEFC International and PEFC France bring elements of response + Q/R with the participants Moderation MG Piketty and C Duhesme
12h00 - 12h30	Conclusions and follow-up (P.E. Huet and M.G. Piketty)

Participants

CIRAD : M.G. Piketty

PEFC France : P.E Huet, G. Dhier

PEFC International: M. Drca, H.Inhaizer, T. Arndt

SNDI : M. Reboul (MTE) P. Deletain (MEAE) I. Le Roncé (MAA)

C.

ATIBT : C. Duhesme

AFD : M. Schwartzenberg

GRET :J. Fetiveau

Transitions : D.Hermann Apt

ANNEX : Improvements to be discussed during the workshop

1. The frequency of verification of key indicators for the SNDI

Problem : Most of key indicators for SNDI are not verified on an annual basis : they are only verified every 5 years during full assessments, some of them sometimes verified once between the 5 years. Therefore, there is a risk that deforestation is not detected until a few years after it has occurred, that some social rights or FPIC are not guaranteed during some years.

Possible improvements to be discussed :

SNDI could define which key indicators must be verified on an annual basis.
PEFC could make mandatory the verification of such specific indicators during annual audit.

2. The conditions for granting minor non-conformities for the SNDI key indicators

Problem: PEFC audit procedures allow minor non-compliance, which the company must resolve within 12 months maximum. Therefore, potentially some SNDI criteria may not be met for a certain period.

Possible improvements to be discussed :

- PEFC could add stricter rules for companies wishing to export to France and prohibit any minor non-compliance for SNDI criteria and indicators. SNDI shall define for which criteria and indicators non-compliance are not allowed. Any non – compliance with SNDI criteria shall be considered as major.
- PEFC should be more stringent about non-compliances and reduce the time to fix things. If minor conformance is allowed for SNDI criteria, recurrence of minor- non-compliance with the same indicators shall be completely prohibited.

3. The limits for the 5% conversion allowed by the standard

Problem : For criterion 8.1.4, ecosystem conversion can affect up to 5% of the total area of the logging zone, notably if it generates additional benefits and does not damage forests of ecological importance. Nonetheless, 5% is not insignificant in some cases and can represent large areas. Conversion into plantations was prohibited after 2010, but this constraint can be overcome in certain conditions : if the conversion is in line with the producer country's policies to develop plantations and if the plantation does not have a negative impact on endangered non-forest ecosystems, on areas of socio-cultural importance or on endangered species' habitats. There is no minimum required checklist for these exceptions.

Possible improvements to be discussed :

SNDI should adopt a clear definition of deforestation.
PEFC should align the indicators 8.1.4 with the SNDI 'deforestation' definition.
PEFC should fix a maximum absolute value for forest conversion beyond the % allowed
Exceptions for conversions to plantations should be more stringent.

4. Improved consideration of forest degradation

Problem : Forests defined as ecologically important can be logged if logging does not degrade the biotope's major ecological values : this is open to interpretation depending on the method used and the importance attributed to the different components of the ecological value. Several clauses aim to avoid the risks of deliberate degradation, but the degradation threshold has yet to be defined and is not made explicit in the generic standard. The clauses only concern voluntary degradation due to poor forestry practices and do not consider degradation caused by accidental fire spreading from surrounding areas, for example.

Possible improvements to be discussed :

A clear definition of degradation is needed to improve its explicit consideration in the PEFC standard.

SNDI could promote a study relying on the HCS approach, allowing to define maximum forest degradation thresholds for major forest ecosystem types at the global scale.

Once those thresholds are clearly defined, they may be introduced explicitly by PEFC in their standard.

PEFC shall introduce safeguards to minimize the risk of degradation that fall beyond the direct responsibility of the firm.

5. Explicit inclusion of HCS forest protection in the standard

Problem: The definition of HCS zones is not explicitly mentioned in the standard's frame of reference. There is no specific reference to the HCS methodology, the standard refers to "areas of significantly high carbon stocks".

Possible improvements to be discussed :

PEFC should introduce explicitly the protection of HCS forest in the standard.

6. Explicit inclusion of HCV forests protection or the use of an independent assessment of HCV forests

Problem: The notion of HCV is covered by the reference to "ecologically important forest areas". The definition in the generic standard is narrower than the definition of HCV forests.

Possible improvement to be discussed:

PEFC could explicitly introduce the protection of HCV forests in the generic standard

PEFC could introduce a requirement to follow the guidelines developed by the HCV Resource Network, which includes prescriptions on how to identify HCVs, and some additional safeguards to ensure that i. there are no conflicts of interest of the HCV assessor; and ii. The

assessment meets certain quality standards. For example, the HCV assessment needs to be conducted by an independent licensed assessor, and the assessment needs to be reviewed by an independent quality assurance panel. Some certification schemes, e.g. RSPO, require to conduct an HCV assessment through the HCV Resource Network.

If the introduction of the HCV framework is not possible in the standard, PEFC could finance an independent and exhaustive assessment of its national standards aimed at verifying and reporting the equivalence between the indicators used to guarantee the protection of “ecologically important forest areas” and those usually used by HCV assessment.

7. Proposed alternatives to reduce barriers to certification for small-scale producers

Problem: PEFC proposes group certification, but it is still demanding for most small producers in the South and, overall, it is seldom used in the tropics

Possible improvements to be discussed:

To be developed by PEFC.

8. Improving content of and access to certification reports

Problem: Audit reports are not always easily accessible. More, audit reports published only contain details about the issues of non-compliance encountered and their solutions. How compliance is assessed in these public reports is not described.

Possible improvements to be discussed:

Making full audit reports available including the evidence stated by auditors to assess compliance with indicators.

The full reports should be made available online in digital form so that anyone can easily verify that the same minor non-conformities are not repeated during certification cycles, for example, or that there really is continuous improvement evidenced by a regular and systematic decrease of minor non-conformities over time.