



A Study on Private Forest Certification in Ireland

Forestry Services Ltd., Western Forestry Co-op,
Euroforest Ltd. and Henry Phillips.

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Foreword

Forest certification is a voluntary process which arose out of concerns at deforestation and over-exploitation of forest resources, particularly in tropical regions. Over several decades certification has become widely specified across a range across a range of wood products, ranging from construction timber to panel products, to joinery and wooden furniture. State-owned forests in Ireland under Coillte have been certified under since 2001.

Although there has been progress in the past few years with the certification of a small area of privately owned forests, this area will need to increase so that sufficient certified material will be available in the coming years for Irish wood processors. While the recent COFORD roundwood forecast projects that the annual potential roundwood supply will increase from 4.7 million cubic metres in 2021 to 7.9 million by 2035, the importance and timely nature of forest certification in the private forest estate is important to owners, wood processors, the construction industry and the wider economy.

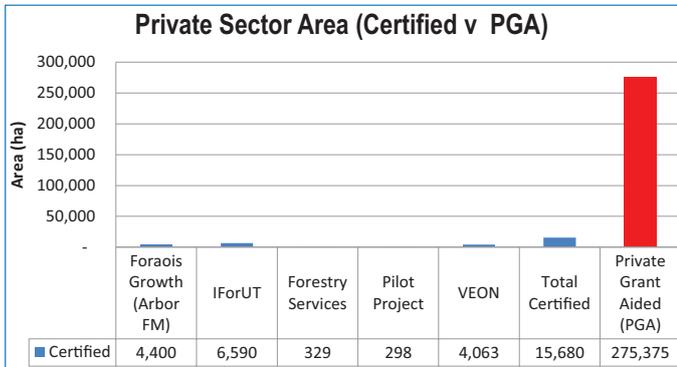
The COFORD Wood Mobilisation and Forecasting Group had a main objective of reviewing and producing the projected future roundwood availability, including forest biomass for energy. As part of this mandate, the group proposed the terms of reference of a study on private forest certification, including options to increase uptake, impact on markets, mobilisation and the impact on future available wood supply. This report recommends and provides the groundwork for the next steps towards a national certification scheme for private forest owners, with support from the forest industry.

COFORD welcomes the action points outlined in this report and realises there is a pressing need to increase private forest certification in the coming years to support market access for Irish wood products. I would like to thank the report's authors and members of the COFORD Wood Mobilisation and Forecasting Group for their work in producing this report and I look forward to its recommendations being implemented.

Eugene Hendrick
Chairman

Executive Summary

The COFORD Wood Mobilisation and Production Forecasting Group Report (2018) identified the lack of certification in the private sector as a potential future barrier to wood sales and mobilisation and recommended that DAFM implement the strategic actions relating to certification in the review of *Forests, products and people, Ireland's forest policy – a renewed vision*. Against this background, *A Study on Private Forest Certification in Ireland* was commissioned.



Task 1 Describe the current status of forest certification: Ireland achieved a high level of forest certification early in the certification timescale with the certification of the Coillte state forests in 2001. Coillte achieved joint Forest Stewardship Council / Programme for the endorsement of Forest Certification (FSC/PEFC) certification in 2014. During the period 2001 to 2018, there was limited uptake by the private sector. Currently, in the private sector, there are 15,680 ha certified representing 5.69% of the

private forest estate. As the proportion of available certified volume has fallen so the need to obtain certified private sector material has risen. Based on experience in the UK, attempts to certify inexperienced, small owners individually or within a Group Certification Scheme will be demanding, expensive and time-consuming. In Europe, FSC and PEFC exhibited steady growth from 2000 onwards. However, over time the FSC progress stalled while the PEFC continued to grow, mainly in privately owned forests. Now in the EU, some 55% of the forest area is certified (94% is under PEFC and 37% is under FSC).

Five comprehensive *survey questionnaires* were developed for private forest owners (PFO), forest owner associations (FOA), forest advisors (FA), private certified groups (PCG) and forest management companies (FMC). The survey was undertaken online using *Survey Monkey* and a total of 160 PFOs, 4 FAs, 4 FOAs, 7 FMCs and 3 PCGs completed the questionnaire. The main findings include that less than half (44%) of PFOs were aware of forest certification with only 36% having awareness of Group Schemes and 8% with knowledge of forest certification costs. A majority (61%) of PFOs believe that certification will be necessary to sell timber in the future while 80% expressed a wish to learn more. Some 42% of PFOs expressed the view that the state should pay for certification while FOAs expressed the view that it should be a combination of state, forest owners and timber buyers. The main barrier to certification among PFOs was financial, followed by administration, lack of knowledge of certification, size of forest and finally public consultation. A similar response was received from the PCGs, PFOAs and the FMCs while the FAs classed financial and size of forest equally as the main barrier. Based on the results of the survey, the impact of the *pilot certification project* has been mixed. In practice since its completion there has only been two group schemes certified one under PEFC and the other under both PEFC and FSC both with some linkage to the pilot project. There can be no doubt that the documentation developed during the pilot project including templates for a range of elements concerning forest management plans (FMPs) and monitoring, is a valuable resource. Any future scheme will need to address the barriers identified by PFOs (financial, administration and lack of knowledge of certification) and these can be addressed through a combination of state supports, implementation of FMP within iFORIS (iPlan) and knowledge transfer groups and the use of pilot project templates.

Task 2 Market Access: A survey questionnaire was developed and a list of entities in the processing and wood panel sector were asked to complete online using *Survey Monkey*. The response rate was 78%. The findings include that 90% of respondents are selling products into the Irish market and 80% exporting to the UK. All respondents indicated a need for certification in the future and to grow into new markets, it will be necessary to use more certified timber. All (100%) of respondents stated that certification is a necessary part of their business. The majority (70%) of respondents indicated a demand for dual forest management certification in the private sector in the future. A structure of one forest management scheme for the country was put forward as a potential solution to increase private forest certification. The majority (73%) of respondents use the percentage system while 27% use the mixed credit system for Controlled Wood. Some 64% of respondents import roundwood as part of their raw material supply, of which the vast majority (>90%) is certified. This is a key consideration in the maintenance of certification thresholds. A total of 40% of respondents indicated that lack of forest management certification has been an issue for them in purchasing timber from the private sector

within the past 12 months, while 90% of respondents indicated that lack of forest management certification will be an issue for them in purchasing timber from the private estate in the future.

The current roundwood production forecast¹ estimates that over the next 20 years, some 66.733 million m³ will be available from the private sector or 55.4% of total production. Assuming that the 70% threshold remains then in the long term approximately 24.6 million m³ will require certification (Table 7). However, over the next five year period (2022 to 2026) an estimated 2.88 million m³ from the private sector will need to be certified and this is estimated to represent approximately 2,000 private forest owners. In the absence of increased certification, the impact will be immediate and significant as processors will either have to import additional certified logs to meet the 70% threshold and/or develop markets for non-certified material. This in turn could see a decrease in timber price for uncertified material and the potential withholding of volumes by the private sector in anticipation.

Task 3 Certification Schemes and Models: FSC was founded in 1993 in response to concerns over global deforestation and the demand for a trustworthy system for labelling wood products. FSC defines its own principles and criteria for forest management and has its own system for granting authority to bodies carrying out forest certification and chain of custody audits. Local (country) standards for forest management have to be written to conform to FSC principles and criteria. PEFC was founded in 1999 by woodland owners in northern Europe but is now a global organisation Unlike FSC, PEFC is an umbrella programme that endorses individual national forest certification systems, based on PEFC's requirements and tailored to local priorities and conditions. PEFC endorses auditing organisations conforming to international accreditation requirements.

Both schemes can be seen to have appreciable overlap. The main difference lies in how the schemes are administered. FSC can be viewed as a top-down approach where FSC sets policy and requires this to be applied within national standards. PEFC can be likened to a bottom-up approach, or umbrella, organisation that assesses and endorses national standards that are tailored to local circumstances. The end result of the FSC and PEFC systems can be viewed as being closely related, as is demonstrated in the case of dual endorsement of the UK Woodland Assurance Standard (UKWAS). Pesticide use is an area of genuine difference between FSC and PEFC and could be significant. The long term FSC objective is to eliminate the use of chemical pesticides in management. PEFC allows nationally permitted pesticides to be used.

Group scheme certification can be a way of achieving certification generally at less cost than an individual certificate. At its simplest, group certification involves multiple forests with different owners grouped together and overseen by a Group Entity, which holds the certificate for the whole group. Using the UK as a case study, the pattern of forest certification shows that over time there has been progressively a greater area certified with fewer forest management certificates held overall.

An examination of PEFC certification data from Europe reveals a striking trend where some countries are delivering a huge area of certified forest with few or only one certificate. A key part of the success of this approach is that the Group is run by an impartial body, most often the national PEFC entity e.g. in Austria 85% of the forest area is PEFC certified with just one certificate for some 77,000 forest owners held by PEFC Austria. There is no direct certification cost for owners with funds raised by a sales levy of €0.30/ m³ roundwood and €0.07/ m³ industrial wood collected from forest owners and processors.

After a prolonged and often difficult period, the national FSC Irish standard was approved in May 2012. There is now no active FSC Ireland. However, the Soil Association entered into an agreement with FSC® in November 2021 to coordinate the adaptation of the FSC International Standard for local conditions in Ireland. PEFC Ireland was established in 2008 and its standard was first endorsed in December 2011. PEFC Ireland has had version 3.0 of the FM standard dated June 2021 out for stakeholder consultation until 29.08.21.

Task 4 Develop a proposal to expand certification: Any proposal to expand certification in the private sector will have to address the barriers to certification - financial, administration, lack of knowledge of certification, size of the forest and finally public consultation. Based on the survey results *dual certification* is what is required by the processing sector. This will allow for a smooth and efficient supply chain and market access. Individual certification or small group schemes are not viable. The project team considered the development of a number of Group schemes, and the expansion of existing Group schemes but concluded that such solutions failed to deliver the required economies of scale and long term sustainability.

¹ COFORD (2021). All Ireland Roundwood Production Forecast 2021-2040. COFORD, Kildare St., Dublin 2.

A **National Group Scheme** is the only sustainable solution that adequately addresses the certification barriers. Such a Scheme would focus initially on Forest Management Certification but ultimately would extend its solutions also to CoC certification. It is proposed that this group scheme will be a not for profit entity with a strong commercial ethos. The scheme will require the establishment of a new legal entity – ***Irish Group Forest Certification Scheme Ltd*** (IGFCS). To provide direction and advice/oversight, a representative Steering Group is proposed. Representation and collaboration across the sector are essential. IGFCS will be ***wholly independent*** and would initially comprise a full-time Group Manager and a full-time Administrator with contracted Regional Representatives undertaking internal audits of regional applicants and members IT support will be important to ensure capacity to maintain a Certification Register, record annual internal audits and keep track of audit findings which need to be closed out and evidenced and to record external audits. Maintenance of a website will be required so as to give access to initial information and allow for an online membership application. The website would serve as a repository of information on certification and the role and operation of the IGFCS. Existing certified properties could be transferred into the new entity but could equally operate under their own certificates(s).

The IGFCS will require business income from the forest sector and Government. Our proposal envisages that DAFM would provide support to individuals who apply for group membership by providing ***grant aid for the preparation of a compliant FMP and subsequently the upgrade of the plan in certification cycles***. Payment would be on the basis that membership of the IGFCS is maintained for a minimum period. Additionally, for the first five years, DAFM would underpin the salaries of the Group Manager, Group Administrator and Regional Representatives.

A comprehensive ***Business Plan*** will be necessary which will guide the activities of IGFCS and set out a strategy and targets for group certification. It will include a training element on an ongoing basis for both foresters and forest owners. The funding mechanism the project team propose is a ***levy per tonne on all roundwood*** entering a processing facility to be paid by the grower and the processor. The levies will need to generate sufficient funds to maintain the IGFCS activities and to allow for the graduated withdrawal of salary support.

Group members will be charged an annual membership levy related to the size of their forest. This does not replace the potential need for forest owners to engage a professional forester on issues connected with forest management and reporting requirements to the IGFCS.

The current position where less than 12,000ha of the private forest area is certified is unsustainable. The urgency and need for a solution to the current position cannot be overstated. Failure to immediately address the issue of low uptake of certification by private forest owners will result in loss of timber revenues as non-certified volumes are discounted, increased import of certified roundwood and negatively impact the growth of the processing sector.

Next steps/action points include:-

- This report is to form the basis for an ***industry-led development group*** on the need and timeframe for the certification of private forests.
- The development of a detailed Business Plan to address the final agreed solution
- The establishment of IGFCS (or similar entity)
- DAFM to finalise the development of, and implement the FMP module in iFORIS by the end of 2022
- Secure funding for compliant FMPs and training of professional foresters for their preparation

Background

The COFORD Wood Mobilisation and Production Forecasting Group Report (2018), *'Mobilising Irelands Forest Resource, Meeting the Challenges'* stated that, *'as the level of supply from the private sector increases, the lack of certification is likely to become a barrier to wood sales and mobilisation.'*² The report also highlighted the fact that (a) few privately owned forests were certified under either Forest Stewardship Council (FSC) or the Programme for the endorsement of Forest Certification (PEFC), (b) the market demand for a minimum of certified material was being met by supply from Coillte 'and the Irish Forestry Unit Trust (IForUT) and (c) it was becoming increasingly difficult to sell uncertified processed wood. Furthermore, as more roundwood from private forests comes onto the market (estimated at 44% of total roundwood supply by 2024) a lack of certification is likely to become a barrier to wood mobilisation if not properly addressed.'

The Department of Agriculture, Food and the Marine (DAFM), *Forests, products and people, Ireland's forest policy – a renewed vision*³, contains the following specific Forest Policy Strategic Actions in relation to forest certification:

Strategic Action 2.1 A system to standardise data requirements, on an electronic platform, for private woodland managers/owners - The current format and scope of Management Plans will be revised to support SFM, facilitate certification, the forecasting of future roundwood supply, felling compliance and public good functions and incorporate their design, submission, updating, review and analysis into the iFORIS system while ensuring alignment between private and public sector management planning systems.

Strategic Action 8.1 DAFM to facilitate voluntary forest certification through the structure and content of environmental guidelines, an updated Code of Best Forest Practice and forest management planning systems, and through other measures, in order to facilitate access to market.

Strategic Action 13.2 DAFM should establish permanent structures to support the development of the forest sector, in areas such as roundwood supply and demand, climate change mitigation, ecosystem services, wood energy, certification and product standards.

The COFORD Wood Mobilisation and Production Forecasting Group recommended strongly that DAFM implement these Strategic Actions to support and facilitate forest certification.

Against this background, DAFM issued a request for tender (RFT) in March 2021 entitled *A Study on Private Forest Certification in Ireland*. The RFT set out four main tasks to be undertaken by the successful tenderer:

Task 1. Describe the current status of forest certification in Ireland and Europe (Including survey of forest owners, overview of certification at EU level and impact of DAFM pilot certification project)

Task 2. Market Access (Including impact on current and future supply and scheme requirements),

Task 3. Certification Schemes and Models (Including description of schemes, models used in Europe, status of schemes in Ireland and auditing)

Task 4. Develop a proposal to expand certification in the private forest sector (Including a certification model suited to Irish needs, incorporating the DAFM Forest management plan and use of information technology)

² COFORD (2018), *Mobilising Irelands Forest Resource - Meeting the Challenges*. Available:

<http://www.coford.ie/media/coford/content/publications/projectreports/4COFORDMobilisingIrelandsForest121218.pdf>.

³ COFORD (2018), *'Forests, products and people - Ireland's forest policy – a renewed vision'* (2014). Available:

<http://www.coford.ie/media/coford/content/publications/projectreports/1COFORDForestPolicyReviewGroupReport121218.pdf>

Certification General

Forest certification arose out of the need to control the destruction of the world's forest resources, particularly in tropical areas. Despite several international initiatives, the destruction continued more or less unabated and it was only at the United Nations Earth Summit held in Rio de Janeiro in 1992 that real progress was made. Environmental NGOs, along with many government organisations, lobbied strongly for international agreements and legislation to tackle the problem of deforestation and forest degradation. Following on from the Earth Summit, the concept of Sustainable Forest Management (SFM) and forest certification schemes were developed to assess the sustainability of forest management according to agreed standards. At the same time, chain-of-custody procedures were established to track timber from the forest to the end-user.

Forest certification is viewed as a voluntary process whereby an independent third party (the “certifier”) assesses the quality of forest management and production against a set of requirements (“standards”) predetermined by a public or private certification organization. Forest certification, and associated labelling, is a way of informing consumers about the sustainability of the forests from which wood and other forest products were produced. There are two types of forest certification:

1. Certification of **forest management**, which assesses whether forests are being managed according to a specified set of standards; and
2. Certification of the **chain of custody** (sometimes referred to as CoC certification), which verifies that certified material is identified or kept separate from non-certified or non-controlled material through the production process, from the forest to the final consumer (Figure 1⁴). To label an end-product as certified, both forest management certification and chain-of-custody certification are required.⁵

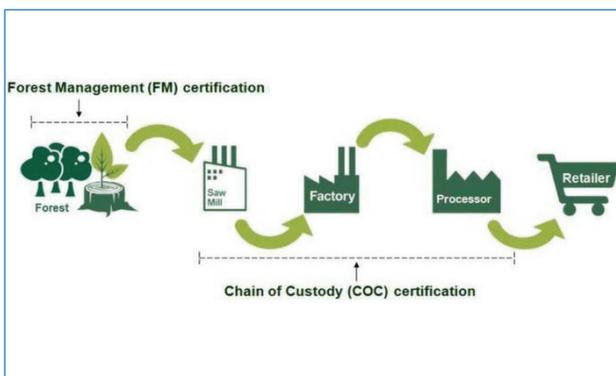


Figure 1 - Certification

In recent times the voluntary aspect of certification has become blurred through the intervention of international and national policy instruments. For example, within the EU certification is an essential element in the due diligence systems required by the EU FLEGT⁶ regulation and the EU Timber Regulation. It is also a tool for proving that wood (and agricultural) products do not come from deforestation as called for by the EU communication on “zero deforestation”. The EU Directive on Renewable Energy (RES)⁷ defines that the wood-based bioenergy has to come from sustainable sources and its demonstration through the Sustainable Bioenergy Program is based on independent verification by forest certification systems.⁸ Given the requirement for certification, it cannot really be regarded as wholly voluntary at this stage.

Most forest management certification standards address a wide range of economic, social, environmental and technical aspects of forest management, including the well-being of workers and of families living in and around the forest area subject to certification.⁹

Forest certification is a market mechanism to promote the sustainable use and management of forests and to identify “sustainably produced” products for the consumer. The aim is to reward forest managers who pursue sustainable forest practices rather than practices with the potential to cause negative economic, social and environmental impacts.¹⁰

A certification label on a forest product informs potential buyers that the product was produced in a well-managed forest in accordance with a given set of standards. Consumers concerned about social and environmental issues are expected to give preference to products carrying such a label, and they may also be

⁴ <https://au.fsc.org/en-au/standards/chain-of-custody>

⁵ <https://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/cases/en/>

⁶ <https://ec.europa.eu/environment/forests/flegt.htm>

⁷ https://ec.europa.eu/energy/topics/renewable-energy/directive-targets-and-rules/renewable-energy-directive_en

⁸ Simula, M. (2021) Forest Certification Past Trends and Future Options. Downloadable from <http://www.ardot.fi>

⁹ <https://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/cases/en/>

¹⁰ <https://www.fao.org/sustainable-forest-management/toolbox/modules/forest-certification/basic-knowledge/en/>

prepared to pay higher prices for them. Forest managers may be motivated to pursue certification for various reasons e.g. market penetration and price, ultimately leading to improvements in the quality of forest management and an increase in the extent of well-managed forests.

Achieving forest certification can be either a quick or a lengthy process, depending on the pre-certification quality of forest management, administration and documentation systems, and on the capacity of the applicant to make the required adjustments. Basic certification requirements include:

- Compliance with the law;
- Well-written and coherent forest management plans;
- The implementation and monitoring of operations to reduce forest damage;
- Adequate working conditions; and
- Good communications with stakeholders living in and around the forest subject to the certification process.

The certification process requires that applicants take a number of steps to demonstrate full compliance with the standards. A certificate, valid for a specified number of years, is issued when compliance has been achieved.

Task 1: Describe the current status of forest certification in Ireland and Europe
Area of forests certified and the chain of custody status of roundwood processors

Certified Area Ireland

Ireland achieved a high level of forest certification early in the certification timescale with the certification of the state forests under Coillte in 2001. Coillte achieved joint FSC and PEFC certification in 2014. During the period 2001 to 2018 there was no uptake of certification in the private sector apart from the Irish Forestry Unit Trust (IForUT) achieving FSC certification in 2006. The ready availability of additional certified Scottish imports allowed for sufficient certified material for Irish processors to readily achieve the 70% certified content threshold. Thus there was little incentive or pressure for private forest owners to obtain certification. The certified processors were able to demonstrate compliance to FSC Controlled Wood rules and to the PEFC Due Diligence process reasonably easily, so could take in uncertified material as they wished without difficulty (up to a maximum of 30%).

Due to the pattern of planting in the private sector from 1980 onwards and Coillte’s exit from afforestation in the 1990s, the future roundwood supply is increasingly comprised of private sector volumes. From 2026 onwards the private sector will be the largest supplier of roundwood. There are an estimated 23,000 private forest owners, the majority of which have relatively small forest areas with limited forestry knowledge and skills. Competition for UK grown material has risen, making exports to Ireland less attractive along with Brexit making roundwood movement more difficult so that the availability of certified Scottish material at an acceptable price is increasingly challenging.

Table 1 - Areas Certified (ha)

Entity	Area	FSC	PEFC
Foraois Growth (Arbor FM)	4,400	No	Yes
IForUT	6,590	Yes	No
Forestry Services	329	Yes	Yes
Pilot Project	298	Yes	No
VEON	4,063	No	Yes
Coillte Estate (land + Forests)	438,342	Yes	Yes

A small increase in the certified forest area has been achieved since 2018 with the certification of two group schemes run by the North East Forestry Certification (FSC) and Forestry Services Ltd (FSC and PEFC) and individual certificates held by Foraois Growth (PEFC) and Veon (PEFC). Whether it is possible for these group schemes to increase their memberships so as to reach a critical mass to allow for economies of scale is doubtful, due a number of factors such as knowledge/awareness of forest owners and upfront and ongoing costs. In the UK an initial offer of free certification for small woodland owners by the Tilhill Forestry Group Scheme generated a modest degree of interest which then declined after the initial Gap Assessment process when owners were made aware of the extent of the requirements for certification. Once certified it was found that the process

of auditing small woodland owners was at least as time-consuming as auditing large enterprises. Later surveillance audits commonly identified issues of non-compliance with operational and legal requirements.

As the proportion of available certified input material has fallen so the need to obtain certified private sector material has risen. There is an increasing availability of uncertified home-grown material but there are a number of obstacles to overcome for private forest owners. One of these is the need to deliver forest management certification to a disparate group of small forest owners. Attempts to certify inexperienced, small owners individually or within a Group Scheme will be demanding, expensive and a time-consuming process as was found in the UK early in the certification process. Experience in the UK suggests that it will take 5-10 years. This timescale could be shortened by a well-supported programme to boost certification uptake and reduce initial costs (financial and professional time).

Certified Status of Roundwood Processors

Fifty-nine enterprises and four panel manufacturers were identified across Ireland. Of the 59 processors, only 18 hold FSC chain of custody certification and two of which also hold PEFC certificates. Eight sawmills account for the majority of activity in the sector and are also the principal exporters. The four panel makers all hold FSC certificates with two also holding PEFC. A clear distinction between certified and uncertified companies can be made between the larger enterprises that undertake a significant export trade that all hold FSC certification and mid-sized to small enterprises that service the Irish markets which are largely uncertified.

The principal Irish export market is the UK which has a historical preference for FSC certified material. The UK Government Timber Procurement policy which requires legal and sustainable timber can be met equally by FSC or PEFC certified material with a claim of 70% or more. UK Environmental and Non-Governmental Organisations (ENGOS) preference still tends to favour FSC over PEFC certified products.

Panel manufacturers, apart from orientated strand board (OSB), rely upon sawmill co-products (woodchip, sawdust) as a key part of their inputs. The demand for certified panels has in turn driven the demand for certified sawmill co-products. Certified pulpwood was readily available from 2001 onwards as Coillte was the main supplier. The satisfactory sale and consistent removal of co-products (woodchip, sawdust, bark) from sawmills was a key requirement for sawmills in the early days of certification, and this hinged upon the sawmills being able to supply the certified panel manufacturers with certified inputs. Subsequently, the appreciable rise in demand and price for biomass has altered the previous pattern of co-product sales markedly as has the increasing supply from the private sector of non-certified material.

Demand for certified material from the domestic market appears to be consistently low. An Irish government Green Procurement timber policy requiring legal and sustainable sourcing is yet to be established. Demand for certified timber products from the domestic market would be a development that could drive further forest certification.

Table 2 - Certified Areas and Chain of Custody

FSC Date	FSC FM Area (ha)	FSC FM (No.)	FSC CoC (No.)	PEFC Date	PEFC FM Area (ha)	PEFC CoC (No.)
Feb-12	449,574	3	79			
Feb-14	447,219	2	88	Dec-15	376,108	41
Feb-16	448,301	2	109	Dec-16	376,108	41
Feb-18	446,222	2	123	Dec-18	376,108	38
Feb-19	446,873	4	121	Mar-19	376,108	38
May-21	445,656	4	132	Mar-21	443,102	40

While there has been relatively little change in the area certified to FSC over the period 2012 – 2021, the number of chain of custody (CoC) certificates has increased significantly (Table 2). In contrast, the number of CoC for PEFC has remained relatively static while the certified area has increased between 2019 and 2022.

Certified Area Europe

There are circa 157.6 million ha of forest (5% of the world's total) in the EU. In total, forests account for 39% of the EU's land area. Six Member States with the largest forest areas (Sweden, Finland, Spain, France, Germany and Poland) account for two-thirds of the forested area. The EU has many different types of forests, reflecting

its geoclimatic diversity (boreal forests, alpine forests with conifers, etc.). Where they are located depends on the climate, soil, altitude and topography of a given area. Only 4% of the forested area has not been modified by human intervention; 8% consists of plantations, while the remainder falls into the category of ‘semi-natural’ forests, i.e. ones shaped by man. The majority of European forests are privately owned (approximately 60%)¹¹.

The FSC and PEFC certification systems have been competing with each other in Europe since 2000. Indeed, the PEFC owes its origins to the perception among European private forest owners that their views were not being adequately addressed or represented within the FSC system.

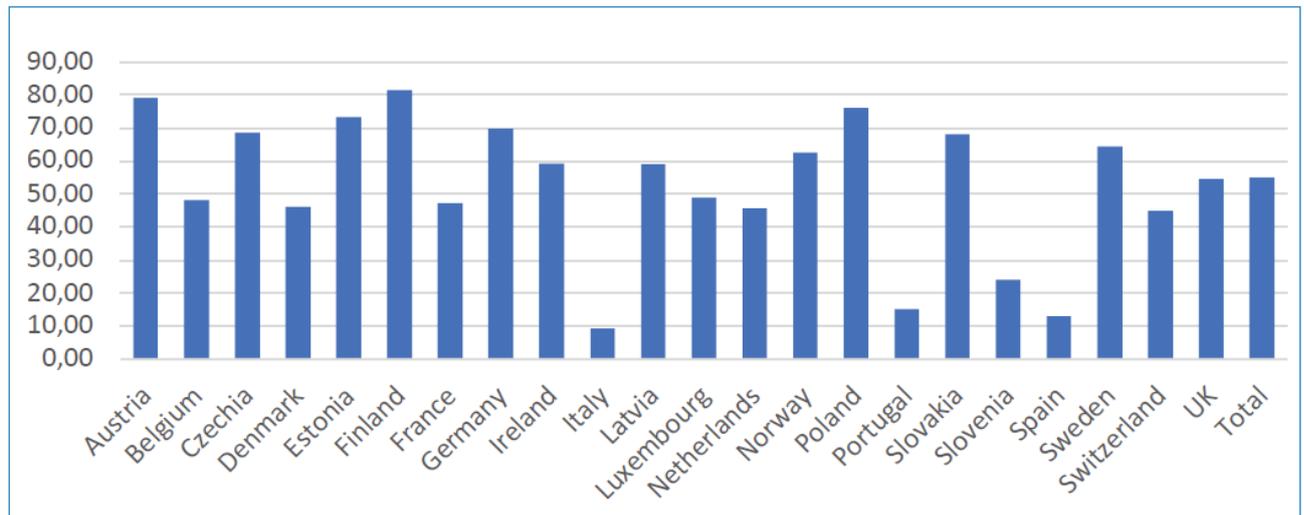


Figure 2 - Proportion (%) of Forest Area Certified (FRA 2015)¹²

Both FSC and PEFC exhibited steady growth in Europe from 2000 onwards. However over time, the FSC progress stalled and the PEFC continued to exhibit growth, mainly in privately owned forests. Now in the EU, some 55% of the total forest area has been certified. Almost all of this forest area (94%) is under PEFC and just over a third (37%) is under FSC. Thus almost all the FSC areas have been double certified. The highest certified shares are found in the Nordic and Baltic countries, Austria, Germany and the Czech Republic while in southern Europe the progress towards certification has been slow (Figure 2 and Figure 3).

There is a greater proportion of PEFC areas certified under group and regional schemes and this reflects the preference among private forest owners for PEFC as opposed to FSC. This is borne out by a recent study on the attitudes of private forest owners to certification (Box 1).

It can be concluded that PEFC is better adapted to the needs and expectations of family forest owners. PEFC bases its development on international forest policy processes, balances the three dimensions of sustainability in a bottomup system and ensures more predictability and transparency in its development. Furthermore, PEFC recognises the role of forest owners as resource holders and acknowledges their knowledge and long-term perspective. FSC on the other hand is not developed to suit family forest owners’ needs. The FSC model tends to give less support to the social and economic dimensions of sustainability, thereby not providing a balanced approach to sustainability. FSC is a top down and very complex system, where smaller actors may not in practise be able to contribute to its development. The demands increase stepwise in a model which is less transparent and with unpredictable economic consequences for the forest owner. The FSC structure favours larger actors who are able to cope with the complexity of the system as well as the costs entailed. The high cost and difficulty to access the FSC system combined with certain companies’ “FSC-only” policy is generating market barriers mainly for smaller and medium sized forest holders. Furthermore, the use of indeterminate concepts, such as HCVs and controlled wood, creates a significant risk for forest owners

Box 1 - Findings of CEPF Study of Private Owners Views on Certification¹³

¹¹ The European Union and forests | Fact Sheets on the European Union | European Parliament (europa.eu)

¹² Forest Resource Assessment 2015. Food and Agriculture Organisation of the United Nations, Rome 2015

¹³ CEPF (2019) European Family Forest Owners’ views on Forest Certification. Downloadable from <https://cdn.pefc.org> › pefcweek19.org › media

FSC on the other hand has a greater proportion of public forests, the majority of which were certified prior to 2005. The spread of one scheme with respect to the other depends on many factors, including the distribution of forest ownership type, their management objectives and connections to the markets for timber. Forest fragmentation appears to be an important factor which affects not only the readiness to certify the forest but also the choice of scheme.

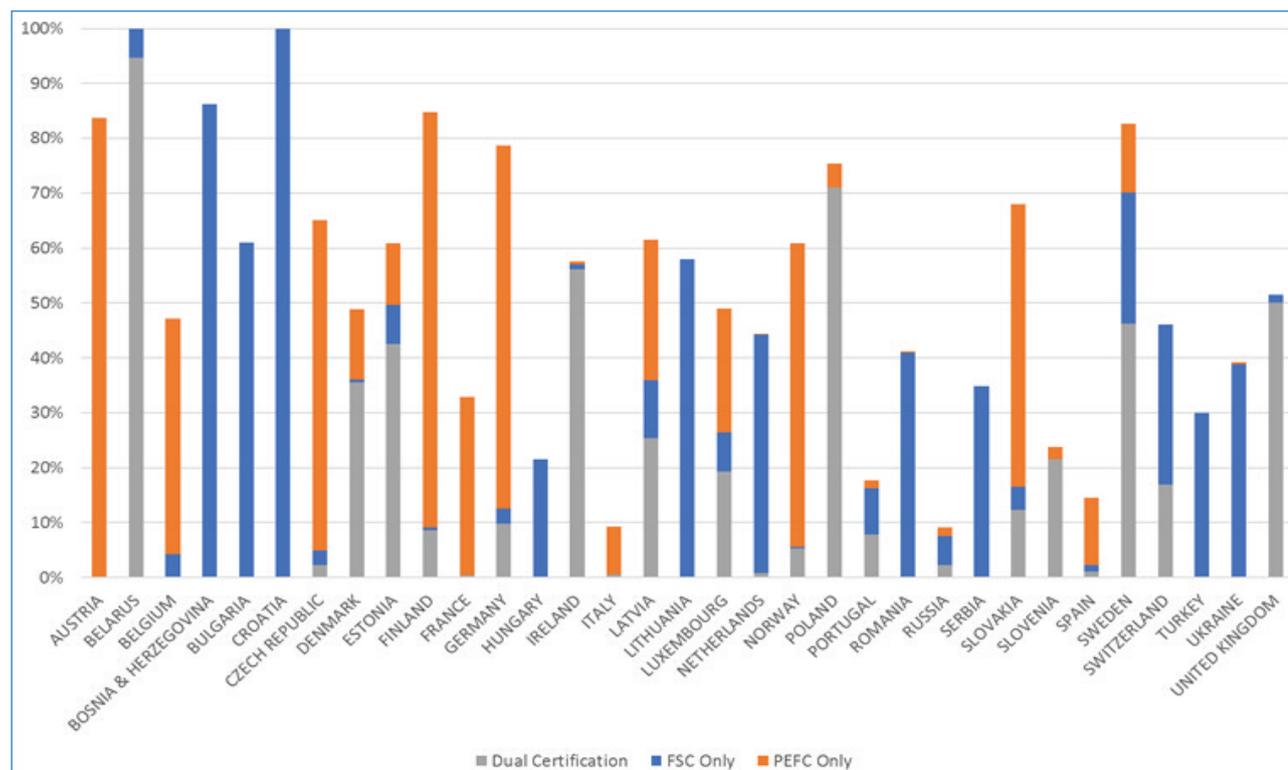


Figure 3 - Percentage (%) of Forest Area Certified in Europe 2015 under PEFC¹⁴ and FSC¹⁵

There has been limited direct support for forest certification. Forest certification promotes forest management that is economically, socially and environmentally viable. These attributes are in line with the EU Forest Strategy¹⁶ and the EU Forest Action Plan.¹⁷ However, the EU considers certification as a voluntary market mechanism and has not engaged directly in the process of certification. The EU does hold the view that certification schemes should be voluntary, credible, transparent, cost-efficient and non-discriminatory with respect to forest types and owners.

Survey of Forest Owners, Forest Managers and Representative Organisations

General

A series of comprehensive survey questionnaires (Appendix 1) were developed for private forest owners (PFO), forest owner associations (FOA), forest advisors (FA), private certified groups (PCG) and forest management companies (FMC). They were trialled and tested internally prior to placing on the online platform *Survey Monkey*. The main focus was on the PFOs and FOAs with a shorter more targeted questionnaire for the other groups. Potential respondents were contacted and given the link to complete the survey relevant to them. Progress on completing the survey was monitored via *Survey Monkey* and follow up emails and phone calls were made to encourage potential respondents to participate and complete the survey prior to the deadline.

A total of 160 PFOs, 4 FAs, 4 FOAs, 7 FMCs and 3 PCGs completed the questionnaire. The PFOs comprised a range of forest sizes (<5 ha to > 30 ha) and forest ages (< 10 years to > 40 years) with a wide geographic spread and a representative range of tree species although Sitka spruce dominated representing 70%. The majority of PFOs managed their own forest (58%) with 20% being managed by a forestry consultant and the balance by management agreements or other arrangements.

¹⁴ <https://pefc.org/discover-pefc/facts-and-figures> (Accessed November 2021)

¹⁵ <https://fsc.org/en/facts-figures> (Accessed November 2021)

¹⁶ https://ec.europa.eu/environment/strategy/forest-strategy_en

¹⁷ <https://europeanlaw.lawlegal.eu/european-union-forest-action-plan>

Awareness of Certification

Less than half (44%) of PFOs were aware of forest certification. Awareness was higher among the other groups (FOA, FA, PCG and FMC) with the majority (70%) stating they had a good or some understanding of certification. Despite the low awareness of certification amongst PFOs, 63% of respondents believed that certification was necessary and 70% of respondents would like their forest certified. However, only 18% of PFOs had a discussion with a forest advisor or forest company regarding certification

Just greater than a third (36%) of PFOs claimed to know what a Group Certification Scheme was, while only 8% claimed to know the cost of certification. Some 80% of PFOs expressed a wish to learn more about certification with 77% believing that this could be achieved through knowledge transfer groups.

When asked who would be your first contact to get their forest certified, the majority of respondents cited a forest advisor, consultant or a forest management company.

Some 28% of PFOs expressed some concern regarding certification. The reasons for concern included additional compliance requirements, a further delay in the ever increasing complex regulatory framework, it will be used as a justification for lower prices for smaller growers, associated financial costs, bureaucracy and only consultants and companies will benefit.

Need for Certification

The majority (61%) of PFOs believe that certification will be necessary to sell timber in future years with 67% believing that lack of certification will limit potential markets for their timber.

Some 53% of PFOs believe that uncertified timber will attract a lower price with 37% expecting no price differential between certified and uncertified material.

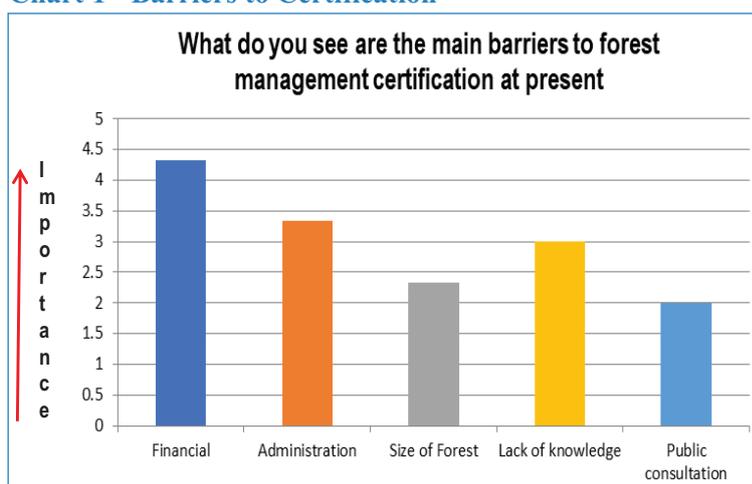
Who Should Pay for Certification

Some 42% of PFOs expressed the view that the state should pay for certification, 22% that the forest owners should pay and 18% that timber buyers should bear the cost with the remainder expressing a mix of these. In contrast, the FOAs expressed the view that it should be a combination of the state, the forest owners and the timber buyers. When asked about the method of payment, 26.1% of PFOs preferred a percentage of harvest income, 17.7% a price per hectare, 15.4% a fixed annual fee, 11.5% a fee per tonne and the remainder a combination of these methods.

Barriers to Certification

The main barriers to certification, ranked in order of importance, among PFOs were financial, followed by administration, lack of knowledge, size of forest and finally public consultation (Chart 1). A similar response was received from the PCGs, FOAs and the FMCs while the FAs classed the financial and size of the forest equally as the main barrier. When asked how these barriers could be overcome, a range of potential solutions was given including having a state sponsored scheme, group certification, awareness and training for private owners, support for the forest management plan requirement, develop an alternative online portal, and only issue felling licences when the forest is up to the certification standard.

Chart 1 - Barriers to Certification



Overview of Forest Certification at European Level

There is not a clearly identifiable generic position on a particular forest certification model across Europe for private forest owners. This is understandable given the wide geographic, historical, and political spread across a continent ranging from the Arctic to the Mediterranean. Ireland (predominantly plantation forestry, with significant recent afforestation spread across a high number of small ownerships without a tradition of forestry) does not readily compare to any individual or group of European countries in terms of forest size or ownership knowledge.

Countries that supported the creation of PEFC, where there are typically significant areas of long-established forestry with a deep-rooted management tradition, remain strongly supportive of PEFC, these countries include – Austria, Finland, France, Germany, and Norway. Pragmatism is evident where countries (Denmark, Estonia, Latvia, Poland, Slovenia, Sweden, and United Kingdom) are more evenly balanced between FSC and PEFC, where delivering what the market demands is key and where the tradition of support for either FSC or PEFC is not so apparent. Strong support for FSC is noticeable in some countries (Bosnia and Herzegovina, Bulgaria, Croatia, Lithuania, Romania, Serbia, and Turkey) where PEFC has virtually no presence and that seems to coincide with the recent political changes. With the exception of Greece, all European countries are to a greater or lesser extent adopting forest certification. Drivers for certification appear to be National PEFC entities and to a much lesser degree FSC International plus market forces within the industry.

Market forces down the supply chain can also be recognised as an influence on FSC and PEFC forest management certification. The UK makes an interesting study where initially the market for certified material was exclusively for FSC certified where the World Wildlife Fund (WWF) and other ENGOs strongly influenced companies selling wood-based products. As the PEFC certification process was enhanced and both schemes were ultimately accepted by the UK Government as representing legal and sustainable materials so the distinction between FSC and PEFC has softened. Additionally, as certification gradually spread into new sectors, especially paper and print, PEFC certification gained ground, as much of the European sourced paper was only available as PEFC certified.

Simply considering the certified position today loses sight of how this outcome was achieved. Selection of a small number of other European countries and recording certified areas over the past decade shows Ireland's certified forest area to be remarkably static whilst the other countries have increased their certified areas. This can be attributed to the lack of an economic driver for the certification in the private sector which up until recently has been a minor supplier of roundwood.

An examination of certification trends in the UK shows that a steady rise in certified area has been accompanied by a significant fall in the total number of Forest Management (FM) certificates from a high of 83 in 2012 to 25 in 2021, which at first sight appears counter intuitive. However, the strong growth of three Group Schemes (Table 3) would appear to be responsible for this pattern of more certified area but with fewer certificates.

Table 3 - Group Forest Certification Schemes UK

Group Scheme	Area	% Area
Tilhill	205,236	44%
Scottish Woodlands	96,140	21%
UK Forest Certification Ltd	66,110	14%
The National Trust	26,015	6%
Fountains Forestry UK Ltd	16,903	4%
RTS Ltd	15,497	3%
Bell Ingram LLP	14,880	3%
Egger Forestry Ltd	4,873	1%
The Crown Estate Scotland	4,863	1%
Bronwin & Abbey	4,129	1%
Czernin-Kinsky Scottish Company Ltd	3,696	1%
The Crown Estate	3,536	1%
Total	461,878	100%

Impact of DAFM's Pilot Project on Forest Certification

All (100%) of the FMCs and FOAs and 75% of the FAs were aware of the DAFM pilot certification project. When asked whether the pilot project had assisted them on their certification journey only one third of FAs and FOAs responded positively as opposed to 70% of FMCs. The respondent's comments included:-

- a) The outcome has not been made available to owners in general and neither has the pilot project been explained to organizations/groups outside of those involved in the pilot.
- b) The detail of the process was not made available.
- c) Personally, further training in auditing, representing woodland owners on IFCS Review WG, assisting other group with forest certification. The Association has continued to inform members about forest certification, reported on the DAFM Pilot Project in newsletter and Yearbook publications etc.

The PCGs were unanimous in recommending other groups to participate in similar projects.

- a) The pilot provided enormous learning for the management and participants in the pilot scheme.
- b) Information on the issues encountered, experience gained and thoughts on what is required to expand the current certified scheme are available.

Only one third of PCGs believed that the pilot project had assisted group schemes at a national level.

Based on the results of the survey, the impact of the pilot project has been mixed. In practice, since its completion, there have only been two group schemes certified, one under PEFC and the other under both PEFC and FSC both of which had some connection to the pilot project. There can be no doubt that the documentation developed during the pilot project including templates for a range of elements concerning management plans and monitoring is a valuable resource and potentially a significant help to any individual or group seeking to become certified. Its impact however has been reduced due to the project website being down for an extended period until recently when additional funding was secured.

Future Scheme Enhancements

Any future scheme will need to address the barriers identified by PFOs the main ones being:

1. Financial,
2. Administration
3. Lack of knowledge (of certification).

In terms of the financials, PFOs are unaware of the financial cost of certification and gave varying responses to what they believed would be a fair price to pay. The largest single cost for any potential entrant to certification is the cost of preparing a compliant forest management plan (FMP) and accompanying annexes and monitoring templates. The cost of the FMP has a large relatively fixed element and a smaller variable element linked with the forest area and site attributes. Thus there will be relatively little difference in cost for a 10 or 20 ha forest management plan. Currently, it is estimated that a compliant FMP will cost circa €1,200 (excluding VAT or any margin) for plantations up to circa 10 ha. For forests greater than this (>10ha) there will be an additional cost (on a per ha basis) estimated as being in the region of €10 to €35/ha depending on the degree of complexity and fragmentation of the forest. Further financial costs include membership fees for group certification, internal and external audit fees. Some group schemes have an initial membership fee which may or may not be based on area, while others have no annual fee but rather an annual charge for forest management. These costs can vary widely and depend on the scale of the group, the group organisational structure, the skills and knowledge within the group and the degree of voluntary contributions (if any) by group members.

Administration was seen as a barrier due mainly to the increased requirement for record-keeping, maintenance and updating of FMPs and the management of any group scheme or individual certified area. The pilot scheme developed templates which could assist with record keeping and ongoing monitoring. However, further enhancement would be required to reduce the impact of this perceived barrier through for example an online portal with downloadable software and an FAQ section together with worked examples.

The COFORD Forest Management Planning Group produced a template and specification for an online FMP to be used within iFORIS in 2014. While it was never implemented, work has been undertaken in the background to incorporate the FMP within the DAFM online integrated forest information system (iFORIS). The Pilot Project produced a certification compliant template for a FMP. If this compliant FMP template was

incorporated into iFORIS then this would represent a significant step towards facilitating certification. The Forestry Programme 2014-2020, under measure 11, foresaw a new forest management plan scheme to support certification of private forest owners.

The lack of knowledge of forest certification could be addressed through a combination of more focused and streamlined training, a national awareness campaign, knowledge transfer groups (KTGs) and more active support to owners at audit time.

Task 2: Market Access

A list of entities in the processing and wood panel sector including sawmills equivalent to 80% of total volume/fibre demand and covering the complete range of wood products (panels, sawn wood, pallets, stakes, fencing and garden products) from small localised producers to the larger mills and facilities was drawn up. A series of questions was prepared and trialled within the project group before submission to the steering committee for review and agreement. The objective of the questionnaire (Appendix 1) was to determine;

- Whether a lack of certification has impacted on their business to date and whether uncertified private roundwood is not being purchased because it will reduce the volume of certified roundwood below the 70% threshold.
- What steps processors are taking or intend to take to ensure their supply of certified timber when supply will become more difficult (as increased volume becomes available from the private sector).
- The certification requirements across their range of products and the requirements for the UK and European markets.

The approach adopted was to source the required information through a questionnaire completed by participants on an online survey platform (*Survey Monkey*). The survey was emailed to 14 entities, of which 11 completed the survey, representing a response rate of 78%. A breakdown of respondents, all of whom are certified, is shown in Table 4.

Table 4 - Nature of Business (Respondents)

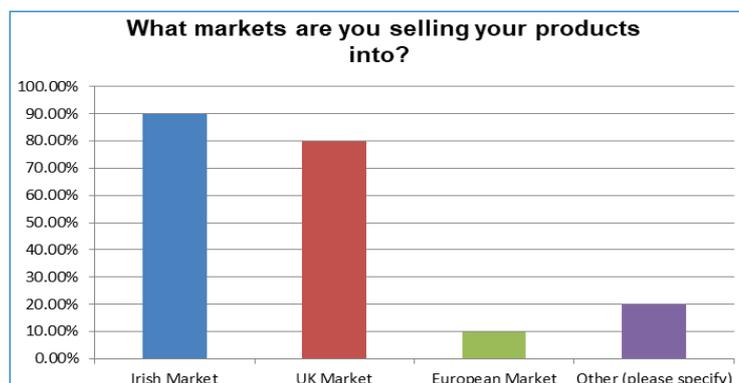
Nature of business	% of respondents
Primary processor	70
Secondary processor	10
Harvesting	10
Primary & Secondary processor	10

Survey Results

Markets

Some 90% of respondents are selling product into the Irish market, with 80% exporting to the UK (Chart 2). The UK market is the largest in Europe in terms of timber and timber product imports and Ireland’s proximity affords it a competitive advantage over other European suppliers. Only 10% of respondents export to the European market while the Other category (20%) includes Africa, USA and Australasia.

Chart 2 - Sales Markets



Certification

All respondents indicated a need for certification in the future, outlining that their clients have recently been making more references to certification and in order to grow into new markets, it will be necessary to use more certified timber. The need to have FSC and PEFC material available to the market was outlined as clients are insisting on certified products. In that regard, 100% of respondents stated that certification is a necessary part of their business. Respondents identified their Chain of Custody status as predominantly FSC (Chart 3).

Chart 3 - Type of Certification

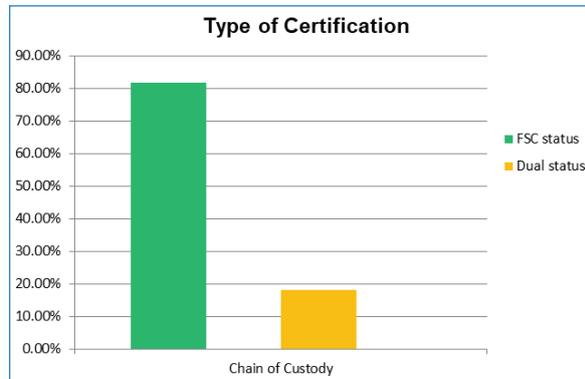
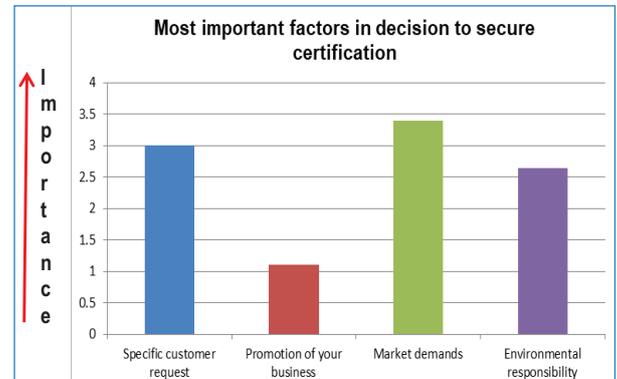


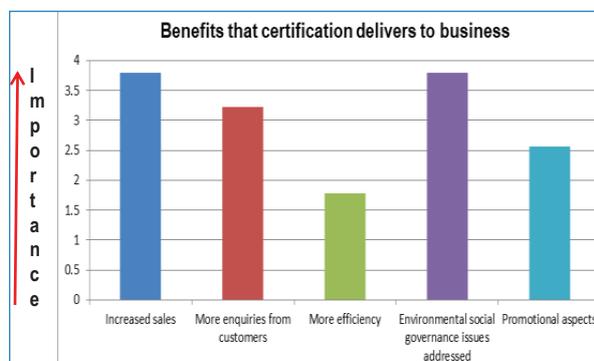
Chart 4 - Decision Factors in Certification



The main drivers, ranked in order of importance, behind the decision to become certified were a combination of market demands and specific customer requests followed by environmental responsibility and business promotion (Chart 4). Surprisingly business promotion scored least showing that certification is to a large extent a market-driven instrument.

The benefits of certification (ranked in order of importance) were identified as being increased sales, environmental and social governance issues addressed, more enquiries from customers, promotional aspects and more efficiency although there was some divergence between individual responses reflecting the nature of individual businesses (Chart 5).

Chart 5 - Certification Benefits



70% of respondents indicated a demand for dual forest management certification in the private sector in the future. Furthermore, a structure of one forest management scheme for the country was put forward as a potential solution.

The need to have raw material of the required certification status to enable the sale of their product is vital to the success of the entire processing industry. None of the respondents indicated that the processing sector had a role, either directly or indirectly to play in facilitating certification, in the private sector.

Assess the Impact of Lack of Certification on the Processing Sector

To determine if the lack of certification has impacted on the processing sector, it is necessary to know the system used to control FSC claims. The results of the survey show that 73% of respondents use the percentage system while 27% use the mixed credit system. The details of each system are outlined later in this report.

Some 64% of respondents import roundwood as part of their raw material supply, of which the vast majority (>90%) is certified. This is a key consideration currently in the maintenance of certification thresholds.

A total of 40% of respondents indicated that a lack of forest management certification has been an issue for them in purchasing timber from the private sector within the past 12 months, while 90% of respondents indicated that the lack of forest management certification will be an issue for them in purchasing timber from private forests in the future. This latter point is amplified by the indication from 80% of the respondents that if output of certified timber from the private sector does not increase within the next two years, then this will negatively impact their business growth ambitions.

Almost one third (30%) of respondents stated that they have had to reduce or stop the intake of uncertified material in the past due to thresholds on labelling. In summary, a lack of forest management certification has had a relatively small impact on the processing sector to date. This however will not remain the case as the private forests mature and increasing roundwood volumes are brought to the market.

Requirements for Certification by Product Category

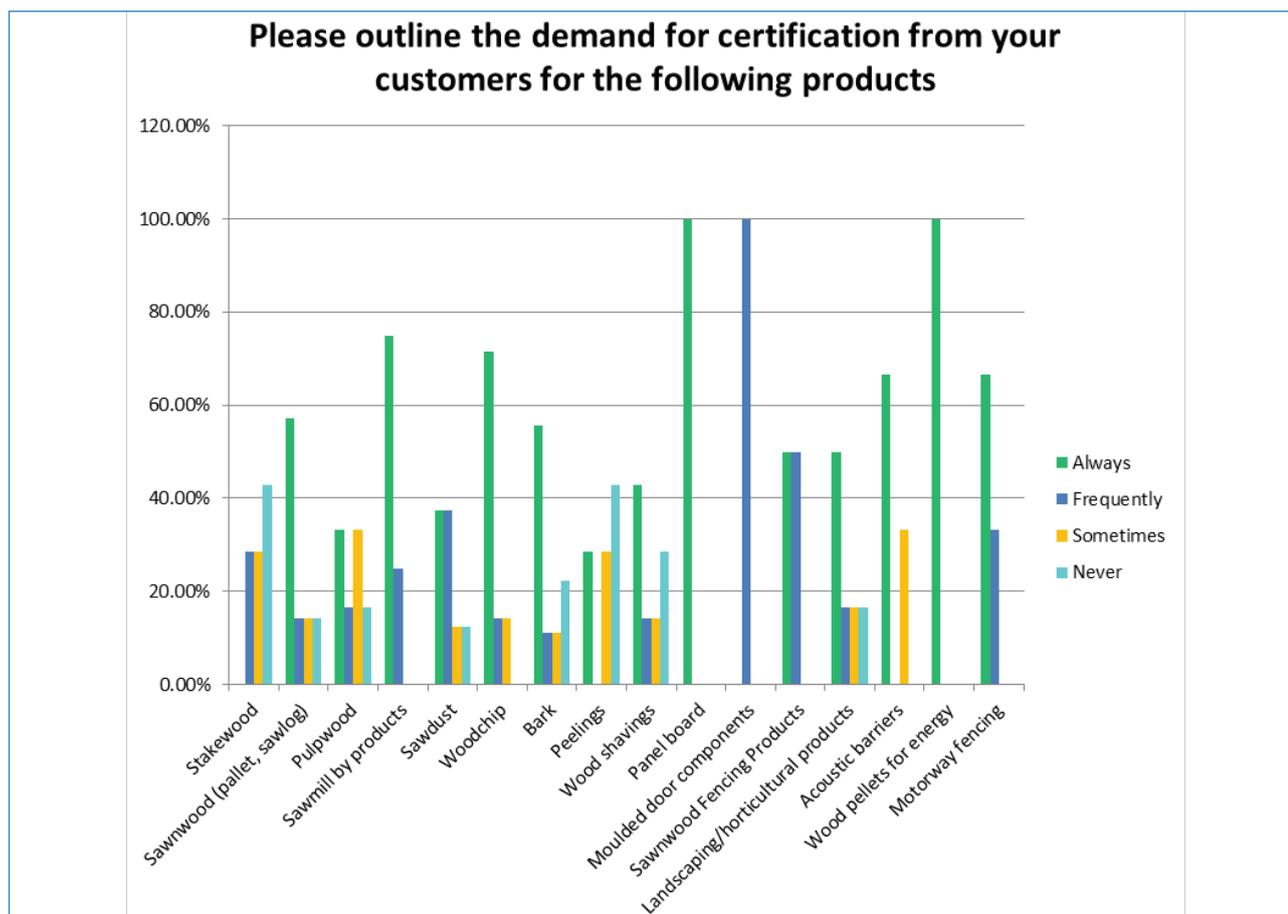
Timber product categories included in the survey were sawnwood, stakewood, pulpwood and biomass. Sawnwood includes timber used for construction, fencing and pallets. The majority of export construction and fencing material will generally be required to be certified due to the UK Timber Procurement Policy (as the largest export market currently for Irish sawn wood) while product for the domestic market can be sold uncertified. A minor market shift in Ireland towards requiring certified sawnwood will result in a sawmill having to either move to batch runs or if using the percentage system, to certify all outputs, although the use of a credit system does allow selectivity of claims on output.

Pallet wood is a highly competitive, price-sensitive sector for which certification has not been an absolute requirement to date, although there can be exceptions if the product (even if it is not made of wood) that uses the pallet enters a sector that demands certified packaging (e.g. DIY, builders merchants).

Stakewood is largely sold within the domestic rural market, and this is not, in most cases, driven by certification requirements. The sector producing stakewood falls mainly into the mid to small-sized enterprise which tends not to be certified nor currently receive demand for certified products.

Survey participants were asked to detail the demand in terms of frequency of requests for certification for a range of products. Respondents indicated that 52% of the time they receive requests for certified products and 23% indicated that they receive requests frequently (Chart 6). Stakewood and wood shavings showed the least requests for certification in contrast to both wood panels and wood pellets which had the most requests.

Chart 6 - Demand (frequency of requests) for Certification

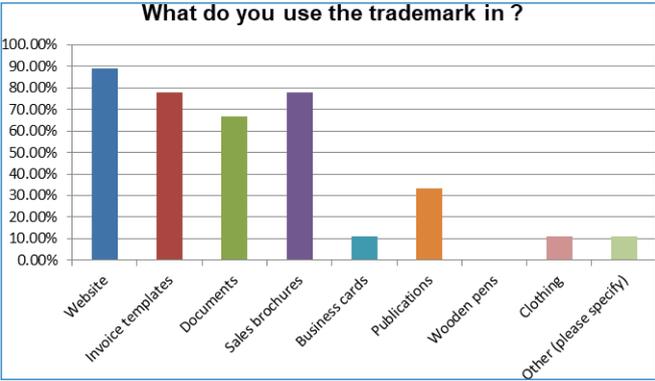


Certification trademarks are important in providing assurance to the consumer that the product being purchased has been sourced from legal and sustainable sources. This is reflected in the degree that such trademarks are embedded into the industry and its promotional activities as shown in Chart 7 and Chart 8.

Chart 7 - Certification Trademark Use



Chart 8 - Where the Trademark is used



UK and European Markets Certification Requirements

The high proportion of wood product trade selling into the UK market has impacted on the products needing to be sold as certified. European markets supplied by Ireland typically include the Netherlands, Belgium, Germany, France and Sweden where there is generally a strong tradition of preference for PEFC over FSC. The UK market was initially exclusively FSC certified due to the WWF and other ENGO strongly influenced companies selling wood-based products to prefer FSC.

As the PEFC certification process was enhanced and both schemes were ultimately accepted by the UK Government as representing legal and sustainable materials so the distinction between FSC and PEFC has softened, but the historical FSC preference remains to a large degree. This position is reflected in the certified status of Irish sawmills where only two hold PEFC certification as against eighteen holding FSC. Whereas panel manufacturers selling more widely into Europe, reflecting international ownerships and the need to match supply and demand where economically advantageous according to exchange rates and variations in economic activity across the EU states, have been more likely to offer either FSC or PEFC certified products.

Survey participants were asked to identify the certification system most in demand by their customers. The results are detailed in Chart 9.

Chart 9 - Certification Systems - Demand

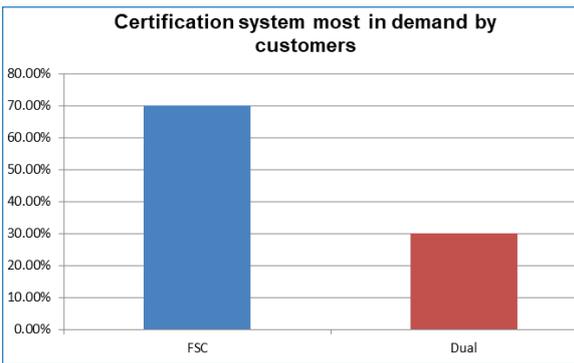
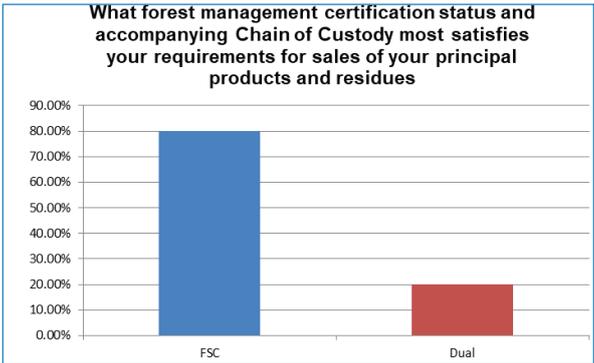


Chart 10 - Sales Requirements



Comments from respondents include the following in relation to certification requirements in the UK and European markets (Chart 10);

“As awareness of PEFC grows, it has become increasingly requested. We find as long as we have certification the markets are open to us. As our market share increases, we will be asked for certification more. UK market has higher demand for certified products as a whole and practically all requests are for FSC. Increased demand for certified products has been evident in the ROI over the past five years. Larger customers are more likely to require certification. Customers are more aware of certification and what it means to have managed forests. Customers are now demanding certified products. It is embedded in these markets (the UK and Europe) so we need to be able to supply”.

Certification claims – 70% rule

In recognition that there is insufficient certified material readily available and at all times, both FSC and PEFC offer a concession to certificate holders that allows the mixing of certified material with uncertified material. The FSC term for this uncertified material is *Controlled Wood*, whilst PEFC uses the term *Controlled Sources*, different names for essentially the same idea. Certification purists would rather eliminate controlled material as it is perceived to diminish the value of certified materials, but pragmatists recognise controlled material allows a workable solution in the imperfect real world. The addition of other inputs to certified material other than controlled material results in an output with no permissible claim, such that the output becomes uncertified.

FSC manages *Controlled Wood* through controlled wood standards and PEFC sets out the due diligence process to be undertaken to demonstrate *Controlled Sources* within the CoC standard. Controlled material is an area of contention and is recognised as a potential point of weakness in the certification process. FSC has sought to move away from individuals having to make judgements about risks and acceptability of material in the controlled wood process by initiating and funding the establishment of a country by country Centralised National Risk Assessment (CNRA). This proved to be a significant undertaking requiring appreciably more time and money than first thought. However, there is a positive outcome for Ireland in that the CNRA produced for Ireland and the UK both gave low risk outcomes for all five categories of the FSC controlled wood standard. This means that uncertified material can be easily managed and compliance readily demonstrated without additional measures to allow the mixing of controlled wood with certified material. In countries where there are specified risks and where the supply chain is more complex, it can become challenging if not impractical to demonstrate compliance to the controlled wood standard.

Arguments about the rigour of FSC and PEFC controlled material and how each system is operated has been a point of differentiation between the schemes (and still is for some). Two events served to improve the controlled process overall.

1. The creation of the EU Timber Regulations (EUTR), which set out a new international benchmark of what is legal and sustainable timber, stimulated both FSC and PEFC to improve and enhance their requirements and systems such that there was compliance with the EUTR requirements.
2. At much the same time (2010), the UK Government initiated a review to determine what could be defined as legal and sustainable timber to allow the creation of a Timber Procurement Policy. The Central Point of Expertise on Timber (CPET) was established to act as an impartial body to review existing schemes and define standards of acceptability. At first review, FSC certification was acknowledged by CPET to deliver legal and sustainable timber, but PEFC only achieved legal and sustainable status following improvements to the PEFC Standards shortly afterwards.

Another finding for CPET was that a mix of no less than 70% certified material within a timber product is required to deliver the required legal and sustainable status for compliance with the UK Procurement Policy. The Irish Government is currently developing a Green Procurement Policy within the Environmental Protection Agency (EPA) which contains reference to EU and UK requirements for certified timber.

The minimum 70% threshold rule is also applied with regard to both FSC and PEFC on product labelling rules. If certified content falls below 70%, on-product labelling is not permitted, which is generally of more consequence to consumer facing businesses that wish to apply on-product labels rather than primary producers but nonetheless, this requirement does impact upon sawmills. A product made with, for example, a 60% claim could still be sold as certified but is no longer eligible for on-product labelling and only satisfies legal timber criteria, not sustainable criteria. It should also be noted that adhering to a simple 70% minimum claim may not be desirable for a purchaser of a product with a 70% claim, as if there is a secondary manufacturing process involving the addition of a controlled material to the 70% certified item then the new product certified claim will fall below 70% and not permit on product labelling - for example laminating a sheet of chipboard with a Controlled Wood paper foil. So, the acceptable minimum certified claim may actually need to be higher than the stated 70% minimum.

Responses to a lack of certified material and means of achieving 70% threshold

Simple economics would suggest that paying more for certified material should address a shortfall but if raw material volume increases are not able to be absorbed into non-certified products then other actions may occur. A discount for uncertified material can be discerned in the UK at times where a price differential of £2/tonne is not unusual, with delivered prices widening appreciably if the alternative uncertified mill is a longer haul from the forest than a local certified mill. A £2/tonne differential between certified and uncertified can potentially

readily tip the balance in favour of a forest owner getting certified where an annual harvesting programme is yielding more than 1,000-2,000 tonnes – easily achieved on a large forest area, but not where there is a modest sized single block in one ownership, which would frequently be the case in the Irish private sector. Certified material may be uplifted from site more quickly than uncertified material which can have a significant upside for the seller where weight losses due to drying whilst stacked at roadside are not insignificant, if rarely actually quantified. Whilst competition for round timber is high and maintaining mill output is crucial for economic running then these actions may not apply.

Which certification system is selected by a certificate holder can influence the intake of certified and controlled material. A sawmill operating on the Percentage system has to guarantee that at least 70% of its intake is certified within a defined period so that all sales can be made with a 70% claim. If the time period was originally set for a month then greater flexibility can be achieved by selecting a longer period, up to a year is permissible. Changing from the Percentage to a Credit system is another possibility where certified inputs are credited to an account and only applied to those sales that have to be made as certified which focuses on the limited amount of available certified inputs to those customers that specifically want certified goods. Some 73% of respondents indicated that they operated a Percentage system and 23% the alternative Credit system.

Running a batch system, where a sawmill will accumulate certified roundwood in a separate yard to uncertified roundwood is technically possible but unlikely to be a long-term economic option. Flushing through the whole production system of uncertified material may be too demanding to be feasible as all co-product collection points would need to be cleaned prior to a certified production run. The potential for confusion, and thus noncompliance, increases as systems complexity increases.

Operating a secondary roundwood yard at a mill of only Controlled material could allow intake of all available roundwood, with actual daily 70% certified intake needing to be carefully managed and maintained by controlling actual use of Controlled material. This regime relies on the processor having sufficient yard space, careful intake management and acceptance of some double handling.

A review of a sawmill's supply chain may identify a simple break in the chain of custody where an uncertified third party buys certified material standing or at roadside and is then only able to sell it onto the sawmill as uncertified material. This now uncertified material can readily be shown to be Controlled, but a source of certified input has been lost. Requiring uncertified third parties between the forest and primary processor to acquire chain of custody certification can be an easy and relatively cost-effective quick fix to maintain CoC.

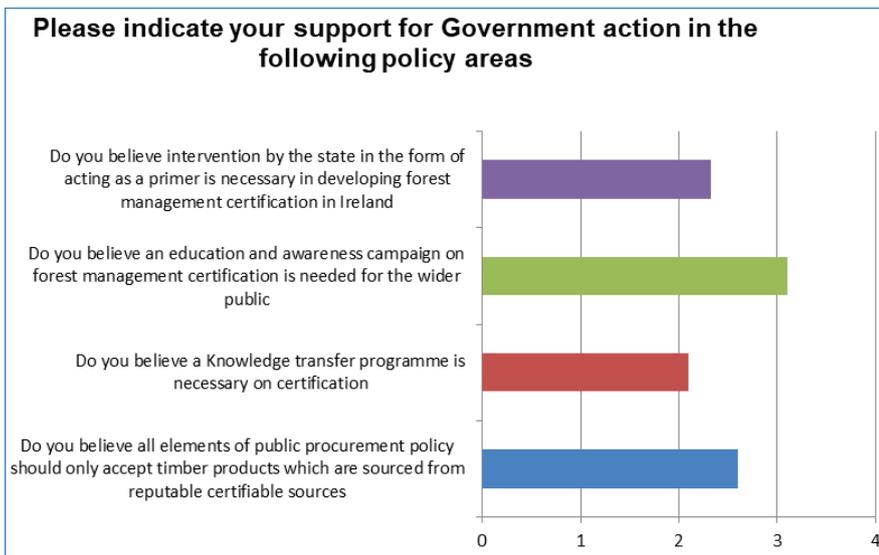
Ultimately if there is a shortage of certified roundwood in an economy where the market is demanding a minimum 70% certified output and an oversupply of Controlled material, the only solution is to get more forests certified.

Securing Supply of Certified Private Timber

Almost two thirds (64%) of respondents to the survey indicated they import roundwood as part of their raw material supply. The vast majority (>90%) of this imported material is certified.

The importance of private forest management certification to the sawmilling and panel board sectors can be concluded from the survey results. Limits or thresholds for certification labelling are a key performance indicator (KPI) at monthly management meetings for 30% of respondents. However, 90% of respondents anticipate this becoming a more important KPI going forward, as the availability of roundwood from the private sector increases.

Chart 11 - Support for Policy Actions



Survey participants were asked to indicate their support for Government actions in the following policy areas, ranking the actions from 1 to 4 with 1 being the highest (Chart 11). A low score indicates high support while a high score indicates weaker support. The results indicated that there is good support for a knowledge transfer programme and intervention by the State in developing certification in the private sector with the majority of respondents ranking these with 1 or 2.

Some 80% of respondents to the survey declared having a business plan to accommodate increasing volume of uncertified material from the private sector. Such plans include:-

- Increased importation of certified material (12.5%)
- Development of other markets (62.5%)
- Other (25%) included
 - o Management of credit system with customers
 - o Continuation with current due diligence and risk assessment processes.

In summary, the development of other markets appears to be the most popular option for the processing sector. However, as detailed in previous sections of this report, the European marketplace demands certified product with this demand increasing.

The lack of a price premium payable to the grower for certified roundwood is one of the biggest barriers to the development of forest management certification. Certification has always been hailed as a market access mechanism rather than a mechanism to increase prices for raw material. Only 20% of the respondents to the survey believe that there will be a price differential between certified and uncertified roundwood as the volume from the private sector increases. Consequently, 80% of respondents do not anticipate paying a price premium for certified raw material over uncertified raw material. As has been detailed in this report, the question of who should pay for forest certification for private forest owners is position dependent. In this instance, 70% of respondents believe the forest owners should pay for certification, with the balancing 30% believing the State or a combination of the State and the growers should fund forest management certification.

Estimate of Volume of Private Sector Supply to be Certified

Current Position

The current roundwood production forecast for the period 2021 to 2040¹⁸ estimates that over the next 20 years, some 66.73 million m³ will be available from the private sector (Table 5). This is equivalent to 55.4% of the total forecast volume for the Republic of Ireland (ROI).

¹⁸ COFORD (2021). All Ireland Roundwood Production Forecast 2021-2040. COFORD, Kildare St., Dublin 2.

Table 5 - Forecast Net Realisable Volume ('000m³)

Year	Republic of Ireland		
	Private	Coillte	Total ROI
2021	1,467	2,757	4,224
2022	1,742	2,757	4,499
2023	2,385	2,757	5,142
2024	2,408	2,757	5,165
2025	2,472	2,757	5,229
2026	2,750	2,560	5,309
2027	2,922	2,560	5,482
2028	2,925	2,560	5,484
2029	3,156	2,560	5,716
2030	3,499	2,560	6,059
2031	3,738	2,717	6,456
2032	4,042	2,717	6,759
2033	3,950	2,717	6,668
2034	3,963	2,717	6,680
2035	4,428	2,717	7,145
2036	4,177	2,703	6,880
2037	4,177	2,703	6,880
2038	4,177	2,703	6,880
2039	4,177	2,703	6,880
2040	4,177	2,703	6,880
Totals	66,733	53,684	120,417

The Coillte forecast volume is certified under both FSC and PEFC as are the harvesting rights purchased by both the Irish Forestry Unit Trust (IForUT) and Allied Irish Bank Investment Managers (AIBIM - now the Davy First Forestry Fund).

Table 6 - Private Sector Certified Area

Entity	Area	FSC	PEFC
Foraiois Growth (Arbor FM)	4,400	No	Yes
IForUT	6,590	Yes	No
Forestry Services	329	Yes	Yes
Pilot Project	298	Yes	No
VEON	4,063	No	Yes
Total Certified	15,680	7,217	8,792
Private Grant Aided (PGA)	275,375		
% Certified	5.69%		
Private Total	385,938		
% Certified	4.06%		

The current private sector area certified is estimated as being 5.69% of the grant aided estate (areas planted between 1980 and 2020). The older and non-grant aided elements of the private estate comprise significant areas which contribute relatively small volumes to the All-Ireland forecast.

When the volumes from the Coillte Farm Partnerships are added to the volumes from the purchased harvesting rights to the Coillte volumes it provides an initial estimate of the present certified volume. The estimated certified volume from the remaining parts of the private sector can be added to this to arrive at a best estimate of certified volume supply.

The forecast estimate of certified volume varies from 67.8% in 2021 to 49.1% in 2030 (Table 7). The impact of the import/ export of logs into the ROI has in the past been of the order of a net deficit of 16,000 to 205,000m³ per annum based on COFORD Woodflow reports. Currently, due to the delays in the licensing of harvesting activities, imports of round logs are significantly greater than in previous years leading to an increase in the

negative balance between exports and imports. The imported logs are certified and are assumed to displace certified volumes from Coillte and the private sector supply chain. However, factors such as price, Brexit, phytosanitary considerations and competition for roundwood in the UK is resulting in the importation of roundwood from Scotland becoming more uneconomic and is more likely to reduce rather than increase over time. Thus the impact on the negative balance on the availability of certified volume is believed to be relatively minor.

Private Volume Requiring Certification

In the long term, approximately 24.6 million m³ will require certification (Table 7 and Figure 4). However, over the next five year period (2022 to 2026) an estimated 2.88 million m³ from the private sector will need to be certified if the overall threshold of 70% is to be achieved.

Converting the 24.6 million m³ into numbers of forest owners is difficult but an approximation can be made based on the average yield class, the percentage of conifers, the average rotation length and the harvest losses. Each million m³ equates to approximately 300 to 350 private forest owners. This ignores the timing (timing of thinning and clearfell) of future supply from an individual forest owner so is an underestimate. Allowing for this would potentially double the requirement. Thus between now and 2026, an additional 1,811 to 2,114 owners will need to be certified assuming that those currently certified retain their certification status.

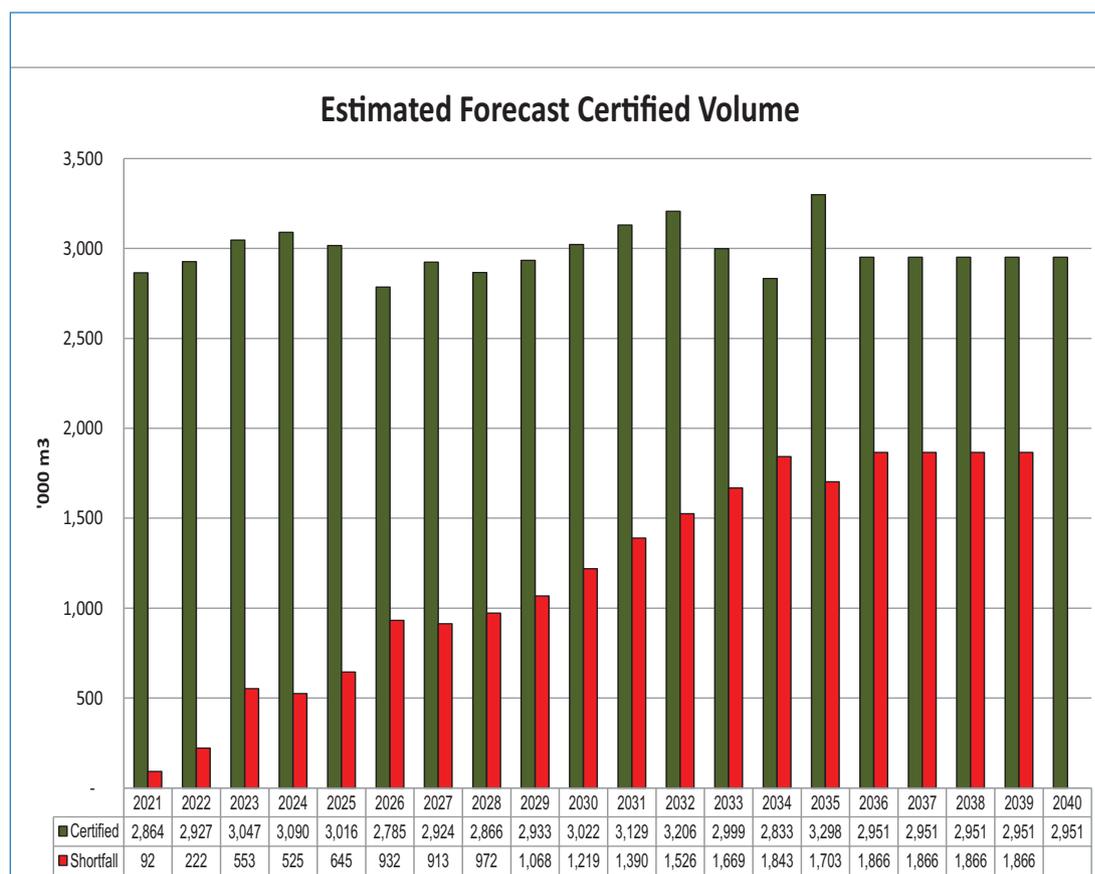
Table 7 - Estimate of Certified Volume ('000 m³) and Shortfall @ 70% Threshold

Year	Republic of Ireland					
	Non Certified	Certified	Total ROI	% Certified	70% Threshold	Shortfall
2021	1,359	2,864	4,224	67.8%	2,957	92
2022	1,572	2,927	4,499	65.1%	3,149	222
2023	2,095	3,047	5,142	59.3%	3,599	553
2024	2,075	3,090	5,165	59.8%	3,615	525
2025	2,213	3,016	5,229	57.7%	3,660	645
2026	2,525	2,785	5,309	52.4%	3,716	932
2027	2,558	2,924	5,482	53.3%	3,837	913
2028	2,618	2,866	5,484	52.3%	3,839	972
2029	2,782	2,933	5,716	51.3%	4,001	1,068
2030	3,037	3,022	6,059	49.9%	4,241	1,219
2031	3,326	3,129	6,456	48.5%	4,519	1,390
2032	3,553	3,206	6,759	47.4%	4,732	1,526
2033	3,669	2,999	6,668	45.0%	4,667	1,669
2034	3,847	2,833	6,680	42.4%	4,676	1,843
2035	3,847	3,298	7,145	46.2%	5,002	1,703
2036	3,930	2,951	6,880	42.9%	4,816	1,866
2037	3,930	2,951	6,880	42.9%	4,816	1,866
2038	3,930	2,951	6,880	42.9%	4,816	1,866
2039	3,930	2,951	6,880	42.9%	4,816	1,866
2040	3,930	2,951	6,880	42.9%	4,816	1,866
Totals	60,725	59,692	120,417		84,292	24,600

Potential Impact on Market Accessibility and Wood Mobilisation

In the absence of increased certification, the impact will be immediate and significant as processors will either have to import additional certified logs to meet the 70% threshold and/or develop markets for non-certified material. This in turn could see a decrease in timber price for uncertified material and the potential withholding of volumes by the private sector in anticipation. It is hard to envisage markets for the uncertified volumes as the potential shortfall increases year on year and then flattens out at 3.93 million m³ per annum. In summary, wood mobilisation will be negatively impacted and the markets for uncertified material are unlikely to absorb the additional volumes with the risk of decreasing roundwood value.

Figure 4 - Estimated Certified Volume and Volume Shortfall



Impact of Changing the 70% Threshold

The FSC published a Strategy for FSC Mix and Controlled Wood (2019)¹⁹ that sets out FSC goals and objectives on the use of Controlled Wood. There is no reference made to any future change proposed to the 70% certified content rule. The document offers little regarding how Controlled Wood content might be reduced beyond an aspiration to achieve a greater area of certified forest.

There is pressure from some ENGOs to increase the 70% threshold that the processing sector must maintain in order to label their products as coming from certified timber. In the UK, the Timber Procurement Policy (TPP) requires that only timber and wood-derived products originating from an independently verifiable Legal and Sustainable source will be demanded for use on the government estate.²⁰ For UK forest owners this simply means that their forests require certification as proof of a legal and sustainable source of timber. If a similar scheme were to be introduced into Ireland, then the impact would be to increase the volume of processed material to be certified.

Any immediate change, however small, will impact significantly on the estimated shortfall of certified timber unless there is a dramatic increase in certification in the private sector.

For every 5% increase in the threshold (Table 8), an additional 6 million m³ from the private sector will require certification over the forecast period (2021 to 2040). In the immediate term (2022 to 2026), the volumes to be certified increase from a baseline of 2.88 million m³ (70% threshold) by an estimated 1.27 million m³ for every 5% increase in the threshold above 70%. Thus at 85%, the shortfall in certified volume is estimated as being 6.93 million m³.

¹⁹ Available at <https://fsc.org/en/newsfeed/the-controlled-wood-strategy-is-now-available>

²⁰ <https://www.gov.uk/government/publications/timber-definition-of-legal-and-sustainable>

Table 8 - Impact of Increasing the 70% Threshold

Year	Total Forecast Volume ROI	% Certified	Shortfall 70% Threshold	Shortfall 75% Threshold	Shortfall 80% Threshold	Shortfall 85% Threshold
2021	4,224	67.8%	92	303	515	726
2022	4,499	65.1%	222	447	672	897
2023	5,142	59.3%	553	810	1,067	1,324
2024	5,165	59.8%	525	784	1,042	1,300
2025	5,229	57.7%	645	906	1,167	1,429
2026	5,309	52.4%	932	1,197	1,463	1,728
2027	5,482	53.3%	913	1,187	1,461	1,735
2028	5,484	52.3%	972	1,247	1,521	1,795
2029	5,716	51.3%	1,068	1,353	1,639	1,925
2030	6,059	49.9%	1,219	1,522	1,825	2,128
2031	6,456	48.5%	1,390	1,712	2,035	2,358
2032	6,759	47.4%	1,526	1,863	2,201	2,539
2033	6,668	45.0%	1,669	2,002	2,335	2,669
2034	6,680	42.4%	1,843	2,177	2,511	2,845
2035	7,145	46.2%	1,703	2,061	2,418	2,775
2036	6,880	42.9%	1,866	2,210	2,554	2,898
2037	6,880	42.9%	1,866	2,210	2,554	2,898
2038	6,880	42.9%	1,866	2,210	2,554	2,898
2039	6,880	42.9%	1,866	2,210	2,554	2,898
2040	6,880	42.9%	1,866	2,210	2,554	2,898
Totals	120,417		24,600	30,621	36,641	42,662

Task 3: Certification Schemes and Models

FSC and PEFC Certification Schemes

General

The FSC and PEFC are the two main global certification schemes. Both are owned by international non-governmental organisations and exist to promote sustainable forest management and operate a system for product assurance. Certification schemes have two key components: a forest management certificate and chain of custody certification. Many different stakeholders, representing the environmental, economic and social aspects of forestry, guide the approaches of both schemes. The schemes allow consumers to identify, purchase and use timber and wood products produced from well-managed forests, through the use of a product labelling system.

FSC was founded in 1993 in response to concerns over global deforestation and the demand for a trustworthy system for labelling wood products. It was the first forest certification scheme and is dedicated to promoting responsible management of the world's forests. FSC defines its own principles and criteria for forest management and has its own system for granting authority to bodies carrying out forest certification and chain of custody audits. Local (country) standards for forest management have to be written to conform to FSC principles and criteria.

PEFC was founded in 1999 by woodland owners in northern Europe but is now a global organisation with 55 national members. It is the largest forest certification scheme, dedicated to ensuring that timber and non-timber forest products are produced with respect for ecological, social and ethical standards. Unlike FSC, PEFC is an umbrella programme that endorses individual national forest certification systems, based on PEFC's requirements and tailored to local priorities and conditions. PEFC endorses auditing organisations conforming to international accreditation requirements. PEFC requirements are derived from forestry principles and criteria negotiated by intergovernmental processes.

Both schemes can be seen to have appreciable overlap, and both set out to create policy and implement responsible forest management. The main difference between FSC and PEFC lies in how their schemes are administered. FSC can be viewed as a top down, more paternalistic approach where FSC sets policy and requires them to be applied within national standards. FSC members are categorised as economic, environmental or social and further subdivided as North and South with each membership group having equal weight in terms of voting. Every three years FSC holds a General Assembly at which the membership vote on motions that direct how FSC proceeds. PEFC can be likened to a bottom up approach, or umbrella, organisation that assesses and endorses national standards that are tailored to local circumstances. Both schemes operate to published standards. The end result of the FSC and PEFC systems can be viewed as being closely related, as is demonstrated in the case of dual endorsement of the UK Woodland Assurance Standard (UKWAS) by both schemes; forest management certification in the UK to both FSC and PEFC is delivered by compliance to the same standard. Two schemes from two systems can be seen as an expensive duplication of effort especially when the outcomes appear so closely related. However, having only one scheme from one system would be a monopoly.

Disadvantages and advantages of FSC and PEFC

The introduction of additional cost and complexity to the existing certification schemes, to which there is no alternative, is an ongoing issue. For example, PEFC has led on introducing Health and Safety considerations within CoC, which can be viewed as adding complexity to what was originally intended only as a wood traceability system. In developed countries, whilst there is always room for improvement to Health and Safety the basic principles are well established, enshrined in law and are generally observed. However, in developing countries, Health and Safety can be little understood or applied and enforced so there is value in the CoC standards seeking to ensure a base level of Health and Safety. FSC quickly followed PEFC with requirements for Health and Safety in their CoC standard. How auditors were supposed to interpret and apply Chain of Custody Health and Safety requirements was poorly introduced and led to variable results at audit.

FSC are currently introducing a more onerous set of labour requirements into their CoC standard to align with International Labour Organisation (ILO) standards. FSC actions on ILO standards is a good example of where FSC applies an issue that is the subject of long-standing debate, in this instance between the social and economic chambers of the membership, and imposes a decision top-down without consultation on a significant change to the Standard.

A perception can develop where one scheme is perceived to have higher standards than the other and is thus preferable in the marketplace. In the early days of certification, the origins of FSC founders meant that the FSC standards tended to be more fully reflective of environmental and social issues than the equivalent PEFC Standards. PEFC originated from a base of long established northern European foresters and processors whose primary concern was not to be governed by a self-appointed third party (FSC) that appeared to pay overly much attention to social and environmental concerns that the PEFC founders considered to be long understood and intuitively addressed by the forest industry. Over time, differences between FSC and PEFC have diminished through the need for the schemes to be comparable and competitive.

The history of how the schemes evolved and who the founders were has left something of a legacy where green NGOs tend to favour FSC over PEFC (especially WWF) and this can influence the preference of retailers for one scheme over another. For example, a preference for FSC against PEFC still occurs in some sectors in the UK retail sector, even though there is broad acceptance of the comparability of both schemes. Equally, countries in which PEFC started from still tend to be PEFC markets not least because there was an early critical mass of PEFC certified forest and products, but there is also a long-established belief in these countries systems of forest management and a desire to support it.

Pesticide use is an area of genuine difference between FSC and PEFC and could be significant.²¹ The long term FSC objective is to eliminate the use of chemical pesticides in forest management. This is achieved in the short term by reducing volumes and numbers of pesticides in use and eliminating the most hazardous pesticides. FSC has a process by which it seeks to determine what constitutes a highly hazardous pesticide and its control. PEFC takes a position of not permitting internationally banned pesticides and where there is use then pesticide use should be minimised and other approaches preferred. Thus PEFC can endorse national standards, following the PEFC high level guidance, which allows nationally permitted pesticides to be used as legislated whereas FSC has chosen to take a high-level position on the acceptability of all pesticides.

²¹ Dual certification requires that compliance with the FSC pesticide policy remains the overriding standard and requirement.

As mentioned earlier, arguments about the rigour of FSC and PEFC Controlled material and how each system is operated has been a point of differentiation between the schemes (and still is for some). Two events served to improve the Controlled process overall. The creation of the EU Timber Regulation (EUTR), which sets out a new international benchmark of what is legal and sustainable timber, stimulated both FSC and PEFC to improve and enhance their requirements and systems such that there was compliance with the EUTR requirements.

Overview of Certification Models Employed in Europe

When seeking FSC or PEFC certification globally there are two options available – individual certification or group certification and this pattern is followed within Europe. Individual certificates are generally held by larger entities with substantial areas of forest e.g. state forests like Coillte. An individual certificate holder is fully in control of their certification destiny and the process is discrete with no third party (apart from the certifying body) seeing what goes on behind the forest gate. Auditing is all external, although internal auditing is recommended.

Group scheme certification can be a way of achieving certification generally at less cost than an individual certificate and with reduced external auditing and that associated cost. At its simplest, group certification involves multiple woods with different owners grouped together and overseen by a Group Entity, which holds the certificate for the whole group. This Group Entity could be an individual or a group of people such as a co-operative, an owners' association, or a company. Within a group, the Group Entity has flexibility to allocate the responsibility for various requirements of the applicable Forest Management Standard. For example, the Group Entity could take responsibility for setting some policies and procedures. It is also possible to create one or more Resource Management Units within a group, where a Resource Manager is granted management responsibility over some or all of the forest areas in the group. This structure allows for more consistent management to be implemented by the Resource Manager, who may be responsible for the contract management of private forests and be operating a standard management practice.

The Group Entity is responsible for setting group rules and carrying out internal monitoring to ensure that group members meet all relevant certification requirements. External auditing is carried out on a sample basis. Sample-based external auditing should reduce the direct costs of certification for individual forest owners. The delegation of certain responsibilities to the Group Entity, and in some cases to a Resource Manager should help to relieve some of the burden of compliance with standards.

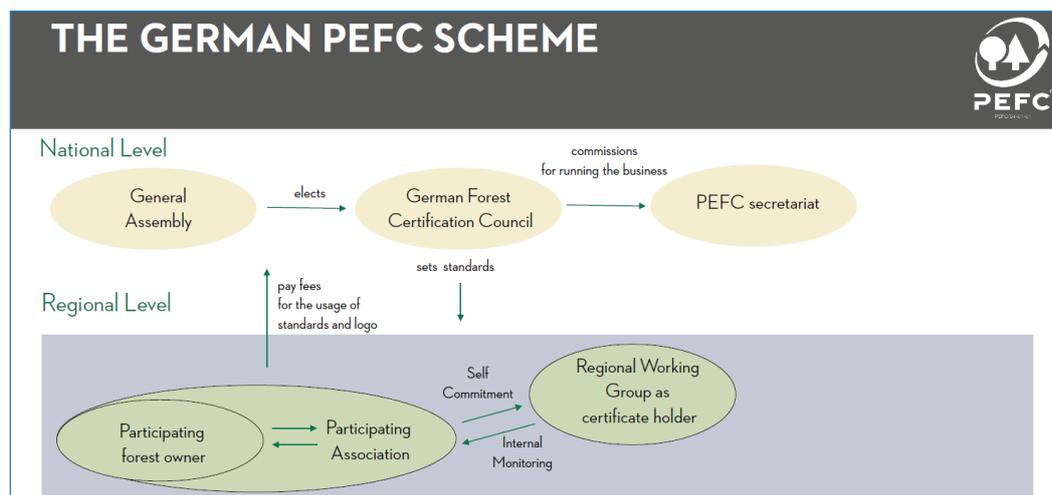
Using the UK as a case study, the pattern of forest certification shows that over time there has been progressively a greater area certified with fewer forest management certificates held overall. The UK now has three large Group Schemes responsible for the certification of appreciable private sector forests. The three largest UK Group Schemes (Tilhill Forestry, Scottish Woodlands, and UK Forest Certification) certify 223,853 ha, 94,243 ha and 66,110 ha respectively with the Tilhill scheme containing around 375 certified entities (Table 3). However, there remains a limiting factor to the UK Group Scheme model in that the two largest schemes are operated by the two largest forest management companies and other forest management companies would appear not to want to be audited by a competitor. So there remain in the UK a number of small Group Schemes that are operating across relatively few entities as these companies are obliged to offer their clients certification, whilst maintain commercial confidentiality. UK Forest Certification is offering a Group certification service but has no forest management interests so has the potential to absorb smaller individual and Group certificates.

An examination of PEFC certification data from Europe reveals a striking trend where some countries are delivering a huge area of certified forest with few or only one certificate. A key part of the success of this approach seems to be that the Group is run by an impartial body, most often the national PEFC entity. For example, in Austria, 85% of the forest area is PEFC certified with just one certificate for some 77,000 forest owners held by PEFC Austria. Austria is divided into eight forest regions and owners can join their regional Group. There is no direct certification cost for owners with funds raised by a sales levy of €0.30/m³ roundwood and €0.07/m³ industrial wood collected from forest owners and processors. Fees support certification costs and a “wood is good” advertising campaign. Major Austrian companies also sponsor PEFC certification to offset costs.

In Germany, there is a PEFC national group scheme which represents some 280,000 owners, half of which have a forest holding of 20 ha or less²². The scheme has a regional structure sitting below the national executive. Membership comprises individual owners and owners associations (Figure 5).

²² <https://youtu.be/xTPLl3UpoMc>

Figure 5 - German PEFC Group Scheme



In the Czech Republic, 67% of the total forest area is certified through one certificate run by the Association of Forest Property Owners and Administrators of the Czech Republic, only excluding state forests from the scope of their certification. Fees are applied on a 3-year term with an entry application costing approximately €20 then areas above 100 ha pay €0.08/ha/year. In comparison to the PEFC model, in order to certify 5% of the Czech forest area to FSC has taken 9 FM certificates.

Luxembourg operates one group and one individual PEFC certificate with 41% of all forests certified. A fee structure works on a charge of €10/5 years for areas greater than 2 ha, plus €0.20/ha/year. A map and management plan are required for areas greater than 50ha, but a list of prescribed forestry specifications defines how work must be undertaken by listed operators who sign up to operate to these specifications.

Variations in the way in which national forest management data is presented within the PEFC International database does not allow all countries to be assessed for the numbers of Forest Management certificates held. Some national data presents all the group members in a country as well as the individual certificates and does not allow filtering of the data which is presented on multiple short entry pages online which cannot be exported. Even so, the sample reviewed indicates that it is possible to achieve very high proportion of forest entities to be certified within very few, or one, certificate with certification costs spread across so many entities that economies of scale are achieved. Furthermore, the external audit sampling requirements are minimised. Internal auditing can be presented as a positive consultancy like process where owners are supported and encouraged to manage in accordance with the national standard.

Risk to Owners from Being Tied to a Particular Scheme

If a forest owner were to be tied to one particular certification scheme this may limit the markets available if material from the alternative certified scheme is preferred. The primary export market for Ireland at present is the UK which principally demands FSC material. Thus, being only certified to PEFC could be limiting.

In the event that new export markets are acquired which require PEFC certified material, then a grower only offering FSC certified material is potentially at a disadvantage. It can be noted that FSC certified material is accepted as PEFC Controlled Sources under the PEFC chain of custody rules unlike the FSC rules which do not confer any value on PEFC certified material entering the FSC supply chain. Dual certification overcomes the risks of being excluded from an FSC or PEFC specific market but comes at the cost of an increased audit load and an additional system fee for the certificate holder to bear.

Limits on who can be employed in the certified forest is not an issue, apart from the basic requirement from both schemes that any labour employed must be demonstrably competent and suitably equipped. In Luxembourg, only labour that is on a list of contractors who have signed up to work in accordance to defined forest operation specifications are permitted to work in the certified forest.

In summary, current demand is primarily for FSC certified material and owners who have only PEFC certification are at a disadvantage until such time as the market demands PEFC. There are obvious advantages to joint certification but this comes at an additional cost which can be minimised if both audits are carried out simultaneously.

Current Status of Certification Standards in Ireland

The process of developing an FSC approved forest certification standard for Ireland began in early 1999 when a national initiative to progress FSC forest certification was formed. A steering committee (SC) was elected comprising economic, social, environmental and woodland owners' interests in four separate voting chambers. The development of a draft national forest standard was approached by first formulating an initial draft template based on the UK FSC Standard. A technical working group (TWG) comprised a member of the SC from each chamber, worked on this initial draft developing a second draft standard which was then agreed by the SC and went to public consultation.

Progress with the third draft was delayed through internal difficulties within the TWG and it was reduced to three chambers in 2005, i.e. economic, social and environmental. However, a third draft standard published in late 2006 did not have the full backing of all three chambers but the SC agreed to allow the document to go for publication. Internal disagreements continued to dominate the attempts to develop a standard until agreement was reached and a national FSC Irish standard was approved by FSC in May 2012, (FSC-STD-IRL-012012 Irish Forest Stewardship Standard) some thirteen years after the initial meeting in 1999.

PEFC Ireland, formed in 2008, states that their standard was first endorsed by PEFC International in December 2011 which was just prior to the 5-yearly review of PEFC International's own review which then required changes to all national standards. An interim assessment was undertaken in January 2014 and an extension granted to December 2019 for the next review. Allowing for disruption to the process of review by Covid, PEFC Ireland has had version 3.0 of the FM standard dated June 2021 out for stakeholder consultation until 29.08.21.

FSC appears to no longer be represented in Ireland, with the Irish Forestry Certification Initiative (IFCI) no longer having a web presence and possibly having lost the accreditation from FSC International to act as FSC Ireland. The FSC Irish FM standard remains as that from 2012 accompanied by a statement from FSC International that, "The present document contains certification requirements for certifying forest operations in Ireland, developed in accordance with FSC's normative document for the development and maintenance of Forest Stewardship Standards. Revisions of Forest Stewardship Standards are ongoing, and all existing standards will be transferred to the revised Principles & Criteria version 5-2. All standards are valid until replaced by a new Forest Stewardship Standard."

In November this year, the Soil Association entered an agreement with FSC® to coordinate the adaptation of the FSC International Standard for local conditions in Ireland. Since the adoption of the FSC Ireland standard in 2012, the FSC Principles & Criteria have been revised, and so each country must now update their national Standards. As there is currently no formally constituted, registered Irish FSC Standard Development Group, the Soil Association will follow FSC Procedure 60-007 *Structure, Content & Development of Interim National Standards* (v1-2), which provides the full set of International Generic Indicators (IGIs) and Annexes as the starting point for local adaptation. The IGIs can either be adopted as they are, or adapted with local specifications and thresholds. The period for submitting proposals for adaptations is open from: Monday 8th November – Friday 10th December 2021. Following this, the intention is to have a draft interim standard available for submission to FSC by the end of March 2022. Notwithstanding this, the lack of a national body representing FSC Ireland is a significant deficiency and to some extent may undermine the ability of the current review to be truly country specific and inclusive of stakeholders.

Availability of Irish Certification Auditors

Auditor training and skills

Both schemes have closely defined criteria within their published accreditation requirements that auditors have to attain in order to achieve, and maintain auditor status. The criteria involve a combination of educational requirements, wood industry allied work experience and cumulative audit experience plus a set of aptitudes which have to be obtained or be present to allow a person to progress with the required auditor training. There is a cost associated with acquiring experience, undertaking training, shadowing audits and becoming familiar with the complexities and detail of multiple standards that are updated and changing with time before an individual can be approved as an auditor. It is generally the case that working for one certifying body (CB) does not mean that the individual's skills can always be immediately transferred to another CB, as there may be additional CB specific requirements. So, to produce a qualified auditor is time consuming, expensive and demanding.

Additional factors to consider

Once qualified, a self-employed auditor tends to be linked to one or maybe two CBs whilst an employed auditor will only work for the employer. Thus, the amount of work available to an auditor equates to the size of the CB portfolio of certificates and this generally splits out by Forest Management (FM) and CoC with most auditors qualified either as an FM auditor or a CoC auditor, so the potential pool of work diminishes further. Both FSC and PEFC have auditor rotation rules to avoid the development of conflict of interest, such that after three FSC audits to a certificate holder there should be a different auditor for the fourth audit.

Certificates held in Ireland

In Ireland, there are four FSC and three PEFC FM certificate holders and approximately 130 FSC and 40 PEFC CoC certificates. Assuming that each FM certificate requires ten auditor days (on audit and report writing) and each CoC certificate takes two auditor days then across Ireland there is the need for approximately 380 auditor days per year which could be covered comfortably by two auditors. Currently, Ireland does not have anything like the critical certified mass to justify a significant pool of auditors. Taking the factors outlined above into account that subdivide the available audit work across CBs and auditors there is simply not enough work to justify fulltime Irish auditors (trained, maintaining qualifications, audit rotation). An Irish auditor would need to be employed in other work or travel to the UK for additional audits. In a market which is competitive and relatively price sensitive the addition of costs to the audit will not be welcomed to facilitate the movement of Irish auditors.

Auditors are able to deliver FSC and PEFC forest management certification simultaneously if the auditor has the appropriate training and qualifications in place. Scheme specific requirements as for example, FSC pesticides, will require additional questions and inspection by an auditor to satisfy the specific points, but across the whole of FM certification there is a very appreciable overlap such that evidence from one audit can satisfy two reports. The challenge for the auditor is having a sufficient working knowledge of the FSC and PEFC standard and where each requirement sits within the standard.

Task 4: Develop a proposal to expand certification in the private forest sector

General

Any proposal to expand certification in the private sector will have to address the barriers to certification. Based on the survey results from the private forest owners, these are in order of importance - financial, administration, lack of knowledge, size of forest and finally public consultation.

As outlined under Future Scheme Enhancements the cost (excluding VAT or any margin) for a compliant FMP is estimated as being €1,200 (excluding VAT and any profit margin) for plantations less than 10 ha. This represents a significant cost for an individual owner in the absence of any obvious price differential for certified timber. There would also be ongoing costs associated with group membership, internal and external audits and updating of the FMP. These costs will vary depending on the size of the group with decreasing costs associated with larger groups. Due to the low uptake among private owners of forest certification to date in Ireland, it was not possible to provide robust cost data for certification.

Administration (record keeping, monitoring and compliance requirements) can be onerous for individual owners although the pilot certification project outputs would be of assistance in this regard.

Proposal

Our proposal is based on a combination of:

1. Solutions/models adopted across Europe
2. Findings from the survey of owners and other actors in the forest sector
3. Findings from the survey of timber processors
4. Experience of existing forest certification in Ireland and Europe
5. Industry experience

Based on the findings from the survey of timber processors it is clear that dual certification is what is required for roundwood volume from the private sector. This will allow for a smooth and efficient supply chain and allow processors market their products across all markets. Confining any solution to either FSC or PEFC will limit potential for expansion and the processing of the forecast volumes from the private sector. Consequently, dual certification in chain of custody will also be required by the Industry.

Individual certification or small group schemes are not viable as is evidenced by the experience from the UK. Ireland has proportionately more private owners with smaller areas than the UK. The project team considered a solution focussing on the development of a number of Group Schemes organised on a county or regional basis. This could reduce costs to an individual entrant. However, to deliver on economies of scale and to provide the support to group members in terms of knowledge awareness, access to improved administration procedures etc. it was decided against this potential solution. The project team also considered a transition period until a solution was implemented using the existing group schemes but were of the view that such an arrangement would be unable to deliver the scale required within the limited timeframe. Accordingly, the project team believe that a **National Group Scheme** is the only sustainable solution that adequately addresses the certification barriers. Such a National Group Scheme would focus initially on forest management certification but ultimately would extend its solutions also to chain of custody certification.

It is proposed that this group scheme will be a not for profit entity but with a strong commercial ethos which will also support a promotional campaign on Sustainable Forest Management (SFM) and certification as part of its remit. The need for this is evident from the results of the survey of the processing industry. This type of model already exists in Austria with the “wood is good” advertising campaign.

The scheme will require the establishment of a new legal entity – Irish Group Forest Certification Scheme Ltd (IGFCS)., A Steering Group with representatives from DAFM, private forest owners/owner organisations, Teagasc, processing sector and forest companies will provide direction and advice/oversight. Representation and collaboration across the sector is essential if the National Group Scheme is to deliver on the levels of certification required.

IGFCS would initially comprise a full-time Group Manager and a full-time Group Administrator. Both would run the Group central functions with contracted Regional Representatives undertaking internal audits of regional applicants and members as would the Group Manager. Initially, we propose three regions but over time as more entrants join the Group, additional regional representatives may be required.

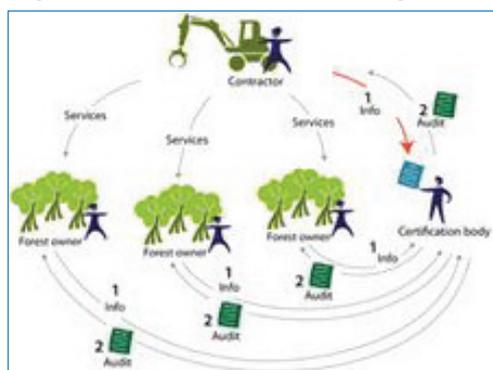
Any future national group scheme is dependent on an FSC Ireland functioning effectively, although in its absence an interim standard is possible as previously outlined in this report. It would be beneficial if IGFCS provided secretarial support to both an FSC Ireland and PEFC Ireland if this was agreeable to both entities.

IGFCS will allow transparency and clear neutrality. The alternative is to use an existing group scheme and use this as a vehicle to grow the certified forest area. However, to appeal to all forest owners and forest managers/forest companies, a new entity would in the project team’s opinion avoid any potential conflicts of interest.

Neutrality and conflicts of interest

For example, Company A may be unwilling to be audited by someone associated with Company B as a commercial advantage and confidentiality might be breached, or there could be a perception that an auditor from A will give Company B a more demanding audit but give a softer audit to a Company A member.

Figure 6 - Certified Contracting

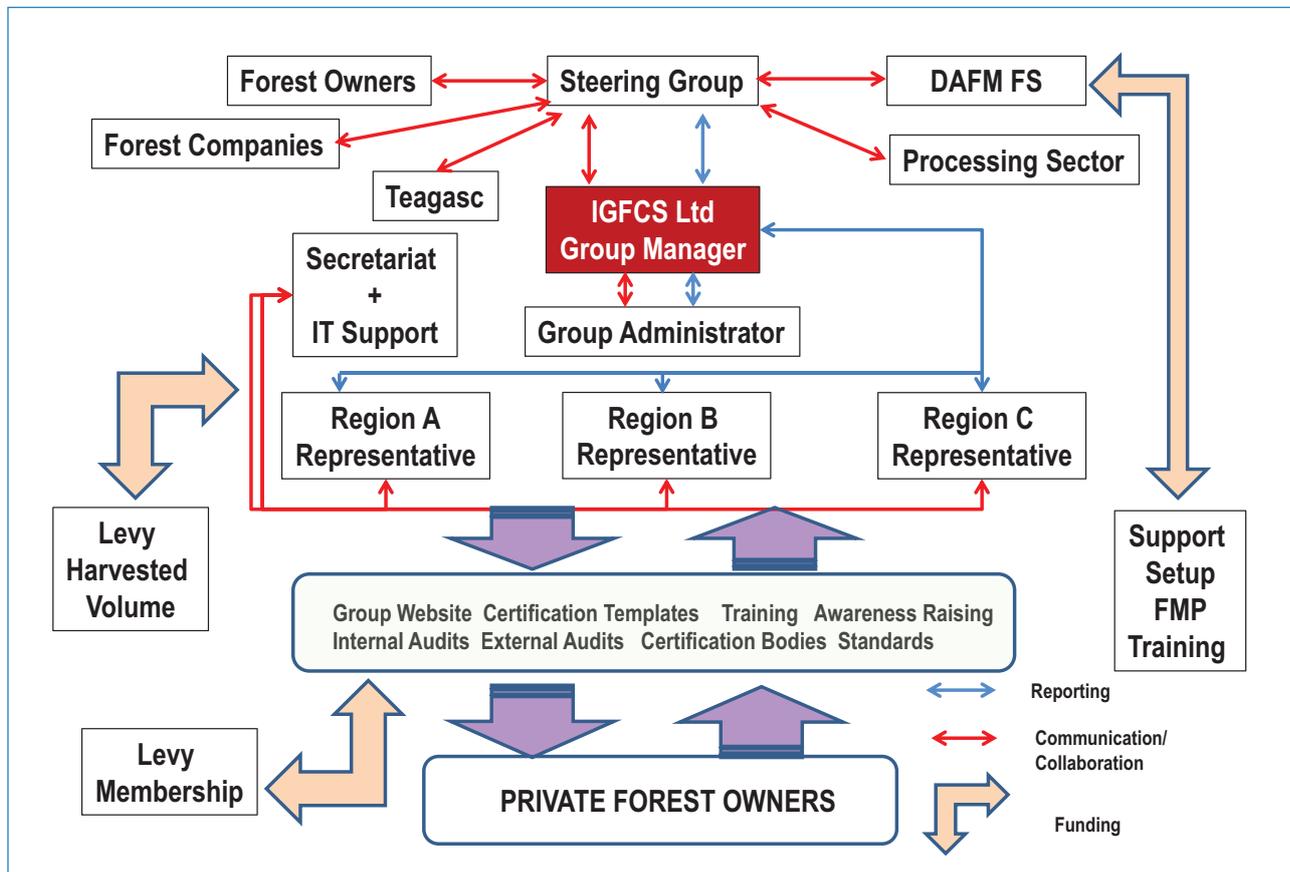


Lessons learned can be taken from countries such as Bulgaria, Denmark, Portugal, Spain and Sweden in the development and maintenance of a list of contractors who agree to work in accordance with SFM and certification requirements²³. The benefits of such an approach warrant further investigation which is beyond the scope of this report.

²³ <https://preferredbynature.org/projects/certification-forest-contractors-cefco>

The IGFCs needs to be managed by a qualified Group Manager who is responsible for all aspects of the Group membership, such as the decision on entry to the group (and the withdrawal from the group if necessary), implementing the group rules, audit checklists, recording and closing of any non-conformities and identifying training needs. The Group Manager would communicate with Group members, Regional Representatives, Internal Auditors and the Certification Body, as required. The Group Manager would represent the interests of certified members to FSC Ireland and PEFC Ireland. Ideally, the Group Manager would be trained as a lead auditor.

Figure 7 - Outline of a National Group Scheme



The Group Administrator will support the Group Manager in the day to day running of the Group, following up the timely close out of audit findings, timetabling audits and updating the website.

Secretariat and IT support will be essential though not on a full time basis in the beginning. Office space may not be required as the necessary work could be done remotely. IT support will be important to ensure capacity to maintain a Certification Register, to record annual internal audits and keep track of audit findings which need to be closed out and evidenced and to record external audits. Maintenance of a website will be required so as to give access to initial information and allow for online membership application. The website would serve as a repository of information on certification and on the role and operation of the IGFCs.

Certified members will require further certification information, guidance and interpretation, trademark approval and the ability to upload information such as a declaration of commitment and an annual certification summary return e.g. pesticide use, timber harvested. The “How to” templates, manuals and a resource library outputs from the pilot certification project could be adopted and readily adapted by the new entity.²⁴

Regional Representatives will initially be employed on a contractual basis until such time as there is a critical mass of members requiring annual audits. The Regional Representatives will offer a local point of contact and undertake local internal audits. The regional basis will facilitate cost effectiveness. These Regional Representatives will need to be trained as internal auditors.

²⁴ <https://www.groupcertification.ie/resources/forest-management-manual>

Both the FSC and PEFC systems have their own standards for forest management Group Certification which define the somewhat complicated formulae to be applied when setting the internal and external audit programmes.

FSC-STD-30-005 v2.0 FM Group Standard and FSC -STD-20-007 V3.0 FM Evaluations. FSC sets global Standards that are required to be followed by all Groups. PEFC ST 1002:2018 Group Forest Management Requirements is a benchmark Standard that forms the basis for establishing a national Irish Group Scheme Standard that then has to be endorsed by PEFC International.

Existing certified properties from other certificates could be transferred into the new entity. This would add early critical mass. Timing of transfers would need to be managed so as to avoid an existing certificate holder losing value from an already paid for year of certification. In addition to any applicable State Aid rules, the adoption of and transition to a ***National Group Scheme*** will need to consider appropriate recompense in respect of the historic and ongoing certification costs incurred by certified and dual-certified processor(s)/providers.

An Irish Government Timber Procurement Policy similar to the UK equivalent requiring all timber to meet legal and sustainability criteria has support from the forest and processing sectors based on our survey results. The pursuance of such an approach could act to increase demand for certified timber products in the domestic market.

Further research

The implications of the EU Directive on Renewable Energy (RES), particularly the definition that wood-based bio-energy has to come from sustainable sources and its demonstration through the Sustainable Bioenergy Programme requires further investigation and research. The implications for the biomass sector also needs to be determined.

Funding

The IGFCs will require business income from the forest sector and from Government. Our proposal envisages that DAFM would provide support to individuals who apply for group membership by providing ***grant aid for the preparation of a compliant FMP and subsequently the upgrade of the plan in certification cycles***. Payment would be on the basis that membership of the IGFCs is maintained for a minimum period. Additionally, for the first five years, DAFM would underpin the salaries of the Group Manager, Group Administrator and Regional Representatives.

A comprehensive ***Business Plan*** will be necessary for IGFCs. This business plan will guide the activities of IGFCs and set out a strategy and targets for group certification. It will include a training element on an ongoing basis for both foresters and forest owners.

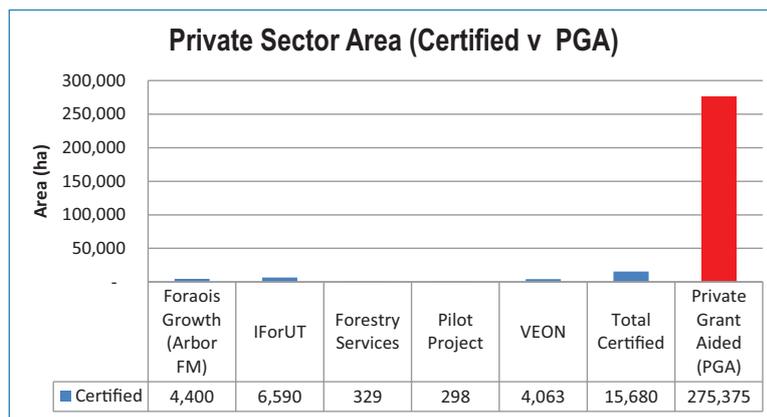
The funding mechanism the project team proposes is a ***levy per tonne on all roundwood*** entering a processing facility (payable by both the grower and the processor). The levy would be charged on a per tonne basis on roundwood entering the facility. It is proposed that biomass facilities will contribute on the basis of roundwood entering their facilities. The business case will need to generate sufficient funds to maintain the IGFCs activities and to allow for the gradual withdrawal of salary support from the DAFM.

Group members will be charged an annual membership levy related to the size of their forest. This does not replace the potential need for forest owners to engage a professional forester on issues connected with forest management and reporting requirements to the IGFCs.

Next Steps / Action Points

The current position where less than 15,680 ha of the private forest area (excluding Farm Partnerships) is certified is unsustainable (Figure 8). The urgency and need for a solution to the current position cannot be overstated. Failure to immediately address the issue of low uptake of certification by private forest owners will result in the loss of timber revenues as non-certified volumes are discounted.

Figure 8 - Private Forests Certified Area v PGA



As a starting point, this report can form the basis for an *industry led development group* to discuss the need and timeframe for the certification of private forests. It is important that the whole of the forestry sector is involved and not just the growing sector or the processing sector. A shared solution presents the potential to increase certification to the scale that is required. This is envisaged in our proposed solution where both the growing sector and processing sector are required to pay a levy on timber sold and raw material purchased. This discussion can be kick-started by one or more of the main stakeholders organising a high-level series of meetings where the views and finer details of a workable solution can be explored. There could be merit in inviting representatives from national and or regional based group schemes to attend these meetings and to provide insights into their lessons learned. These high-level discussions could benefit from the services of a professional facilitator.

Once there is agreement on the final solution, a detailed business plan will need to be developed. This will set out the actions, timeframes and a roadmap to achieve certification to the scale required, together with detailed costings and sources of revenues. The completed business plan would then form the basis for moving forward with all stakeholders having a common shared solution and an informed view regarding costs in the short to medium term.

At this point, an IGFCS or an alternative entity proposed from the high-level meetings/discussions above would be established. The challenges facing an IGFCS or a similar entity will be enormous given the relative short time frame available to increase certification, the lack of awareness of forest certification among private forest owners and the current levels of capacity to prepare compliant forest management plans and undertake audits.

A key element for private forest certification is a *compliant forest management plan* (FMP). There has already been significant work undertaken in producing a FMP for use on IFORIS²⁵ and the Pilot Project produced a certification compliant template for an FMP. The finalisation of incorporating this FMP should be afforded priority by DAFM and ensure that an online version (iPlan) of a compliant management plan is in place by the end of 2022. The Forestry Programme foresees providing support for a more comprehensive FMP that current requirements. The programme should provide support to private owners for certification compliant FMP.

There will be capacity issues around the *preparation of compliant FMPs* and internal auditing prior to and during the start-up period for any final agreed solution. The Business Plan will identify the capacity requirements and training needs. However, in the short term, there may be benefit from DAFM supporting an initial series of training courses for professional foresters in compliant FMP preparation. These could be modular in design.

An active *FSC Ireland* entity is a requirement for any proposed or agreed solution to work. While our proposed solution envisages that an active FSC Ireland entity could be supported by IGFCS, the current intervention by FSC international to provide an interim standard is welcomed.

²⁵ COFORD Forest Management Planning Group (2014) Forest Management Plan Phase 1. Agreed Template. Unpublished. COFORD (2015) Forest Management Plan Planning Group – Summary Report.

Appendix 1 Questionnaires

Private Forest Certification Questionnaires (Task 1)

Forest Owners

1. Location of forest (Tick more than one box if needed)
 Connacht Leinster Ulster Munster
2. Age of forest (Tick more than one box if needed, if multiple age classes)
 <10 yrs 11-20 yrs 21-30yrs 31-40yrs 41yrs+
3. Total area of forest (Tick more than one box if needed, if multiple forests)
 0-5ha 5.1-10ha 10.1-15ha 15.1-20ha 20.1-30ha 30.1ha+
4. What is your main tree species (please give approximate % of main species)?
 Sitka spruce Norway spruce
 Lodgepole pine Douglas Fir
 Scots pine Other conifers
 Oak Beech
 Ash Other broadleaves
5. Who manages your forest?
 Owner Managed Management Agreement Consultant Managed Other
6. Have you heard of forest management certification?
If yes briefly explain your understanding of forest management certification?
7. Have you heard of PEFC or FSC forest certification programs? Yes No
If yes briefly explain.
8. Do you believe forest management certification is necessary? Yes No
Please briefly explain your answer.
9. Would you like to have your forest certified? Yes No
Please briefly explain.
10. Do you believe that you will need forest certification to sell your timber in the future?
 Yes No
11. Do you believe that if your forest is NOT certified that it will restrict access to timber markets in the future? Yes No
12. What price do you believe uncertified timber will achieve in the future? Lower, higher, no difference
13. Do you recognise or have you seen forest certification labels? Yes No
If yes, what is your understanding of them?
14. Do you know what chain of custody means? Yes No
If Yes briefly explain your understanding of it.
15. Has a forestry advisor/forest manager discussed forest management certification with you?
 Yes No
16. Would you like to learn more about forest management certification? Yes No

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17. Do you believe a Knowledge transfer programme is necessary on Forest management certification?
 Yes No
18. What would you do to get your forest certified, what would be your first point of call?
19. Are there supports that could be provided to help you achieve forest management certification?
If yes, please briefly explain.
20. Do you believe forest management certification will improve the management of your forest?
 Yes No
21. Do you know what a Group Forest Certification Scheme? Yes No
22. If yes to Q21, would you join one? Yes No
23. Do you know how much forest certification costs? Yes No
24. What do you believe would be a reasonable cost for forest certification?
25. Who do you believe should pay for forest certification? Forest owner, State, Timber Buyers
26. If you were to pay for forest certification, how would you be willing to pay, a % of harvest income, price per hectare, a fixed annual fee, price per ton, or a combination of above?
27. What do you see are the barriers to getting your forest certified?
Please rank these in order of 1-5 with 1 being most important:
i. Financial
ii. Administration
iii. Size of forest
iv. Lack of knowledge
v. Public consultation
vi. Other (please specify)
28. In your opinion, how could these barriers be overcome?
29. Have you any other concerns relating to Forest Management Certification? Yes No
If yes, please briefly list/explain.
30. Any other Comment?

Forest Owner Associations

1. How many members are in your association
 <50 51-100 101-150 151-200 200+
2. Which Province do you cover?
 Connacht Leinster Ulster Munster
3. Which option do you believe best describes your members Forest Management Certification knowledge? Good understanding/Some understanding/limited understanding/No understanding
4. Are you familiar with either PEFC or FSC forest management certification programs?
If yes, briefly explain.
5. Is your Association forest management certified? Yes No

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6. Do you believe forest management certification is necessary? Yes No
Briefly explain your answer.
7. Do you believe that forest owners will need forest management certification to sell timber in the future?
 Yes No
8. Do you believe that forests that are not certified will have restricted access to timber markets in the future? Yes No
9. Do you know what chain of custody means? Yes No
If Yes, please briefly explain your understanding of it
10. Has a forestry advisor/forest manager discussed forest management certification with your association?
 Yes No
11. Does your association intend to learn more about forest management certification?
 Yes No
12. Do you believe a Knowledge transfer programme is necessary on forest management certification?
 Yes No
13. Are there supports that could be provided to help achieve forest management certification?
If yes, please briefly explain.
14. Have any of your members enquired about forest management certification? Yes No
15. What would your association do to begin the forest management certification process?
16. Do you believe forest certification will improve the management of forests? Yes No
17. Do you know how much forest management certification costs? Yes No
18. Are you aware of the DAFM pilot project on certification in 2017? Yes No
If yes, have the outputs from this pilot project assisted you in the forest management certification journey, please explain.
19. Who do you believe should pay for forest certification? Forest owner, State, Timber Buyers
20. What do you see are the barriers to getting forest management certification?
Please rank these in order of 1-5 with 1 being most important:
- i. Financial
 - ii. Administration
 - iii. Size of Forest
 - iv. Lack of knowledge
 - v. Public consultation
 - vi. Other (please specify)
21. In your opinion how could these barriers be overcome?
22. Have you any other concerns relating to forest management certification? Yes No
If yes, please briefly list/explain.
23. Any other comment?

Forest Managers (Management Companies, Consultants, Forestry Professionals)

1. Which option best describes your forest management certification knowledge?
Good understanding/Some understanding/limited understanding/No understanding
2. Have you had any involvement in either advising or delivering forest management certification?
 Yes No If yes, please briefly explain.
3. Have you or any of your staff had training in forest management certification?
 Yes No Other, please elaborate.
4. Do you or any of your staff intend to undertake training in forest management certification?
 Yes No
5. Were you aware of the DAFMs pilot project on forest certification in 2017? Yes No
If yes, have the outputs from this pilot project assisted you in the forest management certification journey? Yes No
6. Do you believe a lack of forest certification will negatively impact on a forest owner's ability to access the market in the future? Yes No
If yes, when do you think this will happen?
7. Do you believe a lack of forest management certification will be a barrier to future wood mobilisation?
 Yes No
If yes, what do you believe would help increase the uptake in forest management certification with forest owners?
8. What do you see are the main barriers to forest certification at present?
Please rank these in order of 1-5 with 1 being most important:
vii. Financial
viii. Administration
ix. Size of Forest
x. Lack of knowledge
xi. Public consultation
xii. Other (please specify)
9. Who do you believe should pay for forest certification? Forest owner, State, Timber Buyers
10. What supports could help more forest owners achieve forest management certification?
11. Any other Comment?

Certified Groups (North East Forest Owners and Forest Owners Co-operative)

1. What were the main concerns of your members before joining the DAFM pilot forest management certification project?
2. Did you find the DAFM funded Pilot Group Certification project beneficial?
 Yes No Other
If yes, what were the main benefits in your opinion?
3. What were the top 5 findings of your association's involvement in the pilot group forest certification scheme?
4. Would your association partake in such a pilot group forest certification scheme again?
 Yes No

-
5. What would you recommend changing if such a pilot group forest certification scheme were to be commenced again?
 6. Would you advise other entities (associations, forest owners, forestry companies etc.) considering forest management certification to proceed using the pilot group certification scheme results based on your experience to date.
 Yes No. Please elaborate on your answer
 7. Do you believe the outputs from the pilot certification scheme has assisted in the development of group certification schemes nationally? Yes No
 8. How would you rate forest management certification in terms of accessibility for private owners?
Very Accessible/ Accessible/ Not accessible.
 9. How could your association assist more members in achieving forest management certification?
 10. Based on your experience of the DAFM pilot group certification, who in your opinion would be best to manage future group certification schemes? Please briefly explain.
 11. Do you believe a lack of forest management certification will negatively impact on a forest owner's ability to access timber markets in the future? Yes No
If yes, what do you believe would help increase the uptake in forest management certification with forest owners?
 12. Do you believe forest management certification will improve forest management practices?
 Yes No
 13. What do you see are the main barriers to forest management certification at present?
Please rank these in order of 1-5 with 1 being most important:
 - xiii. Financial
 - xiv. Administration
 - xv. Size of Forest
 - xvi. Lack of knowledge
 - xvii. Public consultation
 - xviii. Other (please specify)
 14. Any other comment?

Forestry Advisors/Education

1. Which option best describes your forest management certification knowledge?
Good understanding/Some understanding/limited understanding/No understanding
2. Have you had any involvement in either advising or educating on forest management certification?
If yes, please briefly explain.
3. Have you or any staff in your organisation had training in forest management certification?
Yes/No/Other, please elaborate.
4. Do you or any of your staff intend to undertake training in forest management certification?
 Yes No
5. Were you aware of the DAFMs pilot project on forest certification in 2017? Yes No
If yes, have the outputs from this pilot project assisted you in the forest management certification journey? Yes No

-
6. Do you believe a lack of forest certification will negatively impact on a forest owner's ability to access the market in the future? Yes No
If yes, when do you think this will happen?
7. Do you believe a lack of forest management certification will be a barrier to future wood mobilisation? Yes No
If yes, what do you believe would help increase the uptake in forest management certification with forest owners?
8. What do you see are the main barriers to forest certification at present?
Please rank these in order of 1-5 with 1 being most important:
- xix. Financial
 - xx. Administration
 - xxi. Size of Forest
 - xxii. Lack of knowledge
 - xxiii. Public consultation
 - xxiv. Other (please specify)
20. Who do you believe should pay for forest certification? Forest owner, State, Timber Buyers
21. What supports could help more forest owners achieve forest management certification?
22. Any other Comment?

Processing Sector Questionnaires (Task 2)

1. Name of Business
2. Nature of business (please tick relevant box)
- Primary processor
 - Secondary processor
 - Timber trader
 - Harvester
 - Transporter
 - Other (please specify)
3. What markets are you selling your products into? (please tick as appropriate)
- Irish Market
 - UK Market
 - European Market
 - Other (please specify)
4. Are you certified? Yes No
5. If you are not certified:
- a. Are you aware of certification and what it means?
 - b. Have you considered certification and why did you not proceed to securing it? Please elaborate
6. Do you see a need for having certification in the future? Please elaborate Yes No
7. If you are certified, what type of certification have you?
- | | | | | |
|---------------------------------|-------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| Chain of Custody | <input type="checkbox"/> None | <input type="checkbox"/> FSC status | <input type="checkbox"/> PEFC status | <input type="checkbox"/> Dual status |
| Forest Management certification | <input type="checkbox"/> None | <input type="checkbox"/> FSC status | <input type="checkbox"/> PEFC status | <input type="checkbox"/> Dual status |

-
8. Under FSC what system do you use to control FSC claims? (please tick relevant ones)
 % system Mixed credit Transfer
9. Do you believe certification is a necessary component of your business? Yes No
10. Have you considered withdrawing from certification? Yes No
11. Do you believe certification is a cost on your business? Yes No
12. Do you believe certification is value for money as in the benefits outweigh the costs?
 Yes No
13. Do you import roundwood as part of your raw material supply? Yes No
If yes, approximately what % is certified?
14. What were the most important factors in your decision to secure certification
(please rank 1 to 5 in importance with 1 being the highest)
 Specific customer request
 Promotion of your business
 Market demands
 Environmental responsibility
 Other (please specify)
15. What benefits does certification deliver to your business
(please rank 1 to 6 in importance with 1 being the highest)
 Increased sales
 More enquiries from customers
 More efficiency
 Environmental social governance issues addressed
 Promotional aspects
 Other (please specify)
16. What percentage of the private forest estate do you believe is presently forest management certified
to: (please insert % in the appropriate cell)
FSC _____ PEFC _____ Dual _____
17. What percentage of the Coillte forests do you believe is presently forest management certified to:
(please insert % in the appropriate cell)
FSC _____ PEFC _____ Dual _____
18. Has lack of forest management certification become an issue for you in purchasing timber from the
private sector in the past 12 months Yes No
If yes, please elaborate
19. Do you believe lack of forest management certification will be an issue for you in purchasing timber
from the private estate in the future Yes No
20. If output of certified timber from the private sector does not increase in the next 2 years, will this
negatively impact your business growth ambitions? Please elaborate. Yes No
21. Have you had to stop labelling at any stage in the past due to not having adequate certified material to
meet the minimum threshold levels. Yes No
-

-
22. Is the limits or threshold for certification labelling a key performance indicator for your business at monthly management meetings Yes No
23. Do you anticipate this becoming a more important KPI going forward as the availability of roundwood from the private estate increases Yes No
24. Do you believe the certification bodies will increase the threshold for labelling in the future Yes No
25. What certification system is most in demand by your customers (please tick)
 FSC PEFC Dual
26. Are you noticing an increase in demand from customers for labelled products Yes No
27. Are you noticing any change in customers' requirements for dual certified products Yes No
28. Are you noticing any increase in demand for one certification system over another Yes No
29. What is the market demanding in terms of certification and are there trends you see developing for the Irish, UK and European markets?
30. Please specify your understanding of what the 70% threshold for on product labelling means and how the remaining 30% balance is defined
31. What are the benefits of labelling?
32. Why do you see it as important to label your products?
33. What feedback have you received from your customers from having your products labelled?
34. Do you use certification trademarks for promotional use? Yes No
35. If yes, what do you use the trademark in (please tick as appropriate)
 Website
 Invoice templates
 Documents
 Sales brochures
 Business cards
 Publications
 Wooden pens
 Clothing
 Other (please specify)
-

36. Please outline the demand for certification from your customers for the following products

Stakewood	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Sawwood	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Pulpwood	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Sawmill by products				
•Sawdust	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
•Woodchip	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
•Bark	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
•Peelings	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
• Wood shavings	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Panel board	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Moulded door components	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Landscaping/horticultural products	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Acoustic barriers	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Wood pellets for energy	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Motorway fencing	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never
Other (please specify)	<input type="checkbox"/> Always	<input type="checkbox"/> Very frequently	<input type="checkbox"/> Sometimes	<input type="checkbox"/> Never

37. Please indicate your support for Government action in the following policy areas (please rank 1 to 5 with 1 being the highest)

- Do you believe all elements of public procurement policy should only accept timber products which are sourced from reputable certifiable sources.
- Do you believe a Knowledge transfer programme is necessary on certification
- Do you believe an education and awareness campaign on forest management certification is needed for the wider public
- Do you believe intervention by the state in the form of acting as a primer is necessary in developing forest management certification in Ireland

38. Please describe your opinion on the certification demands of the UK and European markets for FSC & PEFC products

39. What forest management certification status and accompanying Chain of Custody most satisfies your requirements for sales of your principal products and residues

- FSC PEFC Dual

40. Do you foresee a demand for dual forest management certification in the private sector going forward? Please elaborate Yes No

41. Have you changed or are you considering changing your existing system of control of FSC claims to another system of control to accommodate the increase in private sector timber volumes? Please elaborate Yes No

42. Have you a business plan to accommodate increasing volumes of uncertified material from the private sector? Yes No

43. If yes, does this plan include:

- Increased importation of certified material
- Development of other markets
- Other (please detail)

-
44. Are you considering any plans to increase the availability of private certified raw material in the future?
 Yes No
If yes, please elaborate
45. Have you experienced a price differential on sales of labelled certified products over unlabelled products? Yes No
46. Do you believe there will be a price differential between certified and uncertified logs as the volume from the private sector increases? Yes No
47. Do you anticipate paying a price premium for certified raw material over uncertified raw material?
 Yes No
48. Have you had to reduce/stop intake of uncertified material in the past due to thresholds on labelling
 Yes No
49. Who do you believe should pay for forest certification for private forest owners? Please elaborate
 a. Forest owners
 b. State
 c. Timber buyers
 d. Other
50. Please detail your certification standard preference for any sawmill by products you use (please rank from 1 to 3 with 1 being your highest preference)
 FSC
 PEFC
 Dual
51. Do you believe that certification is or will be necessary to prove compliance with the EU directive on renewable energy (RES) and in particular that wood based bioenergy must come from sustainable sources ? Please elaborate on your answer
 Yes No
52. Do you believe that certified material will be required to comply with the SSRH in the future?
 Yes No
53. Please provide any other general comments on certification you feel necessary.



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