
The Forest Stewardship Council: Using the Market to Promote Responsible Forestry

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Introduction

There is huge public concern about the destruction of the world's forests. Initially this concern focused on tropical forests and the activities of the timber industry, and in the mid-eighties led to the launching of two international initiatives to lessen the industry's impact on tropical forests: the Tropical Forestry Action Programme (TFAP) and the International Tropical Timber Organization (ITTO).

At the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992, forest issues were high on the agenda. Despite the high priority of forests for the participants, the outcome was only a set of non-binding 'Forest Principles'.

After the UNCED conference the forest issue was broadened to include temperate and boreal forests. Although the forest cover of temperate and boreal forests is more or less stable, and in some places even expanding, the biodiversity of these forests is rapidly declining. This is due to the fact that more and more old-growth forests are being replaced by plantations, consisting mainly of only one or two species. In Sweden only around 5 per cent of all forest cover still consists of old-growth forest. Only about 2.5 per cent of the productive forest land has a protected status.

Despite the international attention and efforts for the world's forests, deforestation in the tropics is still increasing. At current rates, the world is losing 0.8 per cent of its tropical forests each year. Deforestation is currently highest in South East Asia.

Traditionally environmental non-governmental organizations (NGOs) have tried to influence policy developed by governments. Through the influence they exerted, NGOs in, for example, the Netherlands and the USA managed to persuade municipalities and businesses to ban tropical timber with the help of their supporters—consumers. By that time the general public had become aware that, through their consumption of wood products, they contribute to forest depletion. Therefore more and more people started to demand products that came from well-managed forests. In response to this demand many different labels appeared on forest products, making claims such as 'for every tree felled at least two are

planted'. Many of these claims are irrelevant or misleading. An authoritative study by the World Wide Fund for Nature (WWF) found that, of a sample of 80 different environmental claims found on wood and paper products, only three could be even partially substantiated. This is why the Forest Stewardship Council (FSC) was created, to clear up the confusion by providing a truly independent, international, and credible labelling scheme on timber and timber products, and in this way provide an incentive in the market place for forest stewardship.

In the second half of the eighties the relationship between environmentalists and businesses changed. Instead of influencing governments' policies, businesses as well as NGOs looked for ways to develop policy themselves. This resulted in collaboration between NGOs and business. The changed climate within private sector and NGOs made the founding of FSC with its current structure possible.

The Founding of FSC

Because the progress made by the different intergovernmental processes was very slow, a group of timber users, traders, and representatives of environmental and human-rights organizations met in California in 1990 to discuss how they could combine their interests in improving forest conservation and reducing deforestation. Their meeting confirmed the need for an honest and credible system for identifying well managed forests as acceptable sources of forest products. During a follow-up meeting in 1992 in Washington, DC, an interim board was elected to carry out consultations and develop a basic set of principles and criteria to serve as a basis for certification.

After consultations with stakeholders from industry, government, indigenous organizations, and environmental groups in 11 countries around the world, the interim board called for a founding assembly in Toronto in September 1993. In October 1993 an agreement was reached to launch FSC, and by August 1994 a definitive set of principles and criteria, together with the statutes for the council were agreed and approved by the votes of the founding members.

FSC's Structure

FSC is a membership organization. Its approach is unique: all major stakeholders in forestry from environmental, social, and economic interests come together within the organization. To avoid domination from one group over the other, membership is divided into three chambers, environmental, social, and economic, with equal voting weight. Within each chamber, 'northern' and 'southern' members each hold half of the voting weight. The same balance is reflected in the composition of the board, which is elected by the members. Members actively help to shape FSC's policy through their input in discussions and by casting their votes. Members' organizations must have a demonstrated commitment to good forest management. Since FSC is an NGO, governments cannot become members, but government representatives are invited to participate in the development of national and regional standards. As of July 1997 FSC had 200 members in about 40 countries.

FSC established its headquarters in Oaxaca, Mexico. From here, a small staff, headed by Dr Timothy Synnott as executive director, co-ordinates its activities. FSC is funded by charitable foundations, government donors, membership subscriptions, and accreditation fees. To ensure its independence it does not accept finance from industry. Funding has been received from the Austrian, Dutch, and Mexican governments, the European Commission, the Ford Foundation, the MacArthur Foundation, WWF-Netherlands, IUCN-Netherlands, and the Swedish Society for Nature Conservation (SSNC). FSC aims for financial sufficiency in the near future. As part of this aim it expects to develop a system to obtain royalties for the use of its logo. In 1977 for the first time it charged accreditation fees, based on the amount of hectares certified by each accredited certification body.

Activities

The mission of FSC is to support environmentally appropriate, socially beneficial, and economically viable stewardship of the world's forests. The organization hopes to accomplish this goal by evaluating, accrediting, and monitoring certification bodies, and by strengthening national certification and forest management capacity through training, education, and the development of national certification initiatives.

FSC's Certification System

Certification in itself is not a new phenomenon, but certification for forest management is. Many standards already exist for assessing the quality of products. The

world's leading body in setting these kinds of standards is the International Organization for Standardization (ISO), which recently started its 14000 environmental series. The general misperception is that FSC and ISO are in competition. In fact, they are complementary. ISO 14000 certification looks at the system that a company has for managing its environmental impacts, but it does not set standards for the actual performance of the company; it cannot be used to make environmental claims about a product and does not result in a product label.

The FSC certification system is specifically designed to assess forest management; it is based on externally set performance standards specific to forestry and results in a product label. In some places, such as Sweden, companies are using the two systems together, seeking ISO-accredited certification to cover their management system and FSC-accredited certification for providing standards and product labels. These complementary roles provide a very promising area for future collaboration. FSC has liaison status on the relevant ISO technical committee, TC207, dealing with ISO 14000, and was well represented at the last TC207 plenary meeting in Japan.

FSC does not itself certify forest products; rather it ensures consumers that certification organizations have the highest level of credibility and integrity. It provides this assurance by evaluating, accrediting, and monitoring certification bodies of forest products based on their adherence to the FSC principles and criteria and guidelines for certifiers. Contracts with accredited certification bodies include licensing agreements which control the use of FSC's trademark. Products originating from forests certified by FSC-accredited certification bodies are eligible to carry the FSC trademark, and such products are evaluated for chain of custody. This tracking of the timber from the forest to the shop is being carried out to ensure that the product carrying the label really does come from a certified forest.

The FSC principles and criteria apply to all types of forest. They are designed to allow flexibility in their application through the development of national and regional standards, which fit ecological, social, and economic circumstances. The principles and criteria provide consistency among certification bodies and their standards by providing an overall framework for developing and evaluating local and national forest management standards. FSC uses the relevant ISO guidelines in the design of its own accreditation procedures.

Applicant certification bodies can choose to become accredited for forest management, chain of custody, or both. The accreditation procedure consists of several phases, and starts with a document review. The document review, which includes the applicant's internal procedures

as well as their certification system, is followed by an office visit, to get to know the people involved, to get an idea about the capacity of the organization, and to check whether the internal procedures are functioning as described in the documents. The third phase is a visit to a forest evaluated by the applicant. During these field visits FSC wants to check whether the applicant is capable of carrying out the assessments according to the guidelines and whether they are capable of taking the right decisions while evaluating whether the forest management meet FSC's principles and criteria.

All the findings of the complete accreditation procedure are then laid down in a report, which is submitted to FSC's board for a decision of accreditation. In a case of chain-of-custody accreditation, companies rather than forests are visited. In this situation the evaluation consists of the same phases, but with other requirements. The complete accreditation procedure is carried out by the FSC secretariat with the help of local consultants.

Once accredited, an accredited certification body is monitored on a regular basis. This monitoring consists of annual office visits, to check whether FSC procedures are being complied with, a visit by the certification body and chain-of-custody certificate holders to one or more of the certified forests, and a review of the assessment reports.

Up to now FSC has signed accreditation contracts with five certification bodies. These certification bodies are the USA-based SCS (Scientific Certification Systems) and Rainforest Alliance, the Soil Association and SGS (Société Générale de Surveillance) Forestry from the UK, and the Netherlands-based Skal. Eight organizations from Argentina, Brazil, Canada, Costa Rica, Germany, Sweden, and Switzerland have applied for accreditation.

All accredited certification bodies issue pass/fail certificates. Sometimes they qualify pass certificates in some way (for example, 'well managed' for operations that just pass and 'sustainable' for exemplary operations). Some of them also use a scoring system in reporting.

Certification usually involves a pre-assessment of an operation. A contract is drawn up, specifying the rights and obligations of both parties, and then the assessment is carried out by a multidisciplinary team, capable of evaluating the different aspects included in the principles and criteria. After the initial certification by the certification body, the forest enterprise is monitored on a regular basis (at least once a year). Such monitoring visits ensure that the forest enterprise continues both to comply with the FSC principles and criteria and to improve its management practices.

Development of National Standards

FSC also promotes forest stewardship by encouraging the development of local forest management standards world-wide. The development of these standards must be an open, consensus-based, and participatory process which involves consultation with affected stakeholder groups. FSC encourages the formation of local, national, and regional working groups to develop forest management standards, and to ensure that certification is based on realistic and locally defined forest management practices. The development of national standards greatly strengthens the certification process, as FSC's principles and criteria are intended to be used as a guiding framework for developing standards which are appropriate to social, ecological, and economic conditions at regional levels. In the absence of national standards, the certification body assesses a forest based on its accredited generic standard, adapted to the local forest conditions.

Many members are active at the national level in promoting certification and the development of national standards. FSC's statutes provide for several categories of national initiatives. At present only two of these categories (referred to as FSC bodies) actually exist: FSC Contact Persons (currently in 13 countries) and FSC Working Groups (UK and Sweden).

At present local initiatives are established in about 20 countries, such as Brazil, Bolivia, Belgium, Papua New Guinea, Sweden, Switzerland, and the United Kingdom. FSC has obtained funding to foster national initiatives for the development of national standards in about 20 (tropical) countries. The FSC secretariat provides guidance to national initiatives on the organizational as well as the technical side of a working group. In regions where certification activities and national initiatives are in their early stages of development, FSC organizes information and training workshops for local stakeholders. These regions include South-East Asia, the Pacific, and Africa. In the near future more national initiatives are expected to be set up, especially in countries located in Latin America, Asia, and Africa, including the establishment of national offices in countries where certification activities are high.

As of August 1997 several of these working groups have produced draft standards. These draft standards now have to be harmonized to ensure consistency in the standards between regions with similar forest types. Harmonization of standards is one of the priorities for FSC in the coming three years.

Impact

FSC has put forest certification on the international agenda as a tool to halt forest destruction. In many countries of the world criteria and indicators for forest management are being developed according to national and international schemes.

Until now FSC has the only labelling scheme for forest products operating world-wide. Since the signing of the first accreditation contracts, about 60 forest management certificates in 16 countries (such as Brazil, Mexico, Poland, South Africa, Solomon Islands, Sweden, UK, and USA) have been issued, comprising a total of three million hectares of forest land. The number of certificates issued in tropical and temperate countries is about even, but the area of forest they cover is considerably larger in temperate countries. A steadily growing number of FSC-labelled products, ranging from wooden kitchen utensils to doors, are entering the markets of Europe and the USA.

At present the demand for certified products is higher than the supply. This is to a large extent a result of the commitment of timber buying and selling companies united in so-called buyers' groups. Members of these buyers' groups have committed themselves to buy and sell timber only from independently certified forests within three to five years. Their preferred scheme is FSC. Buyers' groups currently exist in many countries of Western Europe, such as Austria, Belgium, Germany, the Netherlands, Switzerland, and the UK, as well as in the USA, Brazil, and Japan.

FSC can count on international support because it is voluntary, credible, and applies to all forest types. Because FSC certification is voluntary, it does not lead to trade distortions; it is the consumer that decides whether to buy a certified product or not. This is also a requirement of the General Agreement on Tariffs and Trade (GATT), which states that trade measures must not discriminate between like products on the basis of the method of production.

The Way Ahead

The future of certification in the forestry sector will depend on public and official concerns, the ability of stakeholders to collaborate, and the market initiatives of forestry enterprises. As long as the general public is concerned about the future of its forests and is willing to act accordingly, products originating from well-managed forests will have an advantage in the market place. Any industry in this sector, whether managing forests or retailing products, may now take advantage of this service and seek independent certification. The incentives will

come from the demands of customers and clients, or from the managers' perceptions of the advantages to be gained from good resource management and responsible market claims. The dangers to this new initiative may come from false and misleading claims, reducing the confidence of the public in certification and in the forest products sector. The international membership of FSC will be vigorous in supporting this initiative and in maintaining its credibility.

Good management involves a balance between different objectives which are often in conflict, such as profits, conservation, and public access. Independent certification involves evaluations and consultations to make sure that the objectives and decisions are suited to the local circumstances, and that no important local interests or priorities are ignored or suppressed. This must involve a flexible approach, with aims and methods which adapt to changing circumstances. It is important that all stakeholders participating in this process are willing to co-operate and are ready to make compromises.

Maintaining agreement about the main elements of forest management and certification is a constant challenge. Many different organizations, with different interests, needs, and resources, are involved in the development of national standards under the FSC framework. There are many obstacles to reaching a full consensus, but all parties are united by a common interest in good forest stewardship. The development of national standards is an area of high priority for FSC now and for the coming years.

Appendix A. Ten Principles of Forest Stewardship

- Principle #1: Compliance with laws and FSC principles. Forest management shall respect all applicable laws of the country in which they occur and international treaties and agreements to which the country is a signatory, and comply with all FSC principles and criteria.
- Principle #2: Tenure and use rights and responsibilities. Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented, and legally established.

Principle #3: Indigenous peoples' rights. The legal and customary rights of indigenous peoples to own, use, and manage their lands, territories, and resources shall be recognized and respected.

Principle #4: Community relations and workers' rights. Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

Principle #5: Benefits from the forest. Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

Principle #6: Environmental impact. Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

Principle #7: Management plan. A management plan—appropriate to the scale and intensity of the operations—shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.

Principle #8: Monitoring and assessment. Monitoring—appropriate to the scale and intensity of the operations— shall be conducted to assess the condition of the forest, yields of forest products, chain of custody, and management activities, together with their social and environmental impacts.

Principle # 9: Maintenance of natural forests. Primary forests, well-developed secondary forests, and sites of major environmental, social, or cultural significance shall be conserved. Such areas shall not be replaced by tree plantations or other land uses.

Principle #10: Plantations. Plantations shall be planned and managed in accordance with Principles 1–9 and Principle 10 and its criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's need for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

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