



## **ASEAN GUIDELINES ON PHASED APPROACH TO FOREST CERTIFICATION (PACt)**

### **1. Background**

The enabling conditions and the situation in the context of forest certification within ASEAN member states vary significantly. This is recognized as the underlying reason to establish guidelines for a phased approach to forest certification (PACt) for ASEAN member states. Such guidelines will become a basis for implementing a step-by-step process to achieve sustainable forest management (SFM) within the member states.

Discussions on the development of guidelines for a phased approach to forest certification have taken place at several meetings of the Working Group on a Pan ASEAN Timber Certification Initiative. The 4<sup>th</sup> Meeting of the Working Group in Manila in December 2004 agreed that development of the ASEAN Guidelines on a phased approach to forest certification should include: i) minimum requirements to verify timber of legal origin as an initial step of a phased approach as part of SFM certification; and ii) key elements of a phased approach to forest certification in ASEAN member states. The principles and elements needed for such an approach would be transparency, acceptability, equitability, comparability, incentives and disincentives, and public consultation. An additional principle should also be included, namely that a certificate will not be issued during a phased approach process to avoid confusion with SFM certification. Various aspects should also need to be considered, specifically the economic, environmental and social aspects.

The goals of developing the guidelines are: i) to build common understanding on the benefits of development and implementation of a phased approach to forest certification; and ii) to provide guidance (framework) for each ASEAN member state on the establishment and implementation of their own scheme of phased approach to forest certification. Such a framework will be practical to identify credible schemes being implemented in each ASEAN member state. The presence of such a framework should encourage further collaboration among ASEAN member states towards sustainable forest management in the region.

### **2. Definition**

A Phased Approach to Certification (PACt) program comprises a series of planned actions that will have to be carried out by the Forest Management Units (FMUs) with the purpose to conform to the standards of performance required by a certification scheme and verified by an independent body (third party).

### **3. Requirement of credibility**

Requirement of credibility which applies to a certification scheme (i.e. transparency, impartiality, independence, competency and absence of conflict of interests in the work of auditors) should also be valid for the phased approach.

#### 4. Principles

- a. **Clear goal:** Full certification on sustainable forest management (SFM) should be the ultimate goal of the phased approach to forest certification; all phases should lead to SFM.
- b. **Clear standard:** FMUs should use a standard for SFM certification based on widely accepted principles and definitions.
- c. **Clear threshold:** A minimum requirement should be adopted as a condition of eligibility to enter a phased approach process. Legal compliance must be the minimum requirement.
- d. **Clear phasing** (number of phases, milestones, schedules, action plans): Number of phases and a rational time table for each phase within the PACt program should be determined for each FMU and implemented.
- e. **Time limit:** PACt program should have a maximum time limit of 5 (five) years.
- f. **Clear communication of consequences:** Incentives, rules and measures should be determined and accordingly communicated if milestones could or could not be accomplished as scheduled.

#### 5. Procedures

Procedures for PACt systematically define the phases to be taken. These will include registration and preparation; planning and implementing of PACt actions; monitoring and correction; finalization, and communication. *[This procedure is a modification of the "Baseline and Action Plan" developed based on "Report on the Procedures for the Implementation of Phased Approach to Certification in Tropical Timber Producing Countries" by Simula, M. & Augusto A.K.J. Pinto de Abreu (2004)]*

- a. **Registration and Preparation**  
This stage involves an initial assessment process to screen whether an FMU is administratively eligible to undergo a PACt program after the FMU fills in a registration statement and declares a clear commitment to achieve SFM. During this phase, the FMU shall also state its decision to apply one particular standard for SFM certification,
- b. **Planning and Implementing its PACt Actions**  
During this phase, a preliminary audit shall be carried out by auditor(s) to find out the level of fulfillment of baseline requirements and the gap between performance of the FMU and the referred certification standard. ASEAN member states have agreed that legal compliance is the minimum requirement to be adopted as condition of eligibility to enter a phased approach process. If considered to be qualified, the FMU shall be required to develop an action plan. The action plan may be broken down into several phases with clear process, target and schedule. Upon getting PACt governing body's approval on the action plan, the FMU should implement the action plan.

- c. **Monitoring and Correction**  
During this phase, annual or periodic verification of progress in standard compliance should be carried out by independent assessors for each phase. This is to evaluate the progress achieved by the FMU in implementing the action plan based on the planned targets. Based on the result of the evaluation process, the continuation or termination of the program could be decided.
- d. **Finalization,**  
By the end of the PACt program, the FMU should be ready to undergo a full certification audit to assess compliance with the certification standard. If the FMU passes the assessment process, a certificate of compliance to the certification standard would be awarded to the FMU. Otherwise, appropriate measures will be taken by the PACt Governing Body if the FMU does not pass the assessment process. A report will be prepared on the assessment process.
- e. **Communication**  
A PACt governing body may issue a progress statement on the FMU based on results of periodic verification which can be used for business-to-business communication. This communication process may be carried out during the different phases.

## **6. PACt Governance**

### **6.1. PACt Governing Body**

- a. Each member country may establish or appoint a PACt governing body.
- b. The PACt governing body can be the organization responsible for implementing forest certification in the member state, or an independent organization which is recognized internationally under a particular certification scheme.
- c. The PACt governing body should maintain communication on the processes of the PACt that is being facilitated within the ASEAN member state in order for the FMU to benefit or gain incentives from the market place.

### **6.2. Certification Standard for PACt Program**

- a. In general, the certification standard for a PACt program can be adopted from those of a relevant forest certification scheme.
- b. Legality is a minimum requirement to be satisfied by an FMU to participate in a PACt program:
  1. Compliance with the legal requirement specified under section 6.3 is a pre-requisite to be fulfilled and is considered as the first phase of the PACt program,
  2. Baseline standard for functions of sustainability (i.e. economic, environmental and social) is determined with the consideration that gaps between the baseline standard and those of the certification standard shall be fulfilled or closed out during the period of a PACt program, with a maximum period of 5 (five) years.

### **6.3. Legal Requirement**

- a. Requirements for legality are based on laws and regulations applied in the respective ASEAN member state.
- b. The standard for legality used under the PACt program is based on the ASEAN Criteria and Indicators for Legality of Timber, which have been developed using the following core elements agreed upon by the ASEAN Member States:
  1. Compliance with all relevant forest laws and regulations;
  2. Payment of all statutory charges;
  3. CITES compliance;
  4. Implementation of a system that allows for the tracking of logs to the forest of origin;
  5. The timber must be harvested by parties who have the legal rights to carry out the logging at the designated forest area based on an approved cut; and
  6. The party which harvests the timber shall comply with the laws governing social and environmental aspects, i.e. workers' safety and health, as well as environmental impact assessment.

### **6.4. Certification Body**

The audits conducted on the FMUs participating in the PACt program shall be carried out by Certification Bodies (CBs) which have been accredited under the appropriate programs (e.g. under ISO/IEC 17021:2006 *Conformity Assessment Requirements for Bodies Providing Audit and Certification of Management Systems*; ISO/IEC Guide 65:2000 *General Requirements for Bodies Operating Product Certification Systems*; or equivalent) covering the scope for forest certification.

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