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Development report of the
Hungarian Forest Certification
scheme revision 2021-2024

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1 Context

The Hungarian Forest Certification (HFC) scheme is hosted by the Hungarian Forest Certification Nonprofit Ltd, which is the National Governing Body in Hungary. The introduction of PEFC forest certification has been on the agenda since the late 1990s in Hungary parallel to the development of PEFC and other forest certification schemes in Europe. Despite multiple initiatives, however, a standard setting process in compliance with relevant PEFC requirements did not start until 2012.

The interest toward PEFC forest certification was not intense, but the topic appeared in public discussions from time to time. Forestry professionals at mid-level management and a few private forest companies showed interest primarily. It has to be noted that the added value of forest certification to forestry in general was regularly questioned. This scepticism was more common among high-level decision-makers.

In May 2016 the standard setting process was concluded and, a year later HFC was granted endorsed. This opened the possibility of launching a forest certification group and implementing the national SFM standard. HFC Ltd. has promoted PEFC certification through several channels and encouraged interested parties to set up a forest certification group. Printed and internet media platforms were used, and the topic was put on the agenda of forestry related professional gatherings.

In June 2017 a meeting was organised for the state forest companies and the private sector representatives to inform them about the certification opportunities. The National Accreditation Authority and the notified certification bodies were also participating.

Later, with the assistance of PEFC International, an accreditation program was successfully initiated at the National Accreditation Authority in Hungary, with which the last obstacle from forest management certification was eliminated.

An active communication was maintained with the Ministry of Agriculture, which led to a meeting with high-level decision-makers and the CEOs of 22 state forest companies. Although there was general agreement that forest certification would remain on the agenda and would be used by state forest holdings, it was not envisaged in the immediate future, therefore the decision was postponed.

The overall reason for the lack of progress was the general conjuncture in the timber market, and the fact, that the competitor forest certification scheme was already introduced on a significant area. These factors combined weakened the market incentives for PEFC forest certification.

One of the market-leading industrial wood traders in association with PEFC International, PEFC Austria and other partners, initiated a meeting in 2019, which led to a joint decision to facilitate the creation of a forest certification group and to encourage the participation of state forestry companies, as well as to open this possibility to private forest managers. However, this initiative did not succeed until early 2023.

When the HFC review date of May 2021 arrived, it was not clear whether the SFM standard would be used in the foreseeable future, which raised concerns of spending resources on a demanding revision process that was neither supported, nor the result of which was expected by the industry.

2 Scope

HFC was endorsed by PEFC General Assembly on 31st May 2017, and the revision process was due to start on 30th May 2021. The aim of the revision was to reveal, whether HFC standards are in compliance with PEFC benchmark standards, guidelines and other requirements.

Table below summarises the HFC standards and procedures that needed to be reviewed.

Subject area	Code	Title
System description	MER 00	Introduction to the Hungarian Forest Certification
	MER 01	Definitions and Abbreviations
	MER 02	Structure of Organization
Scheme Procedures	MER 03	Decision-making Procedures
	MER 04	Rules of Standard Setting
	MER 05	Scheme Administration Procedures
	MER 06	Scheme Administration Forms and Templates
	MER 07	Resolution of Complaints
Forest Certification Standard	MER 1001	Sustainable Forest Management Requirements
	MER 1002	Group Forest Certification Requirements
	MER 1003	Forest Management Certification Requirements

3 Proposed timetable

Task	Description	Deadline
Announcement on the periodic review and revision process	Public announcement of the periodic review process including its scope and schedule.	30.05.2021
Periodic review of the scheme	Reviewing the HFC standards against the PEFC international benchmarks with due consideration of the current legal framework.	28.02.2022
Revision of the standard setting procedures	Revision of MER 03 Decision-making Procedures MER 04 Rules of Standard Setting MER 05 Scheme Administration Procedures MER 06 Scheme Administration Forms and Templates MER 07 Resolution of Complaints	30.03.2022
HFC Council decision on the result of the periodic review and on the standard setting procedure	-	30.03.2022
Stakeholder analysis	Updating stakeholder list and identification of key stakeholders	30.04.2022
Announcement of the revision of HFC	Public announcement of the revision process including its scope and schedule.	30.05.2022
Invitation of stakeholders	Stakeholders are invited through e-mail invitations to participate in the revision process.	30.05.2022
Expert phase	Expert(s) are invited to prepare an expert draft of the revised scheme to be discussed by the working group.	30.08.2022
Working group phase	Participants of the process work together in a working group to develop the standards.	30.12.2022
Public consultation	60 days public consultation.	15.03.2023
Finalization of HFC standard	The results of the public consultation need to be incorporated into the working group draft.	30.03.2023
Conflict resolution and decision on the revised HFC standards	In case of any sustained conflicts a process needs to be launched to find resolution.	30.04.2023
HFC Council decision on the revised HFC standards and its submission for assessment	HFC Council accepts the report on the revision process and the draft HFC standards.	15.05.2023
Submission of HFC scheme for assessment	-	30.05.2023
Positive recommendation	-	30.05.2024

4 Process

N ^o	Task	Description	Communication	Documents	Decisions	End date
1	Preparation	Consultation with PEFC International about process details Informal consultation with Ministry of Agriculture, private forest owners' association and other stakeholders. HFC Council meeting	-	Project proposal with schedule	HFC Council decision on starting the process	28.05.2021
2	Announcement on the periodic review and revision process	Public announcement of the periodic review process including its scope and schedule.	Announcement on HFC's webpage	-	-	30.05.2021
3	Periodic review of the scheme	Reviewing the HFC standards against the PEFC international benchmarks with due consideration of the current legal framework.	-	Gap analysis	-	28.02.2022
4	Revision of the standard setting procedures	Revision of MER 03 Decision-making Procedures MER 04 Rules of Standard Setting MER 05 Scheme Administration Procedures MER 06 Scheme Administration Forms and Templates MER 07 Resolution of Complaints	-	MER 03:2023 Decision-making Procedures MER 04:2023 Rules of Standard Setting MER 05:2023 Scheme Administration Procedures	-	30.03.2022
5	HFC Council decision on the result of the periodic review and on the standard setting process	-	-	-	HFC Council decision on starting the standard setting process	30.03.2022
6	Stakeholder analysis	Updating stakeholder list and identification of key stakeholders		Stakeholder analysis	-	30.04.2022
7	Announcement of the revision of HFC	Public announcement of the revision process including its scope and schedule.	Announcement on HFC' webpage	Announcement	-	30.05.2022

N ^o	Task	Description	Communication	Documents	Decisions	End date
8	Invitation of stakeholders	Stakeholders are invited through e-mail invitations to participate in the revision process.	Direct mailing to stakeholders Announcement	Mailing list with contact persons	-	30.07.2022
9	Collecting feedback on standard setting process	Stakeholders are invited to comment on the process proposal	No comments received	-	-	30.08.2022
10	Expert phase	Expert(s) are invited to prepare an expert draft of the revised scheme to be discussed by the working group.	-	Standard proposal	-	30.08.2022
11	Repeated announcement of the revision of HFC	Public announcement of the revision process including its scope and schedule published again	Announcement on HFC' webpage Media release	Announcement	HFC Council decision on expanding the council and the WG	26.06.2023
12	Repeated invitation of stakeholders	Stakeholders are invited through e-mail invitations to participate in the revision process.	Direct mailing to stakeholders Confirmation of participation	Mailing list with contact persons	-	07.07.2023
13	Collecting feedback on standard setting process	Stakeholders are invited to comment on the process proposal	No comments received	-	-	15.07.2023
14	Consultation	Consultation on PEFC certification and on the standard setting process	Confirmation of participation and invitation	-	-	12.07.2023
15	Consultation	Consultation on PEFC certification and on the standard setting process	Invitation	-	-	19.07.2023
16	Working group phase	Participants of the process work together in a working group to develop the FM standard. (17-21)	-	-	-	05.09.2023
17	Working group meeting		Invitation	Major topics Comments on SFM standard first draft	-	26.07.2023
18	Working group meeting	on-line meeting	Invitation	SFM standard draft	-	02.08.2023
19	Working group meeting	on-line meeting	Invitation	SFM standard draft	-	09.08.2023
20	Working group meeting	on-line meeting	Invitation	SFM standard draft	-	16.08.2023
21	Working group meeting	on-line meeting	Call for comments Invitation	Major changes proposed	Proof of absence of sustained opposition	05.09.2023

N^o	Task	Description	Communication	Documents	Decisions	End date
22	Public consultation	60 days public consultation. Registration and notification of comments received.	Announcement on HFC's webpage Media release Invitation Notification of comments	SFM standard draft for public consultation Registration of comments	HFC Council decision on public consultation	10.11.2023
23	Working group meeting to prepare the final draft	Decision needs to be made on the comments and suggestions received during the public consultation. Notification on the decision on comments.	Invitation Notification of decisions	List of comments and the agreed changes SFM final draft	Proof of absence of sustained opposition	07.12.2023
24	Conflict resolution and investigation of complaints	Conflict resolution and investigation of complaints regarding the process or its outcomes	-	-	No complaints received. No conflicts were detected.	05.01.2024
25	HFC Council decision on the revised HFC standards and its submission for assessment	HFC Council accepts the report on the revision process and the draft HFC standards.	Public consultation comments, decisions and outcomes published on webpage	Scheme and development documents	HFC Council decision on submission for assessment	05.01.2024
26	Publication	All standards are published on the webpage	Publication of the full scheme on webpage	-	-	07.01.2024

5 Results

The review of the standard has resulted in the following documents. The structure of the system has not changed. The only significant structural change was the merging of the former *MER 03 Decision-Making Procedures* and *MER 07 Complaint Resolution* into a single procedure document *MER 03 Decision-Making and Complaint Resolution*. The former *MER 06 Scheme Administration Forms and Templates* has been discontinued.

As a result of the process *MER 01:2023 Definitions and Abbreviations* as well as *MER 1001:2023 Sustainable Forest Management* went through major changes both in structure and content. This was because international requirements and national legislation has changed considerably since the introduction of these standard in 2017.

Other standards and procedures were harmonised with international requirements.

All documents were approved by the HFC Council as the final act of the standard revision process. Documents that have been approved earlier in the process were reinforced with this final decision.

The scheme documents have been published at www.pefc.hu.

Type	Code	Title
System description	MER 00:2023	Introduction to the Hungarian Forest Certification
	MER 01:2023	Definitions and Abbreviations
	MER 02:2023	Structure of Organization
Procedures	MER 03:2023	Decision-making and Resolution of Complaints
	MER 04:2023	Standard Setting
	MER 05:2023	Scheme Administration
Forest Certification	MER 1001:2023	Sustainable Forest Management
	MER 1002:2023	Forest Certification Group
	MER 1003:2023	Forest Management Certification Bodies
CoC Certification	PEFC ST 2002:2020	Chain of Custody of Forest and Tree Based Products – Requirements
	PEFC GD 2001:2022	Chain of Custody of Forest and Tree Based Products and Related Standards – Guidance for Use
	PEFC ST 2003:2020	Requirements for Certification Bodies operating Certification against the PEFC International Chain of Custody Standard
Logo	PEFC ST 2001:2020	PEFC Trademarks Rules – Requirements