PROBLEMS IN CERTIFICATION IN FOREST SECTOR IN BULGARIA

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ABSTRACT

The purposes of this study is are to show the applicable standards in the forest sector and to point out the standards for certification of forests and forest territories, which are applicable for forest owners, apart from those for timber-processing and timber-harvesting enterprises; to make analysis of the reasons for the slow speed of certification in the forest sector, including normative obstacles; to make recommendations for activation of the process.

Key words: forest certification, standard ISO 9001:2008, FSC - Forest stewardship council, PEFC - Program for endorsement forest certification

INTRODUCTION

Bulgaria is an EU member country, which means that European requirements for quality are a basic factor for competition and this is not only according to export goods but also according to these ones for the Bulgarian market.

The demands of today’s customer are constantly growing and this is also a reason to take them into account, as well as the satisfaction of goods and services. This is controlled through implementation of systems for management of quality and internationally recognized standards become a basic factor for the prosperity of each company. The International Organization for Standardization (ISO) is the largest international institution for implementation and publication of standards. In its portfolio there are 18 000 international standards and other normative documents. The family of standards ISO 9000 is worldwide recognized model for management of the quality in organizations. It is an international consensus of good management practices with a basic aim: to guarantee that the organization, which applies it, could constantly deliver goods and services, which respond to the requirements for quality of its customers (Kostov, 2007; Systems for Management of Quality, 2008a; 2008b; 2004; ISO/IES Guide 2:2004; ISO 9000:2005).

Working in the forest sector, foresters manage the resources of more than 1/3 of
the country’s territory. It should be proved for the society in the EU and worldwide that management the forests and forest territories in a right way; that the origin and transport of wood and non-wood forest products is under control, as well as that activities carried out during this management are according to low and close-to-nature, which could be proved and confirmed by independent control by third independent side.

However, unfortunately, predominantly the standards of the so called forest certification are applied in the forest sector, but almost unknown the standards for management of quality, environment, sanitary and safety labour conditions, information security, etc. are applied. On the other hand, since the beginning of the certification process in forests some two decades ago only the certification system FSC is applied.

The aim of the present study is to make an analysis of the certification process in the forest sector of Bulgaria, to describe the standards, which are applicable, to clarify the reasons for the difficult passing of certification process. The object is certification process in forests and forest territories, as well as certification according to the requirements of ISO standards of forest sector organizations. The method used is obtaining information from official sources about the process; analysis of the certification process, comparative analysis for certification systems, applicable for the certification process in the forest sector.

**CORE OF THE FOREST CERTIFICATION**

Certification is objective verification carried out by an independent competent certification organ, which aims to determine whether the systems for management, which is implemented in an organization, conforms the requirements of one or more international standards, according to which it is developed.

One of the main problems of certification in the forest sector is their ignorance and – from there – the unwillingness to apply more standards for management of processes in forests. This concerns not only the forest timber-harvesting and timber-processing companies but also the administrative capacity of all state and non-state forest administration. Although the Executive Forest Agency is the administration, which could be considered mostly close-to-nature, none of its branches has been certified and applied systems for environmental management, with the help of which to prove that manages activities in forests and these activities to have lowest effect on the environment (Stiptsov, Paligorov, 2006; Stiptsov et al., 2007).

During the development of the new law of forests (2011) participants in working groups, either due to unwillingness of the matter, or to excessive pressure by the certification system FSC, did not want to write in Chapter 2 ‘Management of forest territories’, Section III ‘Certification in the forest sector’ with the aim to cover all applicable certification systems including these ones for management of quality according to ISO 9001; environmental management - 14 001; for sanitary and safe labour conditions -18 001; information security - 27 001, etc. In the forest law (2011) this section remained ‘Forest certification’, which is focused only on certification
according to the so called forest standards – for certification according to the scheme for sustainable management of forests (FM - Forest management), and the forest timber-harvesting and timber-processing companies should be certified for a chain of custody (CoC). (Forest Law, 2011)

According to the Forest Law (2011), forest certification is a voluntary instrument applied through assessment and validation of practices for management of forests with the help of complex of standards. Forest certification is carried out by independent non-state certifying authorities. A certificate is issued by the certifying authority according to a certain procedure to the person who manages the forest territory. This certificate proves that the management of forest territories is carried out with responsibility and in a way, which is a balance between ecological, economical and social benefits. Forest certification is a constant process and provides: 

i. reliable and independent control by a third person on activities in management of forest territories and tracing the production from forests; 

ii. conformity with international norms for certification accreditation and development of standards; 

iii. application of worldwide accepted principles for balance between economical, ecological and social dimensions in management of forests; 

iv. equal importance and participation of stakeholders in development of standards; 

v. balance in the interest among stakeholders in management of forest territories; 

vi. avoiding of useless obstacles in trade with forest products; 

vii. use of objective and applicable standards adapted to local conditions; 

viii. non-admission of a conflict of interests in certification process on the side of participants; 

ix. transparency by taking of decisions and obligatory consultations with stakeholders in certification process; 

x. constant improvement in management of forests; 

xi. accessibility for all who wish to apply the system and efficiency of expenses for all sides in certification process (Forest Law, 2011; Kostov, 2007; Racheva et al., 2011).

Forest certification and developed standards for it do not contradict to standards for management of quality. Forest standards are developed under ISO and that is why many of the clauses are too general with these ones for management of quality, environment. Sanitary and safety labour conditions, etc. Applicable certification systems are shown in Fig. 1 (Zaimov et al., 2011; Systems for Management of Quality, 2008а; Stiptsov, 2006; 2009; 2010а; 2010b; 2012а; Stiptsov et al., 2007).

**FOREST CERTIFICATION IN BULGARIA**

In the annual report of the Executive Forat Agency (EFA) in 2012 (Sofia, 2013), a very short text is written: ‘the process of certification of forests is continuing’. Certificate FSC (Management of forests and tracing of production) is given to totally 11 state forest and hunting enterprises and to one non-state forest owner. Certificate FSC (Tracing of production) is owned by 40 organisations and companies. Certificate PEFC (Tracing of timber) is owned by one organization (company). The total area of certified forests to the end of 2012 is 231 899 ha (Executive Forest Agency, 2013)

From all mentioned above it is clear that:
Fig. 1. Suitable systems for certification in forestry sector.
The EFA does not take into account the importance and necessity to give the opportunity to apply all standards applicable not only for forest owners but also for companies in forests – forest timber-harvesting companies. They are not owners of forests and forest territories and the FM certificate is non-applicable. They could be certified according to Chain of custody (CoC) – tracing of the product. For participation in auctions on municipal and other public levels this certificate is not required, only certificate for quality of management of production processes, resources, infrastructure, labour environment, etc., i.e. certificate on ISO 9001:2008 is required, and later this one for management of the environment 14 001 could be required, etc.

Only one certification system is ‘enforced’ in the country – FSC – which is not democratic and the effect will not delay. There is grounded criticism that entire regional forestry boards were certified in the past and now – entire administrative districts. Western partners are ‘convinced’ and already show interest to check themselves the ‘quality’ of these certificates. Because there is no explanation of the fact that some state forest or hunting enterprise is not certified according to FM, i.e. for sustainable management of forests but the directors change every 6 months because of impossibility to manage with illegal cuttings, larceny of timber material, etc. An NGO is being formed in Bulgaria – PEFG-BG, with the aim to establish a competitive environment for the certification process. However, the employees of the state forest enterprises, regional forestry boards and EFA were not allowed from a highest level to participate in the establishment appointment in March 2009 in Boyana Residence. It is obvious that the competitive environment is not to the taste of the government of that time.

The ‘slipping’ of the certification process is in this connection, as well, because only one system is introduced by one and the same people who cannot cover the entire country. Due to this reason there are state forest/hunting enterprises where the process has begun years ago but it is not clear on which stage it is now. The conclusion is that for almost 20 years from the beginning of this process only 11 forest/hunting enterprises and only one private owner have been certified.

Only one forest owner has a PEFC certificate and more than 40 companies for tracing.

The certified area until today is only 5.5%, and the programmes of many governments aim to reach 30% in shortest time.

MANAGEMENT AND LAW PROBLEMS AND WAYS TO SOLVE THEM

From all mentioned above it is clear that the certification process goes very slowly and ungainly and this is due to the legislative formulations in the Forest Law as well (2011).

In §42 it is pointed out that the law will operate within one month after publication in State Gazette with the exception of: point 2, article 14, paragraph 1, point 2, article 115, paragraph 1, point 2, article 116, paragraph 2, article 183, paragraph 2, point 3 and article 249, paragraph 5, point 3, which will operate as of 1 January
2016. The process of certification is blocked with this text because it allows a gratis period of another 5 years.

Which are these articles in the law and why their operation is postponed with 5 years?

For example, in article 14(1) it is written that ‘administrative plans for development of forest territories, forest management plans and inventory of forest territories are made by dealers who: *i.* are included in the public register according to article 241, and *ii.* possess papers for conformity with international standard, issued by independent certification authority, which proves that this dealer applies any of the following systems:

a) for sustainable management of forests or
b) quality of production process and offered products and services.

On one hand, administrative plans will be developed after 2016 because this is pointed out in §42, and on the other side – dealers who want to develop plans should have certificate for sustainable management or quality of production process and offered services. So article 14 demands from the dealers to have FM, but they cannot have it because they are not forest owners to be certified and prove that they manage their forests sustainably and a quality certificate is demanded from them and there isn’t even a single word about these certificates in the Forest Law (2011) and particularly in the section ‘Forest certification’ (http://ec.europa.eu/enterprise/entrepreneurship/craft/craft-priorities/doc/en_resume_rapport_final.pdf; http://ec.europa.eu/environment/).

Another problem in the certification process is seen in article 115(1), where the text says ‘State forest enterprises, state hunting enterprises and municipalities, which own forests, could provide up to one-third of their annual timber utilization for harvesting or processing by dealers who:

are with a residence and address of management activities on the territory of the enterprise or municipality and carry out their activity on the same territory; and

possess a document for conformity with international standard issued by an independent certification authority for the activities on timber harvesting and/or processing.

The document for conformity according to §1, point 2 should prove that the dealer applies any of the following systems for: *i.* sustainable management of forests or *ii.* control on the origin of timber and products or *iii.* quality of production process and offered products and services.

The dealer, who in this case is ‘timber producer’, i.e. a company, which should provide at least one of the mentioned certificates to be allowed to participate in an auction. It is strange how this company could provide a certificate for management of forests (FM), if it is not a forest owner to be certified? It comes out that these companies could not be certified according to point 1, but only to points 2 and 3 of this paragraph. To be certified according to point 2 (CoC) and to follow the standard, they have to buy ‘certified timber’, to sell it as the same or to process it and sell the products as produced
from certified timber. But there are only 11 certified enterprises and only 5.5% certified forests. From where are these dealers supposed to buy ‘certified timber’?!

There is nothing in the Forest Law (2011) about the third certificate for quality, and EFA has no information because nothing is written in the Annual report 2012. It is not even mentioned in it the fact that certificate according to ISO 9008 & 2008 have two Regional Forestry Boards – Lovech (2011) and Stara Zagora (2013); 4 State Forest Enterprises (SFE) – Garmen certificate Q 100313; Troyan (2011); Varna (2011); Selishte (certificate Q 100214); 3 State Hunting Enterprises (SHE) – Dikchan in Satovcha (2010); Kormisosh Luki (2010); Staro Oryahovo (now – Sherba). System for management of quality has been developed for the Professional Secondary School in Forestry ‘Hristo Botev’ in Velingrad. There are 46 timber-harvesting and timber-processing companies with certificate for management of quality, certified only by Intertek BA EOOD. The Training-and-Experimental Forest Enterprise Yundola has a certificate as well, and has been re-certified in 2013. SFE Gurmen and SHE in Dikchan, Varna, Selishte, etc. were also re-certified. How serious the problem for certification of management of quality is shows the certification of numerous universities like University for National and Global Economics, The Qualification Centre of the same university, University of Veliko Tarnovo, College of Economics and Administration – Plovdiv, European College of Economics – Plovdiv, etc. In process of certification according to ISO 9001 and 27 001 is the University of Forestry – Sofia, as well (Stiptsov, 2004; 2005; 2006; 2009; 2010a; 2010b; 2012a; 2012b; Stiptsov, Kolarova, 2011).

Another requirement of the Forest Law is written in article 116(1): ‘state enterprises according to article 163, as well as municipalities owners of forests, can sign contracts with dealers for up to 15 years for: i. timber-harvesting; ii. sale of timber, §2 requires ‘dealers according to §1 should respond to the requirements in article 115, §1, point 2.’

The next problem in the Forest Law is in article 183(1) Forest companies are units of physical and juridical people – owners of landed properties in forest territories, established according to the valid legislation with the aim mutual management of their estates. §2 says that EFA supports the establishment and activity of forest associations, which respond to the following requirements: point 3. their forests are certified. It is strange how this support will be carried out when the state with its huge financial resource has certified only 5.5% of the forest territory.

The last problem in the Forest Law concerning certification is article 249(1), where it is pointed out that social ecosystem benefits according to article 248, §2, when favourable for the economic activity, are requited. §5 says that the right to get the funds according to §4 have owners of forest territories, as well as SFE and SHE: i. which forest territories are on the territory of the particular municipality and have approved forest management plans and programmes; ii. which forest territories are included in the territories and zones after §2, point 1; and iii. which forest territories are certified.

Having in mind the postponed term until 2016, when all these texts from the Forest Law will get into power, as well as that they are written as regulation but are
not even mentioned in the Forest Law in the section about forest certification, the certification systems for quality management, environmental management, the law for biodiversity and management of territory, etc., and other standards under ISO it is clear that the certification process is awkward by normative obstacles. Giving a priority to only one certification system FSC also additionally makes the process difficult. In practice it is seen that there are numerous incompletely objects, as well as objects with frozen or deprived certificate.

Table 1
Data about certified and in process of certification SFE/SHE and companies with FSC certificate – FM /CoC – data obtained from annual report of EFA 2012 (Sofia, 2013)

<table>
<thead>
<tr>
<th>N</th>
<th>Organisation</th>
<th>Area, ha</th>
<th>Date of issuing of certificate</th>
<th>Date of validity of certificate</th>
<th>Status of certification process</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>SFE Dospat</td>
<td>18 284</td>
<td>04.04.2011</td>
<td>03.04.2016</td>
<td>Re-certified</td>
</tr>
<tr>
<td>3</td>
<td>SFE Kosti</td>
<td>10 089</td>
<td>03.09.2009</td>
<td>02.09.2014</td>
<td>Certified</td>
</tr>
<tr>
<td>4</td>
<td>SFE Rhodopes</td>
<td>12 035</td>
<td>26.03.2010</td>
<td>25.03.2015</td>
<td>Certified</td>
</tr>
<tr>
<td>5</td>
<td>SFE Kirkovo</td>
<td>32 160</td>
<td>20.11.2009</td>
<td>19.11.2014</td>
<td>Certified</td>
</tr>
<tr>
<td>6</td>
<td>SFE Yakoruda</td>
<td>17 866</td>
<td>26.03.2010</td>
<td>25.03.2015</td>
<td>Certified</td>
</tr>
<tr>
<td>7</td>
<td>SHE Dikchan</td>
<td>18 340</td>
<td>26.10.2009</td>
<td>25.10.2014</td>
<td>Certified</td>
</tr>
<tr>
<td>8</td>
<td>SHE Gramatikovo</td>
<td>18 319</td>
<td>21.02.2008</td>
<td>20.02.2013</td>
<td>Certified (certificate renewing ahead)</td>
</tr>
<tr>
<td>9</td>
<td>SHE Rositsa</td>
<td>12 390</td>
<td>25.08.2009</td>
<td>24.08.2014</td>
<td>Certified</td>
</tr>
<tr>
<td>10</td>
<td>SHE Shiroka polyana</td>
<td>10 988</td>
<td>19.11.2009</td>
<td>18.11.2014</td>
<td>Certified</td>
</tr>
<tr>
<td>11</td>
<td>SHE Sherba</td>
<td>35 990</td>
<td>21.02.2008</td>
<td>20.02.2013</td>
<td>Certified (certificate renewing ahead)</td>
</tr>
</tbody>
</table>

Total certified area 231 899

CONCLUSIONS AND RECOMMENDATIONS

It turns out that contractors/timber-harvesting companies and even ordinary brokers must have a certificate to export timber or timber products abroad. Quite a long time these companies misled their customers showing them certificates for quality management after ISO. Companies from abroad were aware of this trick but it could get away. However, when the situation was tightened and companies from Europe demanded a proof that the timber is certified, i.e. it comes from well-managed forests (FM) or with a legal chain of custody (CoC), things went down with
a crash. On one hand, companies want to be certified and to prove that they deliver certified timber and products from forests, on the other hand – they cannot buy such timber because there are up to 1-2 certified enterprises in particular regions.

This shows that there is a necessity in the sector forests and forestry to separate the functions of the state from the duty to control the forest certification process. This could be solved through establishment of a NGO/forestry chamber, which could have a special commission to give and deprive the licence for activities in forests, as well as to keep the register of persons who carry out activities in forestry. It is high time to allow only to registered companies to carry out activities in forests and these companies should respond to the requirements of the Forest Law. To respond to the requirements for sustainable management of forests, a registration should not be done of companies with infringements or if they have employed workers who have no right to practice in the field of forestry. For this aim, during the auctions, priority is given to companies, which are certified, have more appropriate technical equipment, as well as companies with more qualified staff. In the criteria for selection of executors of auctions, priority should be given to local companies or companies with permanently employed local workers.

Among the conditions for carrying out of the activities in forest territories, the application of best timber-harvesting practices, which protect biodiversity, soils, landscape and water resources, should be required, as well as introduction of efficient procedures for chain of custody of timber and non-wood forest products from forest to the place of processing or selling. In auction conditions should be required providing of policy and practices for safety labour conditions in the forest, as well as priority to companies with proved trend towards constant improvement of forestry activities and timber-harvesting practices. The requirement of all standards, nevertheless ISO, FSC, PEFC, etc., is to keep partnership with local population and business to provide local landscape conservation, cultural heritage and public security.

Forest administration should make thorough review of the Forest Law texts (2011) and update with reality. This demands cancellation of the term 1 January 2016 and putting a new term not later than 1 July 2016. Certification according to ISO does not require a period longer than 3 months to develop and implement chain of custody. The CoC certification could be done within the same terms. In the section for certification to give opportunity to certify according to all systems and standards and the section to become ‘Certification in forests’. The forest administration from EFA to observe and control the certification processes and render an account of certifications in the branch, as well as carrying out of signed contracts for certification, terms and quality of their implementation. When the normative requirements are not covered, to deprive licences for activities in forests, cancel from the register, depriving the right to practice forestry activities forever, as well as to check about persons connected with infringes in the new registrations. For the auctions there should be a requirement for selection of companies according to their forestry and technical capacity to carry out activity only in conformity with the planned technology and capacity of activities.
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