

Forest Certification, its Scheme and Process

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Abstract

Forest Certification (FC) is a process of certifying any forest by an independent party. During the 80's when forest was heavily destructed, the need of the forest certification was felt, and was accepted worldwide. The interest for FC varies as per the needs of the people and/or organizations involved. Various organizations are involved in the certification process, major ones being Forest Stewardship Council (FSC), Program for the Endorsement of the Forest Certification (PEFC) and other process vary from country to country. This article deals with the certification bodies, process involved and the responsibilities of the stakeholders.

Key Words: Forest Certification, Forest Management, Principles, Environmental benefits.

Introduction

Forest Certification (FC) is a world wide accepted concept that advocates the reflectance of Sustainable Forest Management (SFM) and gives assurance to forest products users. FC is a process that leads to the issuing of a certificate by an independent party, which verifies that an area of forest is managed in a defined standard, which aims to use market-based incentives to encourage SFM practices (MCE, 1998 and Forest and Trade Asia, 2007). It is the verifying tool that a forest meets the requirements of a standard and is widely used through all sectors to provide independent confirmation that standards are being met. It was adopted worldwide after the heavy destruction of tropical forest during 80's century. Forest certification is also concerned with an integrated management of forestland including soil conservation, watershed management, biodiversity protection and impact on neighboring ecosystems. It is also concerned with fulfilling need of local people and protecting their cultural heritage and practice. Thus for local people it would be a matter of pride as it also targets for enhancing productivity and minimizing waste utilization (Nussbaum and Simula, 2005 in Acharya 2007).

As defined by FSC, "Forest certification is the process of evaluating forests or woodlands to determine if they are being managed according to an agreed set of standards". Like this, PEFC defined "It is a procedure to assess the quality of forest management in relation to the criteria of a forest management standard". ISO has defined forest certification as "The procedure by which a third party gives written assurance that a product, process or service

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conforms to specify requirements.” One of the aims of forest certification is to provide reliable, credible information for end user and consumers of forest products. Credible certification is thus an independent system of evaluating of forestry methods with the aim of promoting internationally recognized best practices for forest management (Forest and Trade Asia, 2005). In essence, it has mainly two functions, first improve the environmental, social and economic quality of forest management and second, maintain or improve market access or share of forest products and functions and gain economic benefits (Upton and Bass, 1996; Fanzeres and Vogt, 1999 and GTZ, 2007). Certification is a potential tool for contributing to the achievement of sustainable forest. FC and Sustainable Forest Management (SFM) have inseparable relationship because SFM is management of forest in social, environmental and economic perspective and forest certification is a way to assure SFM as per accepted code of practice. Forest certification intends to decrease negative impacts of forest management especially the social concerns inside and outside the forests. “Forest certification’ is not a single operation, but a mix of several mechanical and political functions” (Bass et al. 2001).

In present world, demand of certification is growing steadily and has become a contentious issue within the forest products sector and remains the subject of intense debate (Fanzeres and Vogt, 1999). Certification involves the external verification of forest management quality, which raises the need for adequate auditing systems. Certification is driven by a variety of interests. For industry and trade, it is an instrument for environmental marketing. For buyers and consumers, it provides information on the impacts of products they purchase. For forest owners and managers, it is a tool for gaining market access or market advantage, or perhaps for capturing price premiums. It also serves to demonstrate responsible forest management through independent third party certification regardless what the market wants. For the environmental movement, it is a way of influencing how production forests are managed. For government, it is a soft policy instrument to promote SFM, sustainable consumption patterns and a variety of other environmental and social goals. For investors, it can help in risk mitigation. Additionally, there may see more benefits or interest in forest certification (Rametsteiner & Simula 2001, Eba’ A Atyi and Simula, 2002 in Acharya 2007)

Forest managers are motivated to pursue sustainable forest management for diverse reasons. Certification standards provide a checklist of issues to be addressed in this pursuit. Forest certification also provides a means of verifying the achievement of sound forest management and credibly communicating this to employees, customers, investors, local communities, NGOs and regulators (Forest and Trade Asia, 2007). Beside these, there are numerous social, economical and environmental benefits to people, workers, consumers and owner. So, it is widely accepted as good products for market. There are the potentials to use certification as a means of accessing into new markets, an investor or donor demands certification as a condition of insurance and the owners, share holders or management see certification as useful tools to achieve management goals.

Some international/ national Forest Certification scheme

There are many forest certification schemes in world. Some schemes are working in worldwide and some are working as national certification initiation. We can divide these scheme based on its coverage. Some major international and national schemes are as following.

■ **Global Coverage**

- Forest Stewardship Council (FSC)
- Program for the Endorsement of the Forest Certification (PEFC)

■ **Country Specific Systems**

- US based Sustainable Forestry Initiative (SFI)
- Canadian Standards Association (CSA)
- Finish Forest Certification Scheme (FFCS)
- Australian Forestry Standards (AFS)
- Malaysian Timber Certification Council (MTCC)
- Chile based- Certification Forestal (CERTFORCHILE)
- National Woodland Association's "Green Tag Program"
- American Forest Foundation's "Tree Farm System"
- Brazil CERFLOR
- Lembaga Ekolabel Indonesia (LEI)
- UK Woodland Assurance Scheme

Forest Stewardship Council (FSC)

This is an internationally non-profit, non-government organisation based in Germany, established in 1993 by more than 150 founder members of environmental and human rights groups, timber producer and manufacturers and wood products buyer, after results of international concerns about tropical deforestation. FSC promotes environmentally appropriate, socially beneficial and economically viable management of the world's forest. For smooth work, it has developed 10 Principles and 56 Criteria. Mission of FSC is to promote environmentally responsible, socially beneficial and economically viable managements of the world's forest stewardships.

It provides Chain of Custody (CoC) certification and group certification scheme also. It is working in worldwide; By the mid of December 2010, more than **134.26** million hectare of forest has been certified under it's' scheme. Beside this, 19,350 Chain of custody certificates and 1023 Forest management certificates has issued by FSC (FSC, 2010).

Till 1997 the FSC remained practically the only operational certification system in the world. It served as a focus for policy discussion and promotion of certification. Without the FSC, certification would certainly not have made fundamental impacts on the setting of forest standards, auditing their compliance for forest management and labelling certified products in the international market place (Elliott, 1999 cited in Nussbaum and Simula,

2005). Baharudin and Simula, (1998) argued that the FSC's importance and visibility in the international arena was attributed to mainly four factors first, strong NGO support, second the lack of viable alternatives, third availability of external funding and fourth the quality and commitment of the organisational staff.

Higman et al (1999) mentioned that FSC is significant because they are widely accepted by environmental groups and consumers as well as retailers of forest products because it is independent of any one interest group in the forest sector and balance between different interests is protected in the FSC status. The European Forest campaign group, Fern 2004, reported that FSC was, "*the most independent, rigorous and credible forest certification system*" (Spencer, M. and Liedker, H. 2005).

One of the major positive points is FSC puts people at the heart of its programme. In fact, four of the principles relates to social factors. These cover areas such as legal and traditional rights of forest communities and indigenous peoples, equity, cultural identity, traditional forest stewardship and the social benefits of forest management as well as rights of the workers (Liedker, H and Spencer, M 2005). In "The Forest Certification Handbook 2005" Nussbaum & Simula has mentioned that many ENGOs has accepted the FSC programme as the only credible certification system because it is based on,

- Objective, comprehensive, independent and measurable performance-based standards-both environmental and social;
- Equitable and balanced participation of a broad range of stakeholders;
- A labelling system that includes a credible CoC system
- Reliable and independent third party –assessment and includes annual field audit

However, some critics are it is too strongly dominated by ENGOs interest. Some countries blamed that FSC has too much demands for its scheme.

Principles of FSC

- Compliance with laws and FSC Principles (6 criteria)
- Tenure and use rights and responsibilities (3 criteria)
- Indigenous peoples' rights (4 criteria)
- Community relations and worker's rights (5 criteria)
- Benefits from the forest (6 criteria)
- Environmental impact (10 criteria)
- Management plan (4 criteria)
- Monitoring and assessment (5 criteria)
- Maintenance of HCVF (4 criteria)
- Plantations (9 criteria)

Source: FSC website

Programme for the Endorsement of Forest Certification Scheme (PEFC)

The PEFC, Luxemburg based, was formed In June 1999 as a Pan European initiative with representative scheme from eleven countries. With the rapid development in its working area globally its acronym was changed in 2003 from *Pan European Forest certification* to *Programme for the Endorsement of Forest Certification Scheme* (Gunneberg and Scholz, 2005). PEFC is an independent, non profit,

non-governmental organisation, which provides a framework for the development and assessment of independent third party certification of environmentally appropriate, socially beneficial and economically viable management of forest. It is playing as a global platform for the mutual recognition of forest certification systems. The area of PEFC certified forest reached 232 million hectare and awarded CoC certification to 7522 business company and more than 456788 forest owner globally till December 2010 (PEFC, 2010). PEFC provides a logo for wood-based products, allowing to customers and the general public to make a positive choice for sustainability forest management and it claims to deliver sustainability, credibility, accountability and adaptability.

The PEFC council recognises three basic approaches in forest certification that are individual certification, group certification and regional certification under its 6 principles and 27 Criteria for SFM. These Principles are Forest resource and global carbon cycle, Forest health and vitality, Productive function of forests, Biological diversity, Socio economic aspects and Productive functions of forests. This scheme is strongly supported by small forest owners' association in Europe as well as many national governments and parts of the industries. Within short time, it changed as largest certifier scheme worldwide. However, main critics for this scheme are that they are not serious enough to social and environmental issues and less consultation in the provision of public information in the certification process to provide adequate level of transparency (Nussbaum & Simula, 2005).

Certification Process

In every scheme of certification, there must be a defined method to be followed by the certification body for assessing whether or not a particular enterprise meets the standard. Based on route, there are two possibilities for certification; individual and group certification (Nussbaum and Simula, 2005). An Individual certification body involves a

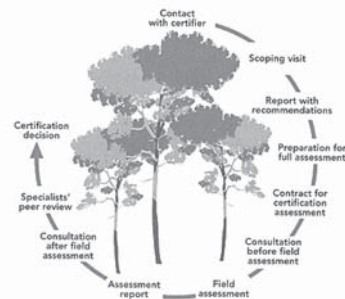
Criteria and example indicators for sustainable forest management



Source: Ministerial Conference on the Protection of Forests in Europe

specific forest management unit (FMU) or processing operation being certified directly by a certification body. This is the most common approach to certification for medium and large sized enterprises and it is widely used in Europe and North American country where private forests are common. In this scheme, all responsibility including management goes to the individual company. Individual certification focuses on large or medium scale forest enterprises but it causes problems to small-scale forest owner due to the needs of fulfillment of the certification process. As a result, most certification scheme provides a mechanism that allows certification through a group scheme (Nussbaum and Simula, 2005). Based on different schemes, there is little difference in certification process but in general, most steps and processes are common. The figure below shows about the detailed process of forest certification. It starts from contact with certifier (formal application) and end in issuing certification and labelling of products, then in next phase, it starts as auditing process continuously.

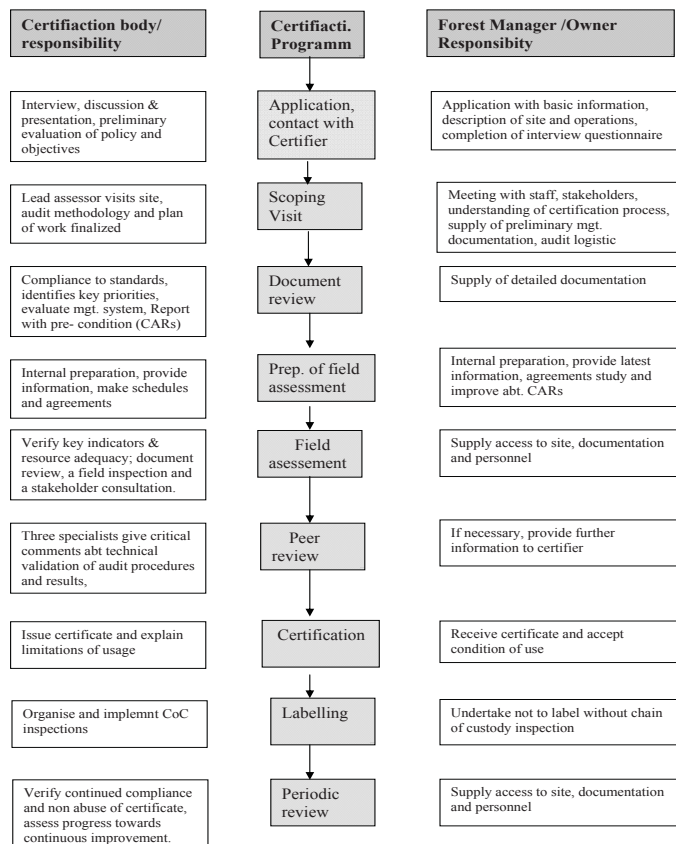
- Contact with certifier: The forest manager of a Forest Management Unit who wants to be certified makes a formal application to a certification body. In this application manager should include some necessary information including land ownership, area, species composition, management plan etc.
- Scoping visit or pre-audit: The certification body (the lead assessor) visits the forest in question and conducts a preliminary review of the management and informs the staff of the forest management unit about the certification procedures.
- Report with recommendations: The certification body advises the forest manager whether the Forest Management Unit is certifiable or not and provides potential pre-conditions or conditions for certification. If there is serious debate and conflict in forest management, certification body may postpone the process forever or for short time based on their conflict and issues.
- Preparations for full assessment: If the Forest management Unit is acceptable for certification process, further preparation for certification process are made by the manager and certification body.
- Contract for certification assessment: The contract is signed by both parties (certification body and forest owner), including a clause stating that all information on the forest management practices will be kept confidential.
- Consultation before field assessment: Some consultation and discussion may be done with forest manager and other stakeholders about schedule and other relevant issues.
- Field assessment or main audit: This step includes a document review, a



Source: GTZ 2007, certification training material

field inspection and a stakeholder consultation. This assessment is carried out by multidisciplinary team with specialists from many areas like forester, ecologists, sociologists, economists etc. These specialists evaluate each aspects of forest management and highlights the problems and the points that need improving to achieve good management and certification.

- Assessment report: A package of documents is produced for the presentation to the FMU and submitted for peer review.
- Consultation after field assessment: It may further consultation with manager if there are some query and confusion.
- Specialists' peer review: Three specialists give their critical opinion on the process and quality of the assessment and examine the conclusions of the assessment team.
- Certification Decision: If the management complies with established standards, a certificate will be issued for a number of years and includes annual follow-up inspections. If established standards are not met, the certification team works out so-called corrective action requests (CAR)



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