

BEGINNER'S GUIDE TO
THIRD-PARTY FOREST CERTIFICATION:
*SHINING A LIGHT ON THE
FOREST STEWARDSHIP COUNCIL (FSC) APPROACH*

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Beginners Guide to Third-Party Forest Certification: *Shining a Light on the Forest Stewardship Council (FSC) Approach*

Summary

In the last fifteen years, a number of approaches have arisen to address concerns about global deforestation. Independent evaluation of forest management practices and the certification of forestland have come to the forefront of these approaches in recent years. Today over three hundred million acres are certified globally. Two organizations, the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) of the American Forest and Paper Association (AF&PA) dominate certification activities in the United States.

Although forest certification has become increasingly common, discussions suggest that there is little understanding of the operations of the two organizations, and that a number of misperceptions exist. This article is meant to act as a primer on the FSC and as an aid to those contemplating certification or looking to buy certified products. Additional information is available at www.fsc.org and www.fscus.org. The operations of the SFI will be discussed in detail in a future article.

Background

Barely a day goes by without hearing news of the impact global trade is having on jobs, manufacturing industries, the environment and communities. While on one hand we fear that shortly someone in India will be answering fast food orders at the drive up window, we also hear about the growing problems of pollution in China and rampant illegal logging in Southeast Asia. Increased globalization has spurred concern in a growing segment of consumers toward having a better idea of how the products they buy are produced and sold. Further, there has been a realization by many companies, and their critics, that there is a need for businesses to be able to demonstrate good environmental and social practices. This awareness has resulted in a number of non-governmental organizations monitoring and certifying products in the global marketplace¹. From clothing, rugs, fish, food, wood, paper and diamonds, an expanding array of labeling systems have been developed in an effort to give consumers the opportunity to make an informed selection.

FSC History

1990 Meeting in California of timber users, traders and representatives of environmental and human-rights organizations who had identified the need for an honest and credible system for identifying well-managed forests as acceptable sources of forest products. This meeting concluded that this system would include a global consensus on what is meant by good forest management, independent audits of the management and a global umbrella organization. It developed the name "Forest Stewardship Council (FSC)".

1990-1993 Intensive consultation processes in ten countries were held to determine whether there was widespread support for the proposal to develop a worldwide certification and accreditation system covering all kinds of natural forests and plantations.

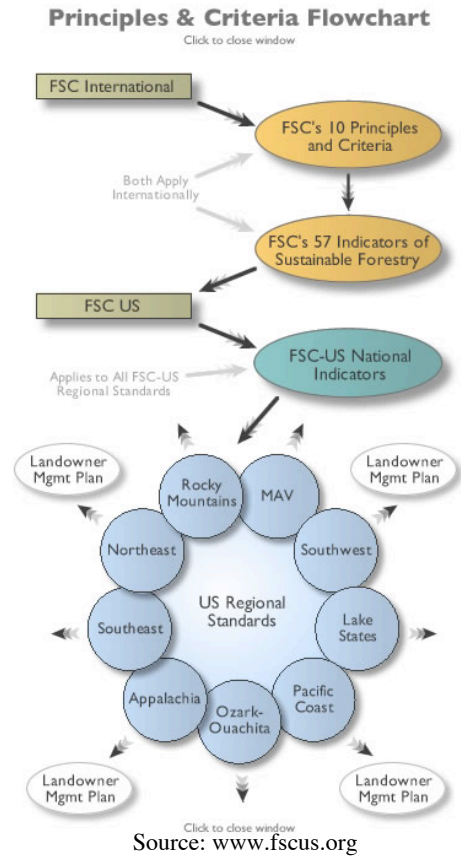
March 1992 Washington D.C., USA. Interim FSC Board of Directors established.

October 1993 FSC Founding Assembly in Toronto, Canada with 130 participants from 26 countries.

Summer 1994 The FSC Principles and Criteria, together with the Statutes for the FSC (now the By-Laws), were approved by the votes of the founding members.
http://www.fsc.org/fsc/about/about_fsc/history



The Forest Stewardship Council (FSC) is a global forest monitoring and certifying organization. While relatively unknown by the US public, it is probably the most widely recognized forest certification system overall. According to a recent FSC article¹, it is estimated that globally there are 20,000 FSC certified product lines with an annual turnover of between \$3 and \$5 billion dollars available to consumers. A recent survey in the Netherlands found that FSC wood now holds more than a 10% share of the national timber market. FSC’s target for the next ten years is to have a market share of at least 10 percent globally.



An Introduction to the FSC

According to the Forest Stewardship Council website, “FSC is an independent, membership-based organization that brings people together to promote responsible management of the world’s forests through developing standards, a certification system, and trademark recognition.” A critical component of this statement is the recognition of FSC’s role as facilitator of a collaborative process that brings extremely diverse opinions together to form the FSC standard of forest management. The other key is the recognition that this process is dynamic, in that the principles and criteria that define “good forestry” are subject to continual evaluation and improvement. Part of FSC’s uniqueness has resulted from this collaborative process, allowing the organization to interweave the best ideas of the varying parties into solutions.

- FSC’S PRINCIPLES**
1. COMPLIANCE WITH LAWS
 2. TENURE AND USE RIGHTS AND RESPONSIBILITIES
 3. INDIGENOUS PEOPLES’ RIGHTS
 4. COMMUNITY RELATIONS AND WORKER’S RIGHTS
 5. BENEFITS FROM THE FOREST
 6. ENVIRONMENTAL IMPACT
 7. MANAGEMENT PLAN
 8. MONITORING AND ASSESSMENT
 9. MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS
 10. PLANTATIONS
- Source: www.fscus.org

In 1994, FSC’s members approved an international set of Principles and Criteria. These principles and criteria set the threshold of what constitutes responsible forestry worldwide under the FSC system. Based on these international principles and criteria, specific regional standards have been developed through a consensus process that allows for, and actively seeks, participation and input from all interested parties. For example,

¹ FSC-PUB-20-08-2004-09-13

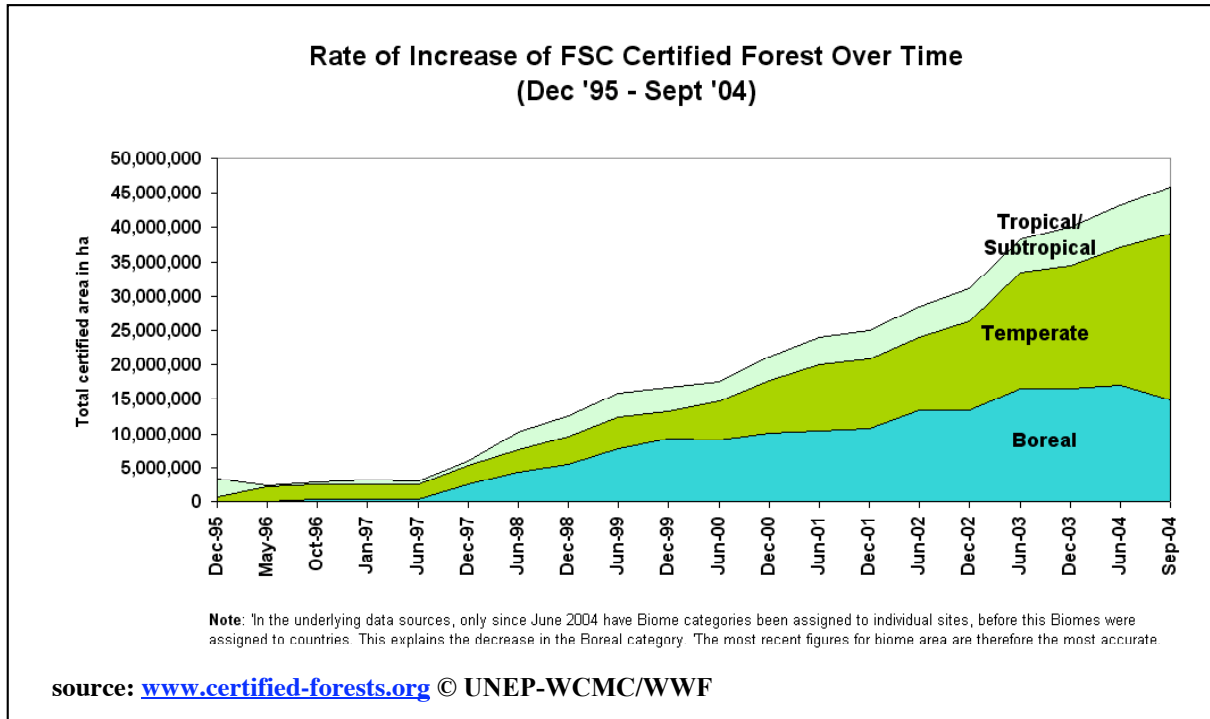
in the Upper Midwest, the Lake States Central Hardwoods Regional Forest Stewardship Standard was developed by a working group of more than 30 individuals representing more than 25 different organizations or businesses. The regional standards are used for auditing compliance to the FSC system in each region.

FSC Certification for Land & for Products

Under the FSC system there are two types of forest certificates. *Forest Management certification* applies FSC standards of responsible forestry to management of the land base. In order for a parcel to receive FSC endorsement, its forest management practices must meet the FSC’s standard.

Chain-of-Custody (COC) certification ensures that forest products that carry the FSC’s “checkmark-and-tree” label can be tracked back to the certified forestland from which it arose. This tracking system is beneficial and necessary since the FSC label is a registered “certification trademark” similar to that of Underwriters Laboratories, rather than a “product trademark” as in the Nike swoosh. Certification trademarks provide consumers assurance as to the integrity of the claims made regarding the product. All usage of the FSC label by COC organizations must be pre-approved by FSC, and all claims must be based only on the origin of the wood and not a reference to some aspect or quality of the product.

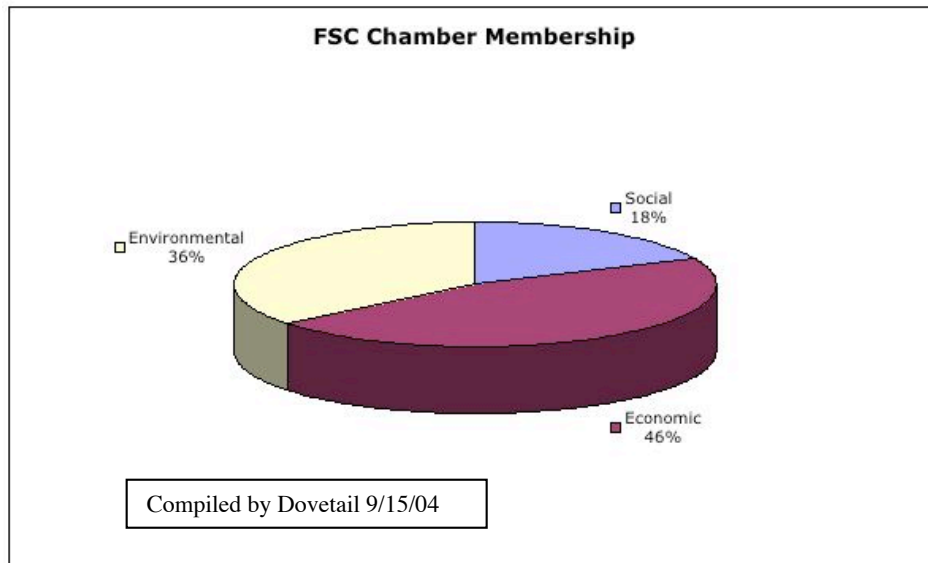
Over the last ten years, the FSC has grown into a truly global endeavor. Over 4,000 companies in more than 60 countries have been certified to sell product and nearly 125 million acres of forest in 62 countries – an area larger than Spain - have been certifiedⁱⁱ.



Forest Stewardship Council Operational Structure & Membership

To achieve collaborative results, the FSC was constituted as a non-profit membership-based association that is governed by a General Assembly of members. The General Assembly consists of three chambers: environmental, social and economic. Research, academic, technical institutions, and individuals are eligible to become members. Government organizations are not eligible to become members. As of August 16, 2004 there were 618 total members internationally.

- *Economic Chamber:* Includes organizations and individuals with an interest in commercial forest products entities. (Examples: certification bodies, industry and trade associations, wholesalers, retailers, consumer associations, and consulting companies). Members of the economic chamber must demonstrate an active commitment to implementing the FSC Principles and Criteria in their operations. A number of major retailers are members of this chamber including IKEA and Home Depot. Examples of leading forest product companies participating in this chamber include Tembec and AssiDoman. As of August 16, 2004 there were 284 members of the economic chamber.
- *Social Chamber:* Intended for indigenous organizations and social movements which have an active interest in environmentally viable forest stewardship. Members of the social chamber include the Methodist Church, unions representing wood workers, and indigenous groups. As of August 16, 2004 there were 112 members of the social chamber.
- *Environmental Chamber:* Limited to non-profit, non-governmental organizations with a demonstrated commitment to environmentally appropriate, socially beneficial and economically viable forest stewardship. Some examples of current members include WWF, The Nature Conservancy, Greenpeace, National Wildlife Federation, and the Natural Resource Defense Council as well as many national level organizations. As of August 16, 2004 there were 222 members of the environmental chamber.



The purpose of the FSC's three-chamber system is to maintain a balance of voting power between the different interests within the FSC. Each chamber has 33.3% of the voting power in the general assembly. Motions require an affirmative vote of 66.6% of the total vote to be adopted. In theory, a unanimous vote of any two houses can pass a motion. However, in practice, the variation in opinion within any chamber is so great that decisions almost always need a majority of support from each chamber. To a certain extent the variation between chambers is similar to that between political parties in the U.S., meaning there are significant numbers of individuals or organizations whose opinions may appear to overlap that of another chamber, dependent on the exact nature of the issue at hand. A detailed record of motions and votes is available on the FSC international website (www.fsc.org).

The General Assembly meets every three years and elects a nine-member board of directors that is balanced by designating three seats for each chamber within the FSC. The Board of Directors is responsible for appointing an executive director that oversees the day-to-day operation of the FSC and implements policies.

To participate in the governance of the FSC, a certified operation, as well as any other interested party, must apply for FSC membership. This application requires the endorsement of two current members. Members and non-members of the FSC can and are encouraged to be involved in the standard setting process. FSC regional and national standards must be revised at least every five years. There are a number of opportunities for members and non-members to be involved in these revisions, from providing stakeholder input, pilot testing standards, to serving on standard setting committees. Interested parties should contact FSC to learn more on how to participate.

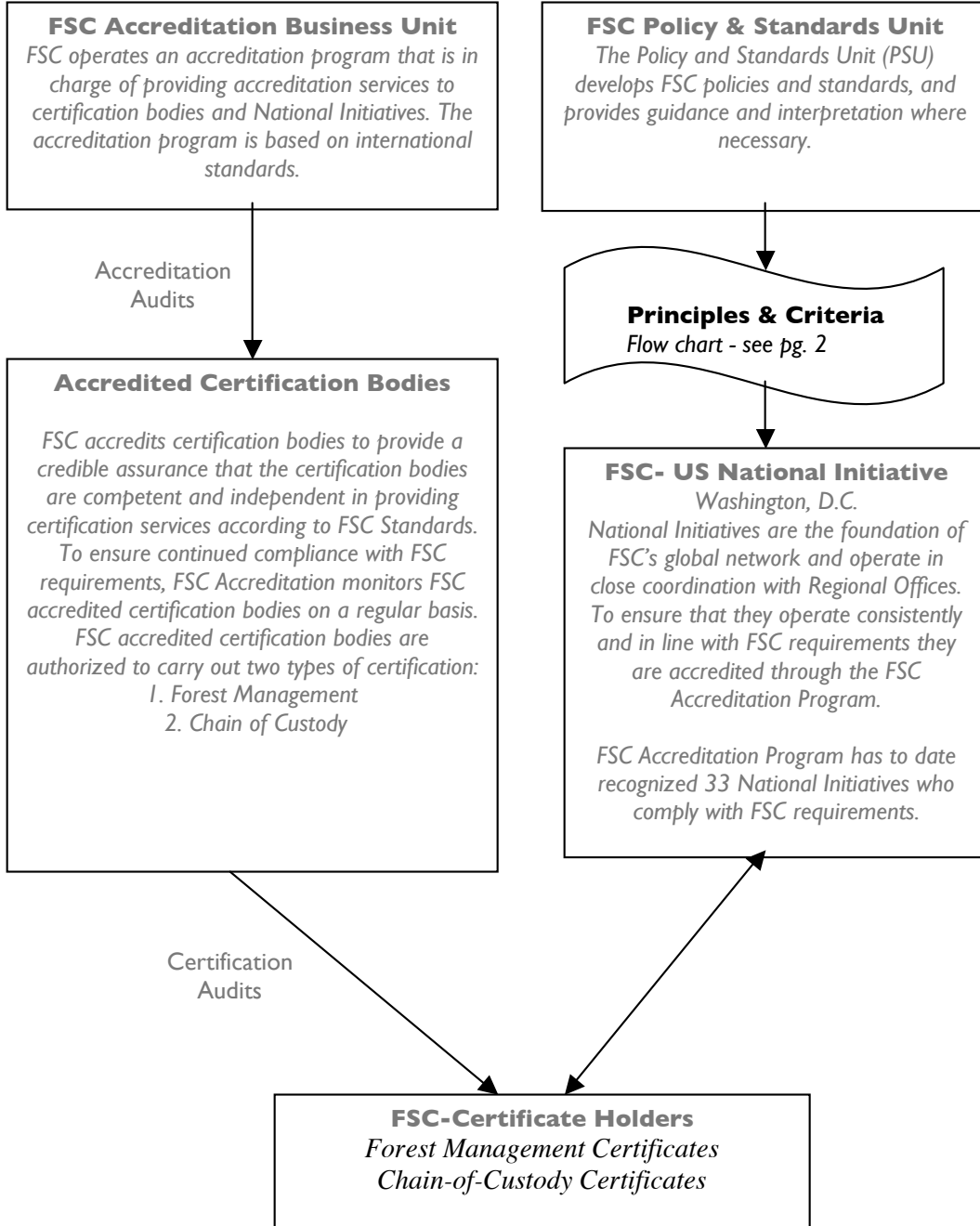
The FSC Accreditation Process

FSC separates the certification process from its standard setting process to maximize independence in the certification process (See Figure next page). This is done through the accreditation of *independent certifiers who actually perform the assessments and audits* of forests and forest products manufacturers. An added benefit of this system is that there are currently fourteen accredited and competing certifiers offering services internationally. Three of these, Scientific Certification Systems, SmartWood, and SGS, have active offices in the U.S. today. This variety helps keep costs competitive as well as offering those pursuing certification some choice. FSC maintains a list of accredited certifiers on their website.

FSC Certification Roles & Responsibilities

FSC International Headquarters²

Bonn, Germany



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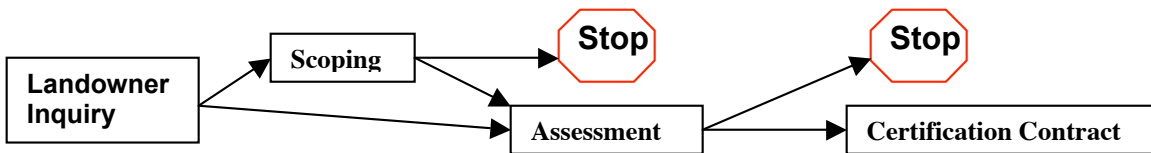
² Visit www.fsc.org/fsc/about/contact_us for full listing of FSC International Staff & Divisions

The FSC Certification Process: Forest Management & Chain-of-Custody

The certification process basically involves an initial assessment, which is conducted on-site at the applicant’s forestland or place of business, followed by annual audits. The certifier’s on-site visits are designed to verify compliance with FSC standards. The certification process itself varies upon whether the applicant is pursuing certification of forest management operations or of a forest products business (See Figure next page). As outlined in the diagram on the following page, both certification processes begin with the recruitment and selection of a qualified service provider. Through a well-designed bidding process, it is possible to use this part of the process as an important information gathering stage and an opportunity to take advantage of the competitive advantages of the various FSC-Accredited Certification Bodies. Many certifiers also offer the service of “scoping assessments” which are like a dress rehearsal of a forest management assessment and provide insight into what the results of a full-audit might be and what corrective actions may increase the likelihood of a successful assessment.

The *chain-of-custody certification* process is basically a verification of the organization’s ability to separately track all FSC materials throughout their business, from purchasing and inventory control to manufacture and sale. For most organizations in the U.S. this is a very simple, non-invasive process that verifies existing good business practices. With today’s computerized tracking control systems, bar-coding, and wand scanning capabilities, keeping track of FSC materials is a relatively simple process, and the auditing costs are generally in the “few thousand dollar range.” In situations where raw materials are generally mixed, e.g. paper mills, the ability to track individual units becomes more complex. FSC percentage based claims policies and the proposed “percentage-in percentage-out” systems are designed to recognize and address that challenge.

Land Manager controlled process

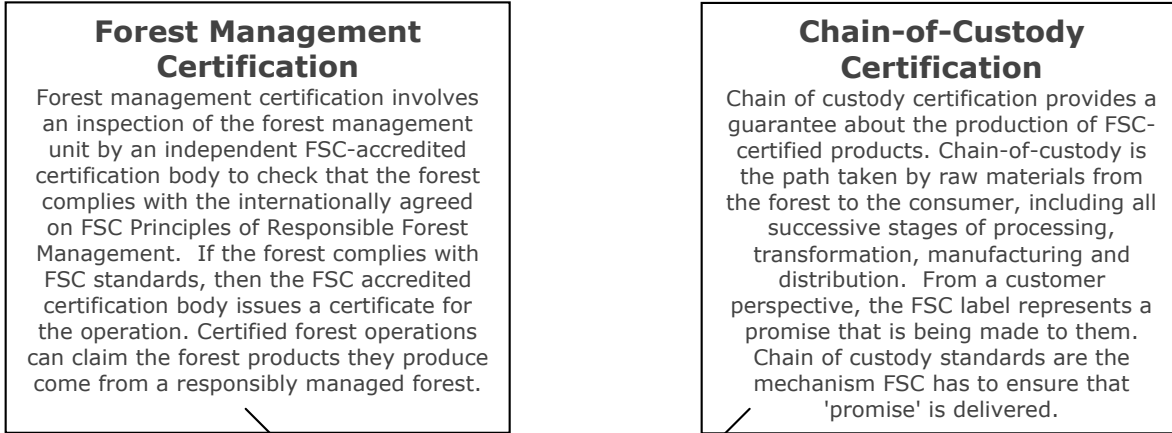


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Land certification can either start with an assessment, or a pre-assessment scoping that predicts the outcomes of a full assessment and provides logistics. The forest management assessment includes a review of practices in the field, a review of documents such as forest management and harvesting plans, and a consultation with community members and other stakeholders who are impacted by the forest management. After the site visits and reviews are completed, the certifier prepares a report that is then independently peer-reviewed and reviewed by the applicant before being finalized. After the final report is prepared, the applicant makes the final decision about whether or not to be certified. If they accept the findings of the assessment, they must sign a contract and agree to abide by the FSC standard and any corrective or recommended actions identified in the report. Portions of the final report are made available as a public document only after the applicant enters into a certification contract.

FSC Certification Process

FSC accredited certification bodies carry out FSC certification. FSC itself does not certify forest operations or manufacturers. This maintains FSC's independence between its standards and requirements, and operations seeking certification. There are two types of FSC certificates available from certification bodies.



Apply to accredited certifier or distribute a request-for-proposals to generate bids

Select Accredited Certifier as contractor

Forest Management Certificate **Chain-of-Custody Certificate**

Certifier assembles audit team, develops stakeholder consultation process, and conducts assessment fieldwork and site visits

Certifier produces certification report.

Certification applicant and independent peer reviewers selected by the certifier review the report.

Report finalized and the Certifier makes certification decision.

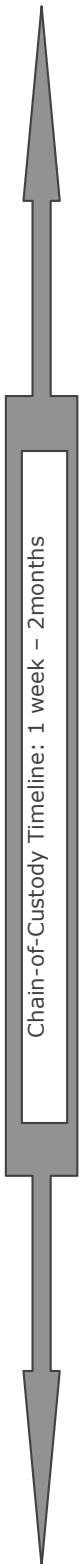
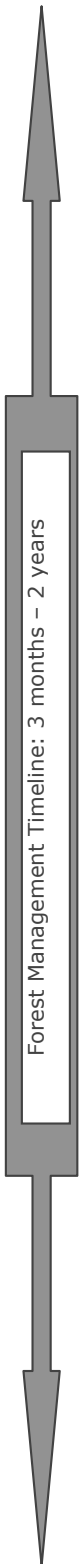
Auditor from the accredited certifier visits the Chain-of-Custody applicant and conducts the assessment.

Certifier produces certification report.

Report finalized and the Certifier makes certification decision.

Applicant decides whether or not to adopt the findings of the certification decision and enter into an FSC-certification contract or to pursue the recommended actions identified in the report.

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Conclusion

While forest certification is a rapidly growing trend, many aspects of it remain confusing to many land managers and the public, and this confusion undermines the credibility of the process in the eyes of certificate holders, stakeholders and consumers. The Forest Stewardship Council has worked to integrate the needs of very diverse groups into a single comprehensive forest management program. To facilitate this process, they have attempted to be as transparent as possible and the extensive amount of information available through their website is an example of this approach. This article provides interested parties with a basic understanding of FSC in order to reduce some of the confusion and enhance the discussion about certification.

ⁱ YaleGlobal Online. 2004. <http://yaleglobal.yale.edu/display.article?id=4426>

ⁱⁱ IEMA dot net. 1993. <http://www.iema.net/article.php?3412>

Phil Guillery has worked to link communities and conservation efforts for the past 17 years. Previously, Phil served as founder and director of the Community Forestry Resource Center and his work has focused on helping communities and family forests access resources to sustain their forests and develop meaningful markets for certified forest products. Phil has been closely involved with the development of certification and associated forest policy in the U.S. and internationally.

Phil has also worked with the SmartWood Program of the Rainforest Alliance, managing its Midwest program and leading forest certification audits. He has also co-authored a number of articles on the economics and marketing of responsible forest products in leading journals.

Phil holds a Master of Science degree in Forestry and a Master of Arts degree in Extension Education from the University of Minnesota, and a Bachelor of Science degree in Science Education from the University of Wisconsin.

Dovetail Publications:

In an effort to increase the credibility of forest certification, highlight the strengths and weaknesses of the various certification approaches, and ultimately improve the practice of responsible forestry and the trade of responsible forest products, Dovetail Partners has developed this overview of the FSC approach. Dovetail has also produced a report that aims at highlighting the respective benefits of the FSC and the SFI certification programs. All Dovetail reports are available at www.dovetailinc.org . Dovetail welcomes feedback and discussion on this and any of our publications.

This report was prepared by
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