



Annual Review

PEFC Council

Programme for the Endorsement
of Forest Certification schemes

2007

PEFC's vision: **A world in which
people manage forests sustainably**



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Chairmen and Secretary General

Chairman	Michael Clark
1st Vice Chairman	Antti Sahi
2nd Vice Chairman	Bob Simpson
Secretary General	Ben Gunneberg

Board of Directors

Björn Andrén
Sébastien Genest
Kathy Bradley
Hans Köpp
Karen Brandt
William Luddy
Hans Drielsma
Felix Montecuccoli
Andrey Frolov
Bill Street



A letter from the Chairman Michael Clark and the Secretary General Ben Gunneberg

2007 will be remembered as a turning point for the PEFC. The last 8 years have seen PEFC develop from a small regional scheme into the global leader in certified area and volume. It was fitting therefore that in 2007 the PEFC undertook a major strategic review. This included a location review, a governance analysis and an image and impact study, which informed the discussions and debate amongst the membership and assisted in the development of a strategy.

The resulting strategy, unanimously approved by the members at the October General Assembly, marks a significant switch in the strategic direction from production to market access orientation. Over the next ten years PEFC predicts that 45% of the world's industrial roundwood production capacity will be certified, providing an increasing feedstock to the market place and meeting the rapidly growing demand for certified forest products. PEFC expects to deliver over 60% of this market share.

PEFC has also undertaken to proactively develop its rules and standards to make them more relevant to actual issues directly applicable to the needs of the supply chain, by making them easier to understand and operate without diluting their rigour. PEFC will also engage more actively with key stakeholders and international institutions and to best deliver the new strategy has decided to move its international office to Geneva.

The General Assembly approved a threefold increase in core funding, and together with the ongoing governance review, the development of a marketing and communications strategy and plan, the move to Geneva and an increase in staff numbers to deliver improved services to customers, it is clear that 2008 will be another landmark in the development of the PEFC.

In addition, 2007 saw the opening of a PEFC Office in Beijing, China to complement the work of the Japan office; a 20% increase in the numbers of Chain of Custody certifications; the endorsement of one new scheme and one amended scheme with 12 more schemes at various stages in the endorsement or re-endorsement process. PEFC has provided training for endorsement assessors, peer reviewers and national secretaries and published an online CD and new documentation including the resolution of complaints and appeals. Several databases have also been created and improved including new search facilities on the validity status of certificates.

A global resource of certified wood has been successfully created with activities in place to increase the area, volume and universal acceptance of certified wood in the market place. PEFC is dedicated in developing and improving current and new products for the market place and its customers worldwide, providing synergies and support mechanisms to address the increasing public demands for sustainability including mechanisms to address illegal logging, climate change and carbon accountability.

Michael Clark
Chairman

Ben Gunneberg
Secretary General

List of PEFC Council members

Country	Member organisation	Website
Australia	Australian Forestry Standard Ltd	www.forestrystandard.org.au
Austria	PEFC Austria	www.pefc.at
Belarus	Belarusian Association of the Forest Certification System*	http://en.belgiproles.by
Belgium	PEFC Belgium	www.pefc.be
Brazil	INMETRO (on behalf of CERFLOR)	www.inmetro.gov.br/english
Cameroon	Cameroonian Association of the Pan African Forestry Certification*	
Canada	CSA International	www.pefccanada.org
Chile	CERTFOR Chile	www.certforchile.cl
Czech Republic	PEFC Czech Republic	www.pefc.cz
Denmark	PEFC Denmark	www.skovforeningen.dk
Estonia	Estonian Forest Certification Council*	
Finland	Finnish Forest Certification Council	www.ffcs-finland.org
France	PEFC France	www.pefc-france.org
Gabon	PAFC Gabon*	
Germany	PEFC Deutschland	www.pefc.de
Ireland	PEFC Council of Ireland*	
Italy	PEFC Italia	www.pefc.it
Latvia	PEFC Latvia Council	
Lithuania	PEFC Lithuania Council*	www.forest.lt
Luxembourg	PEFC Luxembourg	www.pefc.lu
Malaysia	Malaysian Timber Certification Council*	www.mtcc.com.my
Norway	PEFC Norway	www.pefc norge.org
Poland	PEFC Polska*	
Portugal	Conselho da Fileira Florestal Portugesa	www.pefc-portugal.cffp.pt
Russia	National Voluntary For Certification Council, Russia (on behalf of RSFC* and RNCF*)	
Slovakia	Slovak Forest Certification Association	www.pefc.sk
Slovenia	Institute for Forest Management (Slovenia)	www.pefc.si
Spain	PEFC España	www.pefc.es
Sweden	Svenska PEFC ek	www.pefc.se
Switzerland	HWK-Zertifizierungsstelle	www.wvs.ch
United Kingdom	PEFC UK Ltd	www.pefc.co.uk
United States of America	Sustainable Forestry Initiative (on behalf of SFI and ATFS*)	www.sfiprogram.org
Uruguay	Sociedad de Productores Forestales del Uruguay*	www.spf.com.uy

List above as of 31 December 2007.

Note: *The national certification system is not endorsed by the PEFC Council. Only PEFC endorsed certification systems can trade their certified wood, paper and timber products as PEFC certified.



PEFC Council membership and endorsements

PEFC Council members

Two new countries joined the PEFC Council in 2007: Cameroon and Uruguay.

- Cameroonian Association of the Pan African Forestry Certification
- Sociedad de Productores Forestales del Uruguay

PEFC endorsements

One national forest certification system successfully underwent the PEFC endorsement process through independent external consultants and subsequently was endorsed by the PEFC Council: Slovenian Forest Certification Scheme.

One national forest certification system has been amended and underwent the PEFC endorsement process through independent external consultants and subsequently was endorsed by the PEFC Council: Italian Sustainable Poplar Plantation Management Standard as an additional and integral part of the previously endorsed Italian Forest Certification Scheme.

PEFC Council extraordinary members

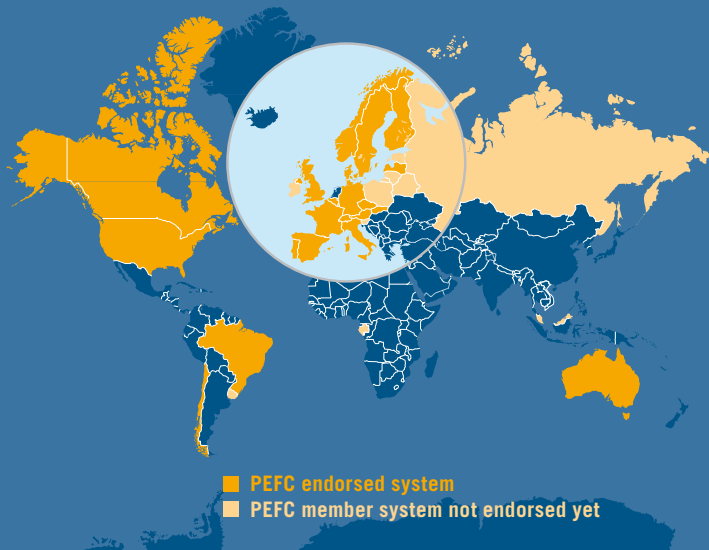
The following international associations hold PEFC Council extraordinary membership:

- Confederation of European Forest Owners (**CEPF**)
- Confederation of European Paper Industries (**CEPI**)
- European Confederation of Woodworking Industries (**CEI-Bois**)
- European Federation of Community Forests (**FECOF**)
- European Landowners' Organisation (**ELO**)
- European Network of Forest Entrepreneurs (**ENFE**)
- European Timber Trade Association (**FEBO**)
- European Tissue Symposium (**ETS**)
- Manufacturers of Educational and Commercial Stationery European Association (**MECSEA**)
- Union of European Foresters (**UEF**)
- Union of Silviculturalists of Southern Europe (**USSE**)



Details on all PEFC endorsed certification systems and the independent assessors' full reports, on which the PEFC Council members based their decisions for endorsement and re-endorsement, are available at www.pefc.org > Members & Schemes

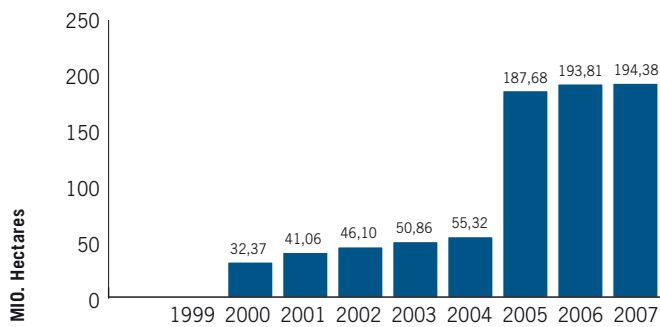
PEFC Council milestones in 2007



PEFC – Global platform for the mutual recognition of forest certification systems

There are 33 countries from 6 continents which are part of the PEFC Council. National forest certification systems in 23 of these countries have gone through the rigorous PEFC assessment and endorsement process and have successfully implemented equally high standards for forest certification systems in their countries. Only PEFC endorsed certification systems can participate in the global trade of PEFC certified products and use the PEFC logo on their products.

PEFC certified forests



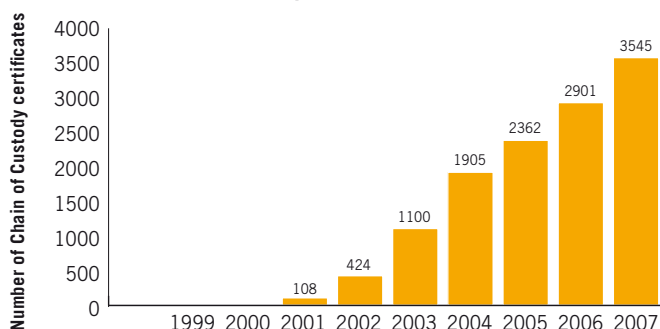
PEFC's global growth and developments

The area of PEFC certified forests reached 194 million hectares (480 million acres) globally in 2007.

PEFC is the world's largest source of certified wood accounting for nearly 68 % market share of the area supply.

Companies with paper and timber products continue to choose PEFC Chain of Custody certification for their businesses. In 2007 the number increased by another 600 enterprises, with a total of more than 3500 globally now, an increase of 20%. A large increase of Chain of Custody certificates was observed in Canada, the United States, the UK, Switzerland and Netherlands. Countries including India, New Zealand and the Philippines saw their first Chain of Custody certificate.

PEFC certified companies



The accuracy and validity of the status of issued certificates is essential for the credibility of forest certification. A new database service to the supply chain, customers and the market place now ensures that certificates whose validity expires are automatically removed from the valid status in the PEFC database and are not anymore taken into consideration in the PEFC statistics.

All PEFC certified companies are listed in the PEFC Council database, which is available at www.pefc.org

The database contains:

- Forest and Chain of Custody certificate holders
- PEFC logo users
- PEFC notified certification bodies
- Summary information by country



Country	Endorsed certified forest area (ha)	Chain of Custody certificates
Australia	8 674 169	15
Austria	3 960 200	239
Belgium	255 122	105
Brazil	973 830	2
Canada	76 022 900	90
Chile	1 681 578	15
China *	0	8
Czech Republic	1 849 754	221
Denmark	206 395	18
Finland	20 719 735	113
France	3 318 556	957
Germany	7 272 106	601
Hungary *	0	3
India *	0	1
Ireland *	0	1
Italy	641 774	71
Japan *	0	42
Latvia	80 761	3
Luxembourg	25 469	6
Malaysia *	0	1
Morocco *	0	1
Netherlands *	0	53
New Zealand *	0	1
Norway	7 537 102	10
Philippines *	0	1
Portugal	0	7
SFI (USA & Canada)	54 565 945	23
Slovak Republic	862 067	6
Spain	1 047 989	108
Sweden	4 289 287	72
Switzerland	403 916	228
UK	0	523
Total	194 388 657	3545

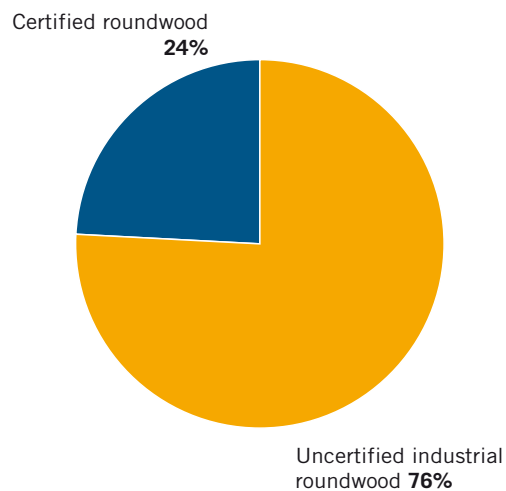
Data above as of 31 December 2007.

Note: * A number of timber and paper processing or trading companies in the country hold the international PEFC Chain of Custody certification where there is no national PEFC endorsed certification scheme.

PEFC – World's largest resource of certified wood

Two thirds of all certified forests globally have received endorsement by PEFC. This makes PEFC the world's largest resource of certified wood. The *Forest Products Annual Market Review 2006-2007* of the United Nations Economic Commission for Europe UNECE estimates the roundwood production from certified forests in the UNECE region at about a quarter of the global production, an estimated 387 million m³ (2007).

Global industrial roundwood production certified





PEFC Council Strategic Plan summary

After eight years of operation, the PEFC Council has taken the opportunity to review and revise its “raison d’être” and also to develop a five year strategic plan to take the organisation forward.

PEFC Council Mission Statement

- Vision** A world in which people manage forests sustainably.
- Mission** To give society confidence that people manage forests sustainably.
- Purpose** Through the endorsement of national certification systems, PEFC motivates and enables people to sustainably manage their forests and works to provide a market for the products of those forests.

The full Strategic Plan can be viewed at www.pefc.org > Documentation > PEFC Council Strategy



Strategic Plan objectives

PEFC's core objective is to consolidate clear market leadership, over the long term, in the credible certification of sustainably managed forests and to leverage this leadership to the measurable benefit of its members and stakeholders throughout the whole forest products supply chain. The achievement of this overall strategic objective will be delivered via three individual, but inter-related, operating strategies:

Growth objectives

- Over the next ten years, PEFC plans to maintain its current share of over 60% of the total global capacity of certified industrial roundwood thus providing an increasing feedstock of certified material to the market.
- Growth will be achieved by targeting key geographic regions, which can be demonstrated to provide most synergy with the needs of existing members and logo users and where PEFC's strengths, competences and skills can be most effectively employed.

Market access and communications objectives:

Market access

- To ensure free, open markets for PEFC's certified products throughout the world, measured in terms of market acceptance.
- To adopt a long term target of achieving a market share of 50% of usage (currently 36%) as measured by Chain of Custody certifications.
- The main growth in Chain of Custody certifications will come from outside Europe, notably North America, the Asia/Pacific area and Latin America.
- To increase PEFC's value to key stakeholders and international institutions.

Improved communications

- The development of a communications strategy in line with the overall PEFC strategy.
- Communicate PEFC's activities to ensure increased awareness of PEFC.
- Increase credibility and acceptance of the PEFC brand.

Governance and operational elements objectives

Following a review, to update the rules and standard of the PEFC Council to make it more effective by:

Governance issues

- Improving external perceptions of PEFC's governance.
- Making the PEFC organisation more effective.
- Ensuring that PEFC's rules and standards are simple and easy to understand, implement and operate.
- Ensuring that PEFC robustly implements and continuously monitors its own requirements at all levels.
- Removing obstacles to dialogue with international ENGOs.

Operational structure of the PEFC Council Secretariat and the NGBs (National Governing Bodies or member systems)

- To support, strengthen and grow the combined central and regional structures of PEFC to deliver the overall strategy.
- To have a central resource which can deliver strategies agreed by the General Assembly in a cost effective manner and which supports the NGB structure.
- Proactively implement change and steer the NGBs by regular performance measurement.
- To reorganise and if necessary relocate the central resource to support the above objective.
- To reinforce the current organisation by adding additional professional competencies capable of implementing the strategic plan and to provide appropriate and necessary NGB support.



PEFC continues development of forest certification

Panel of Experts

The “Panel of Experts peer review of the assessment report” is mandatory for all assessments and reassessments of certification schemes since October 2006. The composition of the Panel of Experts represents a broad range of interests including Forestry, Certification and Accreditation processes, NGOs (including social and environmental interests) and Market Access. In 2007 new interim principles have been developed to ensure complete transparency in the reporting of each individual panel member’s view and of the consultant’s response. The CV’s of the Experts are available at www.pefc.org > *About PEFC* > *Who’s who* > *Panel of Experts*.

Joint statement by Social NGOs

PEFC, together with the Building and Wood Workers’ International, the European Network of Forest Entrepreneurs and the Union of European Foresters, assigned under the Major Group “Social NGOs” to the Multi-Stakeholder Dialogue at the 5th Ministerial Conference of the Protection of Forests in Europe, released a mutual statement affirming that they will make every effort to support putting the commitment of the Warsaw Declaration towards *Forests for Quality of Life*. They will play their role as an essential bridge between the commitments and demands from society and industry for development. The statement is available at www.pefc.org > *Documentation* > *Reports*.

New PEFC Council standards and requirements

In process of its continuous improvement, the PEFC Council regularly develops and amends its extensive requirements that forest certification systems need to fulfil for their PEFC endorsement.

As part of its review and strengthening of its Governance procedures, the PEFC Council has re-confirmed its complaints and appeals procedures at international level in the form of a Guideline "PEFC Council Procedures for the Investigation and Resolution of Complaints and Appeals (GL 7/2007)". This guideline details procedures for complaints and appeals to the PEFC Council which concern decisions and/or activities of the PEFC Council or its members.

The PEFC Technical Document and Annexes were also reviewed and updated, primarily for clarifications on wording and other editorial changes. Copies of all new documents are publicly available at www.pefc.org > **Documentation** > **PEFC Technical Documentation**.

PEFC Interactive Statistics Database providing new services



As a new service to the supply chain, customers and the market place, PEFC has developed and implemented a new search function on

the status of all certificates listed on its database. All certificates can now be searched under the following categories: valid, suspended, withdrawn, expired, other – not PEFC recognised. The new function ensures that certificates whose validity expires are automatically removed from the valid status. The PEFC Interactive Statistics Database is available at

www.pefc.org > **PEFC Interactive Statistics Database**

In addition the PEFC Council Interactive Database has been revised and amended on several occasions in 2007. The Interactive Database listing all PEFC certified companies has received a new layout and a new search function for certification bodies has been added. The latter change was necessary due to a new PEFC requirement for the notification of certification bodies.





National Secretaries of PEFC Council member countries



Representatives of PEFC member countries

PEFC Council events

Annual meeting of the National Secretaries of PEFC Council member countries

National Secretaries of the PEFC Council member countries met for a training, information and experience exchange workshop in Edinburgh, Scotland. This year's agenda included progress on the new PEFC Strategic Plan, procurement policies for certified forest products and further development of PEFC in the areas of notification and Chain of Custody certification.

PEFC training and promotion seminars

Training and capacity building being central to PEFC's activities, the PEFC Council organised a "PEFC assessors training workshop" and a seminar for companies on the implementation of PEFC's requirements for the avoidance of controversial sources (Annex 4 Appendix 7). Chain of Custody training seminars, organised by the PEFC National Governing Bodies together with the PEFC Council, have been held in Japan, Belgium and the UK.

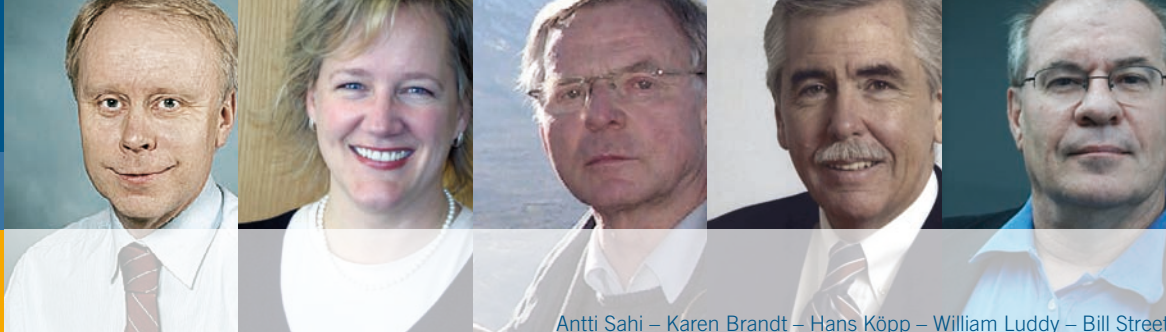
Forest certification systems meet for PEFC Council's General Assembly 2007

The PEFC Council members unanimously agreed PEFC's new Strategic Plan for the coming five years at its 11th General Assembly in Munich, Germany. The new strategy, which lays out PEFC's vision, mission and goals, is the result of an intensive one year development and consultation process. Guest speakers, invited guests, representatives of international organisations and PEFC Council Extraordinary Members attended this important milestone in PEFC's development.

In his keynote speech, Professor Michael Mainelli, founding director of Z/Yen Group Ltd stated that PEFC has a crucial role helping to give society confidence that people manage forests sustainably. He pointed out that the implementation and evaluation of the strategic plan is about the PEFC community making decisions. Professor Mainelli said that PEFC's strategic planning would help set better standards for better markets and better societies.

The outgoing PEFC Board members Paul Wooding and Luis Leal (in absentia) were presented with a certificate for their four years of work on the Board during the General Assembly.

The PEFC Council General Assembly was hosted by PEFC Germany and the PEFC Council General Assembly Reception was sponsored by the Bavarian State Ministry for Agriculture and Fishing and UPM Kymmene, PEFC Chain of Custody holder. During a trip to the Bavarian high mountain forests the participants learned about the implementation of PEFC standards in Germany.



Antti Sahi – Karen Brandt – Hans Köpp – William Luddy – Bill Street

PEFC Council elections for the Board of Directors

At this year's General Assembly, the PEFC Council members elected:

Antti Sahi **Vice Chairman**

Term of Office: 2007-2010

Antti Sahi is the Forest Director of the Finnish Central Union of Agricultural Producers and Forest Owners *MTK*. He is a representative of family forest owners in several national and international forest policy bodies and organisations. He is a graduate forester from the University of Helsinki. He has worked for *MTK* since 1995 and became its Forest Director in 2003.

Karen Brandt **Board Member**

Term of Office: 2007-2010

Karen Brandt has been appointed to the position of vice-president, market affairs of the Sustainable Forestry Initiative (SFI) in 2007. She led the British Columbia Market Outreach Network to ensure market acceptance of and promotions for BC forest products on behalf of the BC forest sector. Mrs Brandt's forest experience includes 6 years as Senior Manager with the BC Ministry of Forests. She has an honours Bachelor of Journalism degree from Carleton University.

Hans Köpp **Board Member**

Term of Office: 2007-2008

Hans Köpp was a Professor for Nature Conservation, Forest Policy and Forest History at the University for Applied Sciences at Göttingen. He has been active for many years in IUFRO and IUCN. He has a continuous record of service on the Boards of several German environmental organisations. He represented the European Environmental Bureau in the EU Advisory Committee for Forestry and Cork. His international experience includes missions for FAO and UNESCO.

William Luddy **Board Member**

Term of Office: 2007-2010

William Luddy is the Executive Director of Labor Management Education and Development Fund of the United Brotherhood of Carpenters and Joiners of America. He serves as a member of the Forest Products Industry National Labor-Management Committee. He is the Political and Legislative Director for the Union in the southwest region of the United States of America and deals with legislative issues affecting the industry at the federal state and local levels.

Bill Street **Board Member**

Term of Office: 2007-2010

Bill Street's experience includes Director of Research and Education of the International Woodworkers of America, Director of the Global Wood and Forestry Program for the International Federation of Builders and Woodworkers, and he is currently an International Representative for the Woodworkers. Bill's experience includes FAO, ITTA, UNFF, The Forest Dialogue and ILO. Bill has worked with forestry projects in Africa, South America and Asia in addition to his work in industrialized countries.



The PEFC brochure "Responsible procurement of wood-based materials from sustainably managed forests – why you need a chain of custody" has been fully revised and updated and is available at

www.pefc.org > Documentation
> PEFC Brochures.

What others say about PEFC

German Government chooses PEFC for its Public Timber Procurement Policy

The German Government decided in 2007 that it will exclusively buy timber and timber products from proven legal and sustainable forest management. PEFC certification will be used as a means of providing such proof.

The Alliance for Beverage Cartons and the Environment sign commitment on wood traceability

Tetra Pak, SIG Holding SA, Elopak, all member companies of the Alliance for Beverage Cartons and the Environment (ACE), committed themselves in 2007 to the systematic use of legal and acceptable wood fibres. This is to be ensured by using independently certified traceability systems according to standards set by PEFC, FSC, or equivalent schemes. The action plan foresees that within 10 years all wood fibres used in beverage cartons worldwide can be traced back to legal and acceptable sources in their forest of origin. On average, 75% of the weight of a beverage carton is made of wood fibres. Together, Tetra Pak, SIG Holding SA, Elopak represent 80% of the global market of beverage cartons.

Xerox chooses PEFC for its paper supply

As part of its long-standing commitment to preserve biodiversity through responsible forest management and to provide customers with “greener” paper choices, Xerox Corporation, the world’s leading document management technology and services enterprise, earned Chain of Custody certification from both the PEFC and FSC. *“As one of the largest global suppliers of cut-sheet paper, we’re now offering our customers the assurance of the highest environmental standards provided by these leading environmental organizations,”* said Steve Simpson, Vice President and General Manager, Xerox Paper and Supplies Business Unit.

PEFC at the 2012 London Olympic Games

The Olympic Delivery Authority (ODA) for the London Olympic Games 2012 *“expects all timber to come from known legal sources. The ODA will also seek to maximise timber from sustainable sources, with appropriate supporting evidence as defined by the UK Central Point of Expertise on Timber (CPET).”* CPET recognizes PEFC, together with other forest certification systems, as an assurance for timber-based products originated from legal and sustainable sources.

The Olympic Delivery Authority’s central job is to deliver the Olympic Park and new venues and infrastructure for the 2012 Games.

British Sky Broadcasting Group uses PEFC

British Sky Broadcasting, operator of the UK’s largest digital pay television platform and a leading broadcaster of sports, movies, entertainment and news, as a significant user of paper products, decided that *“across all communications we now either use recycled paper, paper from mills that make paper certified by the Forest Stewardship Council (FSC) or from sustainable forests (PEFC).”* Sky is using paper in activities such as the customer magazine, direct mail, media inserts, door drops and transactional mail.



New facts on PEFC's website

*A new "Did you know" section on the PEFC Council website provides the facts behind a number of incorrect assertions, including issues such as indigenous people's participation; ENGO support of PEFC; social dialogue; who is entitled to use the PEFC logo and other current topics. This new section is available at www.pefc.org > **Did you know?***



PEFC people
environment
forests
the right choice for certification



Promoting sustainable forest management



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