Independent Forest Certification: Opportunities and Issues

Growth of Forest Certification

Forest certification measures current forest management practices against a set of standards. While forest certification has been around for some time – for example the American Tree Farm System (ATFS), which was established in 1941-- interest and demand for certification accelerated dramatically with the creation of the Forest Stewardship Council (FSC) in 1993. Other region-based schemes such as the Pan-European Forest Certification (PEFC) and the Sustainable Forestry Initiative (SFI) were developed in response. Progress has been staggering; between all schemes, 109 million hectares are now certified.

The abundance of newly developed certification schemes including the Pan-European Forest Certification in Europe, the Sustainable Forestry Initiative in the US, the Canadian Standards Association's Sustainable Forest Management Standard (CSA) and additional certification schemes in Indonesia and Malaysia, are signs that certification is truly here to stay. In addition to those certified under FSC, 78 million hectares of forest have been certified under the PERC, SFI, and CSA schemes. Under the Forest Stewardship Council standards, more than 30 million hectares of forest in more than 30 countries have been certified. More than 600 "chain of custody" certifications have been awarded to suppliers of FSC products and the FSC logo can now be seen on more than 10,000 product lines worldwide.

However, certification is more widespread in the developed and temperate countries of Europe and North America, which account for 92 percent of certified forest area, than in the tropical forests and other developing country areas. The latter currently accounts for less than 3 percent of total certified global forest area and much of this certification involves timber plantations rather than natural forests.

Demand for wood from well-managed forests reflects a lack of confidence in traditional forestry practices and the desire to make the forest industry more transparent, thereby providing consumers with information needed to make choices based on environmental and social concerns, as well as economic concerns. The certification process also allows greater participation by other stakeholders, such as forest communities, in the development of new standards for good forest management practices.

Approaches to forest certification

Underlying these various certification schemes are different approaches reflecting the various objectives of forest managers. They also reflect the conflicting values that forests hold for various stakeholders, such as wood production, recreation, watershed protection and biodiversity conservation. Two basic categories for certification standards are, process-based and performance-based approaches. These are sometimes used together, and can also be regarded as complementary.

- Process-based approaches outline environmental management system (EMS) standards for forestry, based on procedures developed by the International Organization for Standardization (ISO). Although performance is required to improve, no specific standards are established for this purpose. The primary example is the Sustainable Forestry Initiative (SFI), which is intended to improve practices and promote sustainable forestry among industrial private landowners in the United States. The SFI focuses on environmental concerns, relies extensively on existing US

laws and regulations, and was initiated by the forest products industry. This category also includes the American Tree Farm System (ATFS), which has mutual recognition with SFI but addresses the certification needs of smaller private holdings in the United States.

- Performance-based approaches set standards for achieving more specific outcomes rather than the ways in which they are achieved. These typically involve an independent audit that results in granting a certificate or requesting corrective actions. The audit usually involves an assessment, peer review of the assessment and regular monitoring. It may also be supplemented by chain-of-custody certification to verify the origin of forest products, and may allow on-product or advertising labels. For example:
    - The FSC has a set of 10 Principles and Criteria of Forest Stewardship with which national and regional standards must be consistent, addressing social and economic as well as environmental concerns. It also has separate chain-of-custody standards, provides accreditation to certifiers worldwide, and is independent.
    - The Pan-European Forest Certification Council (PEFC) has standards consistent with pan-European criteria and indicators for sustainable forest management.
    - There are also a number of national initiatives in this category, including the forest certification program of the Canadian Standards Association (CSA), the UK Woodland Assurance Standard (UKWAS) which FSC-recognized, and the Malaysian Timber Certification Council (MTCC), and the Indonesia Ecolabel Institute (LEI), which are seeking FSC recognition.

For the forest products industry, certification has a number of benefits, including company prestige, improved definitions of sustainable forest management (SFM), greater engagement by stakeholders, improved planning and management practices that include conservation measures (e.g., for biodiversity conservation, protection of riparian zones, water catchments and wildlife, adoption of Reduced Impact Logging and the development of monitoring capacity), and greater access to international markets.

For forest communities, some certification schemes provide benefits that may be beneficial. In Bolivia, a report by the International Institute for Environment and Development shows certification is thought to have contributed to the legal recognition of indigenous territory of the Chiquitano people, by highlighting their achievements in sustainable forestry management (IIED report).

Potential benefits of certification

- creates new standards in countries with problems of poor management and raises standards for private and community enterprises overall
- provides vehicle for national dialogue on issues of forest tenure, worker equity, and citizen participation in allocating and managing public resources, community value systems, and sustainability
- legitimizes community capacity to manage resources and enterprises sustainably
- provides a measure than can be a proxy for loans, as well as payment schemes for ecosystem services
- attracts donor financing
- reduces illegal activity and poor practice in private sector
- makes possible a specialized market niche for community products in a competitive environment

The Costs of Achieving and Maintaining Certification

Two major constraints to adopting certification are costs and technical capacity to meet higher standards. An FSC field assessment or ISO audit can cost $3,000 to $7,000 for a 200-acre parcel, while a Tree Farm inspection is free to the landowner. Overall, the more detailed the system, the more certification will cost. Small landowners face higher per-acre costs for forestry certification due to economies of size. Anecdotal evidence suggests that there are many small landowners who would certify their forests if the certification cost were lower. In many countries there is limited technical capacity to develop standards and ensure their application in the field to monitor performance. For this reason, training is essential to any certification scheme.

Some developed countries increasingly promote certification as a minimum standard for identifying legal production in the international timber trade. In parallel, some governments in the developing world are beginning to consider forest certification as a proxy of "good management practice," or as a replacement for governmental forestry guidelines.

European and US markets are becoming increasingly more selective about sources of imported wood. Many producers in developing countries have modified their management standards to comply with certification schemes in order to be more marketable in the international certified marketplace. In the past two years, do-it-yourself stores like Home Depot, office supply companies like Staples, and international companies like Mitsubishi have pledged to reduce and eliminate the timber supplies coming from threatened forests for their production. Many of these companies are demanding that their suppliers meet certification standards. For countries that play an important role in the international timber trade, the window of opportunity is now open to new markets. And for those countries that consume most of the production domestically, it may also be a critical opportunity to think about managing forests more sustainably.

Links and Resources:

Key references

Bass, Stephen, Kirsti Thornber, Matthew Markopoulos, Sarah Roberts, and Maryanne Grieg-Grah. 2001. Certification's impacts on forests, stakeholders and supply chains. London: International Institute for Environment and Development (for case studies of impacts on community based forest enterprises, see chapter 2).

Meridian Institute report, October 2001: A Comparative Analysis of the Forest Stewardship Council and Sustainable Forestry Initiative Certification Programs.

Rickenback, H., R. Fletcher and E. Hansen. An Introduction to Forest Certification. July 2000. EC1518. Oregon State University Extension Service.

ITTO International Workshop on Comparability and Equivalence of Forest Certification Schemes, Kuala Lumpur, 3-4 April 2002, Proceedings

Certification initiatives mentioned in text:

American Tree Farm System

Bolivian Council for Voluntary Forest Certification (CFV)

Canadian Standards Association Forest Products Marking Program

Forest Stewardship Council

International Standards Organization (ISO)

LEI Indonesia Ecolabel Institite

Malaysian Timber Certification Council

Pan-European Forest Certification Council

Sustainable Forestry Initiative

WWF Global Forest and Trade Network