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Recent developments in the certification of forest products

Introduction

Certification of natural resources, products and trading relationships is a relatively new and rapidly evolving field. There are a wide variety of certification systems, some sharing the broad objective of improved forest management, others focusing on more specific objectives such as promoting the well being of producers. However whilst each scheme has its own priorities and objectives, most have a goal of moving towards more sustainable practices.

Certification

This Policy Watching Brief aims to give an overview certification of forest products, both timber and non-timber. It outlines the main certification schemes, highlighting recent developments in both individual schemes and the dialogue and collaboration that are happening between schemes. This is set in the context of both the market for 'ethical goods' (on the part of commercial buyers and final consumers) and policy objectives of governments, multilateral organisations and civil society regarding sustainable forest management and livelihoods. It is important to recognise that certification is a market tool and cannot of itself bring about sustainable forest management or benefits to forest dependent people. However, it may create incentives for improved management of and beneficial social practices associated with existing products. It might also help ensure that products new to international markets meet standards for ecological sustainability and social responsibility.

Certification is focused on products that are marketed, particularly exports. For many producers in developing countries, the main driver for seeking certification is the market. This is because there is may be demand from foreign buyers or a desire by producers to seek out potentially lucrative markets in which consumers are looking for environmentally and socially responsible goods. However, certification can also be driven by national or international policy.

Certification is a tool for encouraging environmental and social responsibility in trade. It is based on the logic that consumers will select (and be prepared to pay for) products that meet certain standards relating to environmental and social well-being. Products meeting these standards can be certified and awarded a label to differentiate them in the marketplace. The key elements of certification are:

- a standard – set of principles, criteria and indicators which represent 'good' or 'acceptable' practice. These must be locally relevant but have international compatibility and credibility;
- a custodian of the standard;
- auditors or monitors;
- an award to a producer or trader acknowledging that they have achieved the standard; there may also be a label to inform the consumers.

To be credible and effective any certification scheme has also to ensure that it is not a 'barrier to trade', and therefore liable to challenge in the World Trade Organisation (see Policy Watching Brief 1).

In this Policy Watching Brief we first discuss forest certification in relation to timber and then move on to non-timber forest products (NTFPs). Certification of NTFPs takes a number of forms, depending on the product, target market, the local ecology and at times the priorities of the promoter. In some cases it may be questioned as to whether the form of certification chosen is best for the participants or locale or even if certification is the best option in terms of environmental protection and the livelihoods of producers. There has been increasing dialogue amongst the promoters of different NTFP certification schemes, with a view to sharing best practice and exploring the potential for collaboration in monitoring and verification.

Forest certification

There are at least forty forest certification schemes around the world, but not all have real

standing within the global market place. They cover timber and NTFPs (for which particular criteria for individual products are currently under development). Some of the more significant schemes are listed in Box 1, but by far the largest and most influential currently is the Forest Stewardship Council both in terms of area covered and market influence. By the year 2000 there were 20 million hectares in 35 countries certified according to the FSC standard, accounting for approximately 3% of the world's production forests (WWF, 2001). In some forests the environmental management standard ISO 14001 is also used, but this does not lead to the issue of a label on the final product and so is not dealt with here.

Box 1: Forest Certification Schemes

Fauna & Flora Soundwood Programme

www.ffi.org.uk/conservation_programmes/soundwood

Forest Stewardship Council

www.fscoax.org

Greenpeace Pacific Programme

Www.greenpeace.org/-forests/

Lembaga Ecolabal Indonesia

LEI@indo.net.id

Pan-European Certification Process

www.pefc.org

There are details of all the different schemes produced by the Confederation of European Paper Industries at www.cepi.org

Information on the progress of forest certification and the development of national and international certification schemes can be found at www.efi.fi/cis

Due to the proliferation of forest certification schemes, there have been some attempts to compare schemes and consider their equivalence. Some people think that diversity of schemes can only be a good thing. However, others argue that an increasing number of schemes detracts from the value of certification as a potential tool for promoting sustainable forest management and creates confusion. Nevertheless there are moves towards greater understanding between schemes and stakeholders, which is an important first step towards mutual recognition.

An important market driver for forest certification is the Global Forest and Trade Network (FTN) promoted by the WWF (see http://panda.org/forestandtrade/index.html). This is a successor to the Buyers' Groups that initially committed themselves to targets for purchasing only certified timber. There are now 14 FTNs in 18 countries but they are most active in Europe and North America (e.g. the Certified Forest Products Council in the USA[1]). The network is now extending to the supply side as producer focused groups are being established in Central and West Africa, Latin America, South East Asia and Indo-China in order 'to drive improvements in forest management in some of the areas where they are most needed' (Howard and Rainey 2000: 81). It is argued that in Europe, 'forest certification is now universally accepted as an important tool for communication of management practices' (ibid).

There also has been support from multilateral agencies, but with some caveats. For example, the role of the World Bank is not to promote any one system of certification, but to play a broad role in sustainable forest management and support multi-stakeholder standard setting and offer technical inputs to certification initiatives, forest policy reform or on the development of criteria and indicators (World Bank, 1999). Similarly FAO's focus is sustainable management of all forests, in which 'certification can be of supplementary assistance if carefully planned and implemented' (FAO, no date). That said, both agencies are involved in efforts to promote best practice in certification. The World Bank is involved in a high profile initiative with the World Wide Fund for Nature, the World Bank/WWF Forest Alliance, which sets as one of its targets the independent certification of 200 million hectares of the world's production forests by 2005.[2] This is part of an initiative to work with governments, the private sector and civil society to promote forest conservation and internationally recognised best practice in forest management. Other goals that may be seen as prerequisites to the spread of certification focus on protected area legislation and promotion of sustainable management practices (WB/WWF Forest Alliance, no date.).

[1] The Certified Products Council is hosting the Certified Forest Products International Conference and Showcase in September 2001, see http://www.cfpconference2001.org/

[2] It has been pointed out that it will be very difficult to reach this target unless the definition of what is considered 'certified' is broadened (Bourke and Wiefwardana, 1999).

The FAO is involved in the development of national-level criteria and indicators for sustainable forest management, which in many countries is closely related to certification. In addition, government-led processes such as National Forest Programmes can be critical in laying the foundations for certification and conversely, the aim of criteria, indicators and certification processes should be to supplement sustainable forest management activities (Bourke and Wiefwardana, 1999).

Box 2 Lessons from Certification Studies

Community forest enterprises:

- Certification linked to donor-supported projects;
- More non-market benefits, such as recognition and tenure, may be observed than market benefits
- Even when certified they may struggle to participate effectively in competitive international timber markets;

Industrial enterprises

- Importance of UK market pressure for the decision to go for certification
- Financial benefits appear to be in market share rather than price premiums
- Considerable confusion about the roles of, and relationships between, standard setters and certifiers
- Misconceptions about consumer demand for certification

In general:

- Certification appears to have been taken up in countries/enterprises where forest management is already good
- Certification brings more than just market benefits.

Source: IIED 2000

An important point regarding public sector support of certification, is that if certification is not contributing to the goal of improving the management of forests, certification 'as a tool should be left to private interests who will use it if useful and ignore it if not' (ibid). Moreover, attempts to declare whole countries or provinces certified have been resisted by NGOs and the buyers in the market as certification is a tool that really only really works at the forest management unit level. It is important to recognise that most of the forests in the world will not become certified, even if their management is improved to the standards espoused by certification bodies. Case studies of forest certification undertaken by IIED and partners (2000) in relation to industrial forestry and community forest enterprises highlight some key issues regarding certification, some of which are discussed in Box 2. There are some more fundamental concerns about forest certification however, as it fails to tackle the causes of deforestation or the infringement of indigenous peoples' land rights (Bendell 2000).

Non-timber forest products

Several products collected from natural forests are now traded internationally and are recognised as high-value products. Increased harvesting has led to calls for measures to ensure that the trade is conducted in a sustainable way. Thus NTFPs such as Brazil nuts, rattan, heart of palm, pine resin, maple syrup, mushrooms, and chicle are potential candidates for certification. In addition cultivated products such as coffee and cocoa, where they are grown under the shade of natural forests using agro-foresty techniques, may also be classed as NTFPs (Mallett 1999). A book covering a wide range of NTFPs and their certification is due out soon (Rainforest Alliance, forthcoming).

Forest certification is not just about timber and NTFPs may be sold as certified products under forest certification systems because these systems area concerned with the sustainable management of an entire forest resource. So in theory any product sold from a certified forest can be labelled as such, so long as there is a chain of custody of certificate. In practice this is rare and whilst the FSC standard makes mention of NTFPs, no guidance on how the criteria relate to NTFPs is provided. Only a small number of NTFPs have been certified under FSC (chicle and maple syrup and a test certification for coffee, see Courville, 1999). However, as NTFPs can be considered agricultural as well as forest products, a variety of certification programmes are open to them. Here we briefly discuss organic (e.g. IFOAM), fair trade (e.g. FLO) and sustainable agriculture schemes (more detail can be found Courville, 1999 and the Falls Brook Centre's website on NTFPs, http://www.fallsbrookcentre.ca/programs/International/certmark/certmark.html).

Organic certification

Typical organic non-timber forest products are shade coffee, cocoa, honey and nuts. Where they are harvested rather than cultivated, almost any NTFP could be certified as organic but in practice, markets are a key constraint. The

formal requirement for selling on organic markets is the possession of an internationally recognised organic certificate. On the practical side, producers must be capable of meeting market requirements in terms of quality and packaging. Organic buyers from the main consuming countries will not buy poor quality produce. To be certified at relatively low cost, harvesters must also be identified and organised. In addition, some developing country suppliers may face difficulties in accessing northern markets. This is because of government regulations on organic agriculture to maintain standards and to control fraudulent labelling, e.g. USDA's Organic Food Production Act in 1990 and the European Council regulation 2092/91.[3] The implementation of the EU regulation is supervised in each member state by a competent authority (in the UK this is UKROFS) which approves certifying agencies (such as the Soil Association).

In addition to government regulation there is a network of organic certifiers whose requirements in many cases exceed government standards. In this context, the custodian of the international private sector organic standard is IFOAM (International Federation of Organic Agricultural Movements). As its name suggests, IFOAM is a decentralised organisation of member organisations including certifiers, retailers, processors, farmer organisations and consumer interests. Organic certifiers are accredited by the International Organic Accreditation Service (IOAS), established in 1997 by IFOAM (Courville, 1999).[4]

The IFOAM Basic Standard lists 17 principle aims of Organic Production and Processing. These cover social, environmental and farming issues although not all of these are given equal weight. Over time the level of detail and range of issues covered in the IFOAM Basic Standards have increased as new products have been considered for organic certification, including the addition of specific standards for wild harvested products from forests (Mallet 1999).

Accessing organic markets can be a problem for Southern producers. The plethora of standards and the emphasis on meeting the requirements of northern regulations often overshadows the importance of issues that affect the long-term sustainability of organic agriculture such as locally appropriate production methods. Nevertheless organic farming presents opportunities for small producers and developing countries. This is because although larger producers are increasingly moving into organic production, organic certification is still usually affordable to smallholders (e.g. through group certification), making organic agriculture a viable option in developing countries.

Fair trade

Fair trade (FT) standards include a number of agro-forestry products such as coffee, cocoa, bananas and honey. Certification according to fair trade principles is undertaken by Fairtrade Labelling Organizations International, FLO. There are FLO standards for a range of products (coffee, tea, cocoa, honey, sugar, orange juice and bananas). A wider range of products are sold as fair trade by Alternative Trade Organisations (ATOs) which tend not to formally certify producers, instead preferring to use their own systems of monitoring and assessment. The FLO system was first launched for coffee in 1988 by Max Havelaar, one of 17 National Initiatives that make up FLO.

Under the FLO labelling system, producers are assessed according to pre-set criteria and then registered as fair trade producers. Buyers can label their products as fairly traded only if they buy from these registered producers at a price agreed by FLO. This price is not only intended to provide a better return to the producer, but includes a 'social premium' to be used by producer groups for social development activities. To ensure that producer groups are delivering benefits to members, FLO monitors producers regularly against the relevant fair trade criteria and ensures that the quantity of fair trade goods sold by producers under fair trade conditions matches the amount sold to consumers under a fair trade label. The National Initiatives monitor the licensees of their label (i.e. the buyers). Producer monitoring tends to be undertaken by the same people to maintain continuity, build trust and the capacity of producers, rather than by different people every few years, which is common in other certification systems (with the aim of ensuring objective certification). Another difference between the FLO system and that of sustainable forest management or organic certification is that the producer does not pay for certification - this is paid for by the consumer (Courville, 1999).

[3] See Nycander 1999 for discussion on developing country access to the EU organic market.

[4] IFOAM appoints the board of the IOAS but does not influence its operations.

The format and content of the current criteria differ according to the needs of the market and industry and also according to when they were written. Whereas the criteria for coffee only have a cursory mention of environmental sustainability, the more recent banana criteria detail integrated crop management techniques. These ICM techniques form minimum entry criteria to FLO as well as minimum measures to ensure environmental protection. Throughout the banana code there is a clear separation of minimum requirements and process requirements. Minimum requirements must be met within a specified period after joining the register whereas process criteria are to be met according to a schedule mutually agreed by FLO and the producer organisation. In 2000 FLO began to explore harmonisation of the standards, because these currently differ for each product (based on the product and market characteristics and the time they were produced). Two draft standards, one for smallholders and one for waged labourers, have been produced which aim to cover all fairly traded products.

Questions have been raised about the same umbrella organisation being responsible for fair trade standards-setting, auditing, market promotion and producer support. FLO is considering the separation of auditing and producer support functions and there are proposals under discussion for restructuring the organisation to provide for producer representation in the board.

Sustainable Agriculture

Anther system frequently used by promoters of NTFPs is the Conservation Action Network's ECO-OK certification programme that was initiated by the Rainforest Alliance in the early 1990s. This has a primarily environmental remit, focusing on deforestation and habitat loss, but also seeking a balance between the needs of conservation, cultivation and community (Rainforest Alliance, n.d.). To date the ECO-OK programme has certified coffee, citrus and cocoa and has a linked scheme for bananas but has not as yet made a major impact on certification of NTFPs and has largely been concentrated in Central America. But, it 'has the potential to be a useful system of certification for NTFPs and may fill a gap for agro-forestry producers who are not able to make the full transition to organic agriculture practices' (Mallet, 1999).

Collaboration

Environmental and social certification organisations have recently begun to collaborate more closely, following on from efforts to develop systems of certification for NTFPs. A working group of the FSC has been exploring since 1996 how NTFP certification may be put into practice; how to ensure that 'label fatigue' does not develop among consumers; whether the costs of certification could be reduced (Courville, 1999). In addition there has been increased overlap between standards in terms of what the criteria cover. For example, in 1998 IFOAM agreed a set of criteria on labour standards and FLO product standards are increasingly environmentally aware. A related trend is the series of joint certification exercises such as that initiated by the Institute for Agriculture and Trade Policy which set out to compare the criteria and certification processes of a number standards relating to shade coffee in Mexico: fair trade (FLO); forest management (FSC, Smartwood and their Mexican partner CMSS); and organic (Certimex, and IFOAM) (Courville, 1999). The joint inspection revealed that whilst each system was different in focus, there were clear areas of overlap (Robins et al, 1999). Smartwood has undertaken similar exercises in Brazil.

Box 3: ISEAL participants

- Conservation Agriculture Network (CAN)
- Fairtrade Labelling Organizations (FLO)
- Forest Stewardship Council (FSC)
- International Federation of Organic Agriculture Movements (IFOAM)
- International Organic Accreditation Service (IOAS)
- Marine Stewardship Council (MSC)
- Social Accountability International (SAI)

A new project is currently being initiated in the field of social auditing in agriculture by FLO, SAI (Social Accountability International) and IFOAM. Recognising that they shared similar objectives and challenges, the major international environmental and social organisations involved in standards setting, accreditation and labelling agreed in December 1999 to co-operate on a more formal basis and established ISEAL – the International Social and Environmental Labelling and Accreditation (ISEAL) Alliance.

The aim is for ISEAL to have its own organisational structure, but at present its secretariat is hosted at the Falls Brook Centre in Canada, a non-profit organisation that also co-

ordinates the FSC working group on NTFPs. Whilst the members of ISEAL aim to share experience and best practice, the main aim of their collaboration is to work towards obtaining recognition as Conformity Assessment Bodies. [5]The members of ISEAL decided that this goal was best achieved by creating an independent body that could defend their common, unique interests and provide a neutral forum of transparent and objective peer review (ISEAL, 2001).

Conclusion

Certification for both timber and non-timber forest products has become a key feature on the policy landscape. It has been introduced by private sector and civil society organisations and is increasingly recognised by national and international public bodies, particularly in the case of forest and organic certification. The extent to which certification is an option for small-scale producers and collectors depends on the specific product, the market targeted and organisational capacity. Certification may bring benefits to producers and their environment, but the costs should be weighed up carefully. The Natural Resources and Ethical Trade programme is developing some a manual aimed at helping producer organisations or their advisors to make the decision of whether certification and other approaches to ethical trade are the best option for forest dependent people.

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[5] A conformity assessment body is an official term for a body engaged in the performance of procedures for determining whether the relevant requirements in technical regulations or standards are fulfilled.