

## Validation Report PEFC Germany

The Board of Experts declares that it has validated the PEFC Germany certification system for all its FMU's and the related Chain of Custody, against the criteria as laid down in the Keurhout Protocol for the Validation of Certification Systems, version June 30, 2006:



This report may only be issued integrally

The following documents have been included in the validation:

- PEFC in Germany, System description for certification of sustainable forest management, German Forest certification Council, 19 January 2005. (SD)
  - Appendix I. Criteria, guidelines and indicators for SFM on regional level, GFCC, 19 January 2005.
  - Appendix II. Voluntary self commitment, GFCC, 19 January 2005 (VC)
  - Appendix III. PEFC Standards for Germany. Guideline for SFM for the incorporation of forest owners into the regional frame work. (St.)
  - Appendix IV. Manual for site audits, GFCC, 19 January 2005, amended 5 July 2005. (Aud)
  - Appendix V. Statutes of PEFC Germany e.V. Assembly of PEFC Germany 16 June 2000, amended 05 July 2005. (Stat)
  - Appendix VI. Model statutes and terms and conditions for regional PEFC working groups, GFCC, 19 January 2005. (M Stat)
  - Appendix VII. Scale of fees, GFCC, 9 March 2000, changes 22 October 2001. (Fe)
  - Appendix VIII. Procedure for dispute settlement, GFCC, 5 July 2005. (DS)
  - Appendix IX. German translation of Annex 4 of PEFC Council Technical Document
  - Appendix X. Procedures for standard revision, GFCC, 11 January 2006 (StR)
- PEFC Council Technical Document, 27 October 2006. (TD)
  - Annex 1, PEFC Terms and Definitions, 29 October 2004. (Def)
  - Annex 2, Rules for Standard Setting, 29 October 2004. (RSS)
  - Annex 3, Basis for Certification Schemes and their Implementation, 29 October 2004 (BSC)
  - Annex 4, Chain of Custody of Forest Based Products- Requirements, 17 June 2005. (CoC)
  - Annex 5, PEFC Logo Use Rules, 27 October 2006.(LU)
  - Annex 6, Certification and Accreditation Procedures, 27 October 2006. (CAP)
  - Annex 7, Endorsement and Mutual Recognition of National Schemes and their Revision, 27 October 2006. (EMR)

Other materials integrated in the validation:

1. Legislation (as being discussed)
2. Audit reports for the PEFC regions Niedersachsen (DQS, May 2007), Nordrhein-Westfalen (LGA/Intercert March 2007) and for Forstamt Fuhrberg and Forstamt Hannover Münden (Niedersachsen)
3. [www.pefc.org](http://www.pefc.org)
4. [www.pefc.de](http://www.pefc.de)

Next to the documents mentioned above various other documents appearing on the PEFC Germany website are relevant and have been taken into account in this validation as well as information provided during the Keurhout on site mission 11-13 July 2007.

**GLOSSARY**

AUD	Appendix IV. Manual for site audits, GFCC, 19 January 2005, 5 July 2005
BoE	Keurhout Board of Experts
BSC	Annex 3, to PEFC Technical Document, Basis for Certification Schemes and their Implementation, 29 October 2004
CBD	Convention on Biodiversity
CITES	Convention on International Trade in Endangered Species
CB	Certification Body
CoC	Chain of Custody
Def	Annex 1, PEFC Terms and Definitions, 29 October 2004
DS	Appendix VIII. Procedure for dispute settlement, GFCC, 5 July 2005. (DS)
EIA	Environmental Impact Assessment
EMR	Annex 7, Endorsement and Mutual Recognition of National Schemes and their Revision, 27 October 2006
EMS	Environmental Management System
EN	European Norm
FE	Appendix VII. Scale of fees, GFCC, 9 March 2000, changes 22 October 2001.
FMU	Forest Management Unit
GFCC	German Forest Certification Council
GIS	Geographic Information Systems
ha	hectare
ILO	International Labour Organization
ISO	International Standards Organization
KH	Keurhout
KH-SYS	Keurhout Protocol for the Validation of Certification Systems
LU	Annex 5, PEFC Logo Use Rules, 27 October 2006.(LU)
M-STAT	Appendix VI. Model statutes and terms and conditions for regional PEFC working groups, GFCC, 19 January 2005.
NC	Non-Conformity
NGO	Non-Governmental Organization
NTFP	Non-Timber Forest Products
NTTA	Netherlands Timber Trade Association
PEFC	Programme for the Endorsement of Certification Systems
PEFC-GE	PEFC Germany
RSS	Annex 2, Rules for Standard Setting, 29 October 2004. (RSS)
RWG	Regional Working Group
SFM	Sustainable Forest Management
SD	PEFC in Germany, System description for certification of sustainable forest management, German Forest certification Council, 19 January 2005. (SD)
ST	Appendix III. PEFC Standards for Germany. Guideline for SFM for the incorporation of forest owners into the regional frame work. (St.)
STAT	Appendix V. Statutes of PEFC Germany e.V. Assembly of PEFC Germany 16 June 2000, amended 05 July 2005. (Stat)
TD	PEFC Council Technical Document, 27 October 2006. (TD)
UNCCC	United Nations Conference on Climate Change
UNFF	United Nations Forum on Forests
VC	Appendix II. Voluntary self commitment, GFCC, 19 January 2005

## 1) Validation process

In spring 2007 Keurhout (KH) undertook a validation of the PEFC Germany system (PEFC-GE). The validation was implemented against the *Keurhout Protocol for the Validation of Certification Systems (KH-SYS)*, which was developed in 2005 by the Netherlands Timber Trade Association (NTTA) and latest amended 31 May 2006. The validation concerns the entire PEFC-Germany system and covers the Sustainable Forest Management of 7.187.743 ha's divided over 6.777 Forest Management Units (FMU's) under 13 SFM certificates and Forest Associations with more than 200.000 members. The chain of custody (CoC) covers 785 certificates.

The KH-SYS protocol consist of five parts. Part I is the Validation procedure, the other four parts are normative documents regarding SFM (Part II), CoC (Part III), Certification Bodies (Part IV) and the organisation and stability of the Certification System itself (Part V). The requirements are structured in the form of criteria with indicators grouped under various Principles. All criteria of the standards contained in Parts II to V are being assessed. Indicators serve as practical parameters to assess compliance with the criteria. Compliance with all criteria leads to a positive decision on the validation of the certificate.

In March 2007 the KH Board of Experts (BoE) received a request from a KH-participant to validate the PEFC Germany system at *system level*. This was followed by a formal request from PEFC-GE. During April/May 2007 a validation study took place which included a desk study of relevant documents and several communications with the managing director of PEFC-GE.

Through the desk study a detailed comparison was made between PEFC-GE documents and the requirements of KH-SYS. Additional questions were asked concerning aspects that were not quite clear or did not seem to be covered by the German approach at first glance.

Inspite of this communication the BoE felt the need of further clarification of certain issues such as the relationship between regional plans and management plans at the FMU level, monitoring aspects, and impacts of forest management on bufferzones, aesthetic values etc. To that end a field mission was launched (11-13 July 2007). The goal of the mission was to fill gaps in information and obtain understanding of the practicalities of German forestry and PEFC-GE. During the mission field visits were made to a State Forest Management Unit (FMU) of Nieder-Sachsen (Forstamt Münden) and a sawmill which processes 13.000 m<sup>3</sup> deciduous roundwood. The Keurhout mission had the opportunity to observe a real surveillance audit which the certification body DQS undertook at the FMU.

## 2) PEFC Germany

PEFC-GE is a certification scheme which has incorporated some of the normative documents of PEFC. The basic document is: "PEFC Germany, System description for certification of sustainable forest management", amended 5 July 2005. It has ten appendices. These documents are complemented by the following PEFC documents to cover the full scope of the system.

- Annex 5, PEFC Logo Use Rules, 27 October 2006.(LU)
- Annex 6, Certification and Accreditation Procedures, 27 October 2006. (CAP)

PEFC-GE comprises all the issues required for forest certification: requirements for forest management, CoC, and the accreditation and quality of external auditing. PEFC-GE has been endorsed by PEFC International.

### Organisation of PEFC Germany

The PEFC-GE system is run by a registered association under the name PEFC-Germany. Natural and legal entities can become regular members. The executive bodies of the association are the General Assembly, German Forest Certification Council (GFCC) and the Board. The Board appoints the Managing Director. The operational office is in Stuttgart.

### Standard setting and revising

The GFCC is the decision making body, deciding on certification criteria and indicators for sustainable management (Appendix 1 and Appendix 3) as well as on the description of the system. Revision takes place every five years. The GFCC installs, at the start of the revision process two working groups to manage the revision process. One working group shall deal with the development of the indicators for the regional level and of the criteria for SFM on the operational level. The other working group shall revise the procedures as defined in the description of the system and its appendices which are not referring to indicators and criteria.

Members of PEFC-GE and all interest groups which will not have become members of the GFCC or the regional working groups, yet, will be invited to join these bodies and the revision process.

### Certification process

“Presently, regional certification is the only operational certification under PEFC Germany”, (System Description 6.2.1.). The 13 PEFC-Regions concord with the German states (Ländern). According to PEFC-GE, regional certification is the best option to ensure that the large number of small family forest enterprises in Germany are not discriminated. Regional Working Groups (RWG) are the applicants for certification. The RWG is a legal entity. Natural and corporate bodies can become member of the RWG. Members are forest owners, representatives of communal and state forests, market partners, environmental organisations etc.

Each Regional Working Group establishes a Regional report for five years. The national inventory data (Bundes Wald Inventur) provide the basis for the Regional report. The Regional report addresses all the Helsinki criteria and derived indicators as described in Appendix 1 to the PEFC Germany System Description. For a selection of minimum ten indicators concrete targets are set for the entire region including those forests which have not joined the regional certification. More than fifty % of the area must have joined the Region certification. In practice, certified forests cover round seventy % in the majority of the regions. All State Forests are being Certified according to PEFC-GE. The Regional report has to be submitted to the German Forest Certification Council for approval.

Individual Forest owners, public, associate and private, may join the regional certification by (i) entering into an individually signed self commitment or (ii) based on the majority decision of a forestry association. With the self commitment the forest owner documents that the forest area which he owns is run according to the German PEFC standard (Annex III of the System Description). He will also make use of certified contractors as they are around. Signing of the voluntary self commitment means also the obligation to provide access to the auditor send by the Certification Body. Forest owners can terminate participation anytime. In any case only the timber harvested from the forests of the participating forest owners can be considered as coming from a certified forest and can therefore be labelled with the PEFC trademark logo under contract in accordance with the PEFC rules.

Implementation of the regional plan is ensured with the state forests and those non-state forests which are managed by the State Forest Service through the commitment of the State Forest Service to the regional plan. Other forest owners, including those owners who are not participating in the certificate are advised by the Forest Service and forest associations.

The Regional Working Group is responsible for adequate implementation of the plan and has to have procedures in place for monitoring and improvement.

The Regional Working Group sends an application for certification to a Certification Body which is accredited by the German Accreditation System (DAP), specifically for assessing conformity with PEFC-GE. The application must include the regional forest report and documented procedures for system stability. Certificates are granted to the RWG's for five years.

Annual surveillance audits are carried out to monitor compliance with system stability requirements and compliance with SFM requirements at the FMU level. Results of audits are being fed back into the Regional Plan and to the management of FMU's. The PEFC-GE system manager organises meetings in the forests with all Certification Bodies to assure common interpretation of requirements.

### **3) Results of the validation**

The system has been assessed against the four normative documents of the Keurhout System validation process.

The summary of the findings of the Board of Experts is presented below. Under each Principle (P) the assessment of the related criteria is briefly summarized. This summary is captured in an overall validation per Principle with the following indication:

OK = Satisfactorily addressed

OK - = Minor deficiency

- = Major deficiency

Validation Part II a: Requirements regarding the forest management system.

P 1 OK	The organisation responsible for the management of the forest shall act according to the law.
<p>Three criteria come under this principle.            The criteria regard legal entity, registration, the right to harvest and royalties and fees. The German legislative system in combination with the requirement of legal conformity of all participating companies in Appendix III to the PEFC Germany System Description covers the criteria sufficiently. (SD: St 6;)</p>	
P 2 OK -	The organisation responsible for the management of the forest shall have an adequate forest management system.
<p>Seven criteria come under this principle.            Criteria regarding a responsible management body, a clear forest management unit, commitment to long term objectives, complying with (international) legislation, management plan, and qualified personnel are considered to be fulfilled satisfactorily. The last criterion 2.7 <i>The management body operates a forest management system, according to ISO 9001 or ISO 14001 or based on a comparable systematic approach</i> is split up in 4 sub-criteria. The first sub-criterion considers the planning part. That aspect is covered satisfactorily. The other three parts, which refer to monitoring operational aspects and the impact of operations and the feed back of the results into the planning, are covered at the level of the region, but not guaranteed at the FMU level. <i>(Keurhout requires monitoring at the level of the FMU, but that requirement does not seem realistic for holdings with an average size of 4 ha's. Presently monitoring of individual holdings is being implemented through the system of sample external audits However a requirement for a management process, plan, do, check and improve is now being considered for forest holdings with a minimum size of 50 or 100 ha.).</i> (SD 5; 6; 7; 8; VC; St 1; 4; 5; 6; G1;)</p>	

Conclusion:

Based on the above observations, requirement Part II.a is considered to be sufficiently met, considering the fact that the requirement for monitoring and feedback mechanisms at the regional level and the audits at FMU level compensate at least partly for the lack of such a requirement at the FMU level and further under the condition that a requirement for a management process (plan, do, check and improve) for forest holdings with a minimum size of 50 or 100 ha. will be incorporated in the standard at the next revision in 2010.

Validation Part IIb: Requirements regarding the forest management performance.

P 1 OK	The regulatory functions of the forest shall be preserved.
<p>Four criteria.            Maintenance of soil quality and erosion prevention are addressed adequately by the SFM criteria.. Aspects concerning the water regime, buffer zones along creeks and watershed management are being covered by Nature Conservation legislation. (St 2;3;4; 5;)</p>	
P 2 OK-	The biodiversity of the various ecosystems shall be preserved.
<p>Three criteria.            The PEFC-GE requirements imply identification of the main ecosystems and tree species. With the planning and implementation of felling and hauling procedures damage to regeneration, flora and fauna is being minimized. Monitoring of the actual effect of these procedures is not yet guaranteed by the system for all forest holdings. <i>However a requirement for a management process, plan, do check and improve is now being considered for forest holdings with minimum size of 50 or 100 ha (see comment part II a P 2)</i> (St 4; G1; SD 7)</p>	
P 3 OK	Adverse side effects, resulting from forest management, shall be prevented.
<p>One criterion.            The criterion requires social and environmental impact assessments. These assessments are not explicitly required by PEFC-GE. However, a great deal of information must be collected to fulfil all the PEFC Germany criteria. Social and environmental aspects are adequately taken into account in the planning practice.</p>	

P 4 OK	The timber production capacity of the forest shall be preserved.
<p>Four criteria.</p> <p>Criteria regarding the maintenance of management data, preservation of natural regeneration capacity and implementation of appropriate harvesting systems are well covered. Also minimizing harvesting damage to the residual stand, seedlings and soil is required. Further more, forest management shall take special care of protected biotopes or areas as well as of endangered tree and plant species. (St 1; 2; 3; 4; G1)</p>	
P 5 OK	The production capacity of non-timber forest products (NTFPs) shall be preserved.
<p>Three criteria.</p> <p>Criteria refer to the maintenance of data on NTFP's, local processing of NTFP's and support to the development of the local economy. NTFP's do not play a significant role in the German context. The BoE considers the criteria pertaining to NTFP's as less relevant in the German context. Employees are recruited from the area. Work is contracted to local entrepreneurs and in practice the forest service supplies local processing industry with priority, presuming that it pays competitive prices (St 6).</p>	
P 6 OK	The participation of the local population shall be ensured.
<p>Three criteria</p> <p>Criterion about profit sharing is considered to be not applicable in the German context. The rights and the responsibility of stakeholders are (implicitly) addressed by PEFC-GE. Consultation is required at the regional level for the regional report. A similar requirement for all participating FMU's, with an average size of less than 4 ha, does not seem realistic. In practice planning procedures of larger size forests do involve parties which have an apparent interest in the use and production of the forests (Horse riding, hunting etc) (SD 7).</p>	
P 7 OK	The social and economic well being of the local population and employees shall be ensured.
<p>Four criteria.</p> <p>The requirements regarding working conditions, training, health and safety are adequately addressed. The forest owner shall work towards a high value and economic success (St 3.1.) A number of specialised staff is maintained.(St 6.1.)The criterion regarding job opportunities for the local population is regarded to be sufficiently addressed in the German context. See also comment under P 5. (St Legal; 3; 6).</p>	
P 8 OK -	Socio-cultural forest functions and utilisation by indigenous and other people living in and around the forest shall be respected.
<p>Four criteria.</p> <p>Inclusion of requirements pertaining to traditional land use rights, other than the rights of the land owner, and traditional use of NTFP's are not considered opportune in the German context. PEFC-GE requires respect to Religious and Cultural areas, Aesthetic value is not yet explicitly addressed in the PEFC Germany system. However the system manager will advice to include aesthetic value in the next revision of the standard in 2010 (St 6).</p>	
P 9 OK	Negative social impacts caused by forest exploitation shall be reduced.
<p>One criteria.</p> <p>The criterion concerns compensation for damaged property. German legislation arranges damage claims and compensation. Therefore inclusion of such a criterion in the German standard would be redundant (St legal).</p>	

#### Conclusion:

Based on the above observations, requirement Part II.b is considered to be sufficiently met under the condition that a criterion for the respect of aesthetic value will be incorporated in the standard at the next revision in 2010.

Validation Part III: Requirements regarding the chain of custody

P 1 OK-	The timber shall be traced and monitored from the moment of felling through all its possible stages of processing and transport up to the moment of being imported in the EU.
<p>Five criteria.</p> <p>PEFC-GE has included the PEFC requirements as to CoC and the use of the PEFC logo. These requirements comply with the Keurhout criteria. The main issues are: parties in the CoC have a certified management system according to ISO norms, This implies the registration and documentation of production, processing, storage, transport and sales and the distinguishing between certified and non-certified timber products. In case of mixed products the certified products should at least be mixed with timber(products) from legal origin. As the German legislative system requires and enforces registration and valid licenses, the CoC standard does not need to include such a requirement. With respect to timber from controversial sources Appendix 7 to PEFC Annex 4 has been adopted, which requires self-declarations of suppliers in controversial areas and control by second parties. This principle is well covered for all timber sourced from German sources. As wood is also imported from countries like Czech Republic and former Yugoslavia, it is important to ensure the implementation of third party control of the second party control systems on provider's self-declarations. Annex 4 and Appendix 7 prescribe this. PEFC-GE is aware of the importance of proper monitoring in this respect by accredited CB's.</p>	

Conclusion:

Based on the above observations, requirement Part III is considered to be met for all timber originating from PEFC-GE certified forests. With respect to CoC companies, that also receive/procure wood raw materials from foreign sources, compliance with Appendix 7 to PEFC Annex 4 is applicable, indicating that the availability of self declarations and a functional secondary control system - which shall be properly verified by accredited CB's - is obligatory. Herewith, validation requirement Part III is considered to be met.

Validation Part IV: Requirements regarding the certifying body

P 1 OK	The certification body shall be able to demonstrate that it is capable of assessing forest management and the management system and/or the Chain of Custody.
<p>Seven criteria.</p> <p>The first three criteria concern the expertise and independence of the CB. These criteria are implicitly met as PEFC-GE requires CB'S to be accredited according to EN 45011 by an independent national accreditation body.</p> <p>The following four criteria refer to the assessment scheme. They address audit procedures including the identification of relevant legislation and existing (customary) rights and requirements for the audit report. All these requirements are covered through the accreditation by a national accreditation body.</p>	

Conclusion:

Based on the above observations, requirement Part IV is considered to be fully met.

Validation Part V: Requirements regarding the certification system

P 1 OK	The organisation management shall clearly act independently.
<p>One criterion.</p> <p>The criterion requires that the CS shall be managed by an organisation that is properly structured and contactable. PEFC-Germany is listed in the register of associations in Bonn.</p>	

P 2 OK	The system manager shall be responsible for the quality and monitoring of the Certification System.
<p>Nine criteria.</p> <p>Criteria address: the establishment process of the system, the procedures to implement the system, procedures to monitor compliance with requirements imposed by the system, the access to certification reports, appeal procedures against decisions by the certification body, access to information on the certification system. All of these criteria are being covered by PEFC-GE. Compliance of the Accreditation Body is monitored by the IAF. Compliance of the certification body and its certification scheme for SFM, CoC and Logo rules is monitored by the Accreditation body. Compliance with requirements for system stability, and SFM, CoC and the application of logo's and labels, is being monitored by the Certification Bodies. Compliance of standard setting and any other general aspect of the PEFC Germany system is established every 5 years by PEFC International.</p>	
P 3 OK	The development process of the generic standard, regional and national standards and the standard for the chain of custody shall be fair and transparent.
<p>Two criteria.</p> <p>The criteria pertain to fair transparent standard setting and field testing. PEFC has elaborated Rules for Standard Setting, including the requirement to define written procedures and to undertake field testing.</p>	
P 4 OK	The universal standard and the regional and national standards for Sustainable Forest Management and the standard for the Chain of Custody shall be supported and formally accepted by the system manager.
<p>Two criteria.</p> <p>The PEFC-GE standard is based on the generic PEFC standard and includes the relevant criteria. PEFC has a written procedure for accepting Certification Systems including their standards. PEFC-GE has written procedures for accepting and revising the SFM standards.</p>	
P 5 OK	The standard shall be clearly structured, complete, usable and allow for objective assessment.
<p>Three criteria.</p> <p>The criteria refer to the suitability to apply the standard at the FMU level, consistency in terms of structure and reasoning, and compatibility with national and international laws. These criteria have been met satisfactorily.</p>	
P 6 OK	Certification Bodies shall comply with international accepted standards of professionalism and independency.
<p>Three criteria.</p> <p>The criteria require the CS to set requirements as to the status (accreditation) and professionalism of CB and the procedures they follow. These criteria have satisfactorily been met.</p>	
P 7 OK	Group Certification shall be based on compliance with the performance standards for individual forest management units, respectively CoC participants, and in addition specific requirements regarding group organisation and management.
<p>Three criteria.</p> <p>The criteria require that the Group Certification system specifies the tasks and responsibilities of the group leader and that the standard imposes requirements for the management system and the expertise of the group leader. The management system meets requirements equivalent to those of ISO 9000 or ISO 14001. The BoE considers the assignments to the regional working group to be sufficient guarantee for an adequate application of the management system.</p>	

#### Conclusion:

Based on the above observations, requirement Part V is considered to be sufficiently met.

**Overall conclusion:**

In general it is observed that all four normative parts of the Keurhout System are being sufficiently covered by the requirements of the PEFC Germany system in the context of the German legislation and forest management tradition, and providing that three conditional observations are being met.

The BoE **accepts** the PEFC Germany system as described in the studied documents which constitute the system under the following conditions:

- 1) A requirement for a management process (plan, do, check and improve) for forest holdings with a minimum size of 50 ha will be incorporated in the standard at the next revision in 2010.
- 2) A requirement to respect aesthetic value will be incorporated in the standard at the next revision in 2010.

*And further:*

*Keurhout considers it the responsibility of PEFC-GE. to provide Keurhout with full copies of annual surveillance audit reports, related to the FMU's and related CoC, whenever requested.*

*PEFC-GE. shall inform Keurhout at least one month in advance on any changes of its standards as well as of changes in relevant legislation and/or regulations.*

*PEFC-GE. shall provide Keurhout once every six month's with an up-dated overview of all valid certificates and of the companies that comply with the additional KH-CoC conditions.*

*Admitted CoC companies shall comply with the following:*

*CoC companies admitted to the KH Sustainable system shall inform their KH-partners on the % of certified timber; it will be defined per load whether timber can be classified as KH-level 1 (100 % KH-Sustainable), KH-level 2 (70 - 99 % KH-Sustainable and the rest legal origin timber) or no Keurhout at all (any other option).*

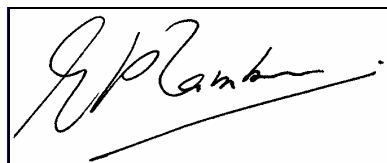
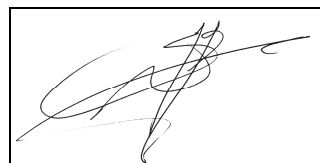
*Failure to do so may result in suspension of the admission to the Keurhout Sustainable system.*

Date: October 25<sup>th</sup>, 2007

Signed:

Ir. E.P. Zambon

Prof. C.J. Jepma

(Secretary)

(Chairman)