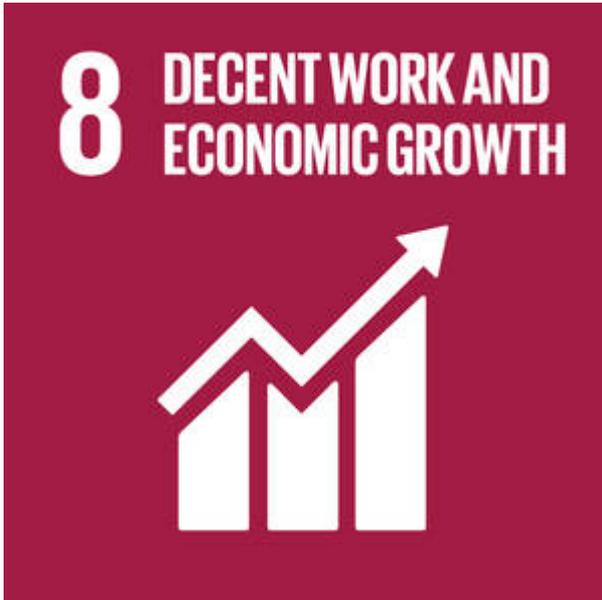


## Forest Certification

### Basic knowledge

Forest certification contributes to SDGs:





**The Forest Certification Module provides basic and more detailed information on forest certification as a third-party voluntary, market-based mechanism to promote the sustainable use of forest resources. The module explains what forest certification is, differentiates between forest management certification and chain-of-custody certification, sets out the benefits and costs, and describes the steps that a forest manager must take to acquire it. It also provides links to tools and case studies to foster access to, compliance with and use of forest certification.**

#### **What is forest certification?**

Forest certification is a voluntary process whereby an independent third party (the “certifier”) assesses the quality of forest management and production against a set of requirements (“[standards](#)”) predetermined by a public or private certification organization. Forest certification, and associated labelling, is a way of informing consumers about the sustainability of the forests from which wood and other forest products were produced.

There are two types of forest certification:

1. certification of forest management, which assesses whether forests are being managed according to a specified set of standards; and
2. certification of the chain of custody (sometimes referred to as CoC certification), which verifies that certified material is identified or kept separate from non-certified or non-controlled material through the production process, from the forest to the final consumer. To label an end-product as certified, both forest management certification and chain-of-custody certification are required.

Most forest management certification standards address a wide range of economic, social, environmental and technical aspects of forest management, including the well-being of workers and of families living in and around the forest area subject to certification.

#### ***Why might forest managers be interested in certification?***

Forest managers – such as forest owners, entrepreneurs, associations and timber companies – may voluntarily decide to apply for certification. They may do so in expectation of better prices for their products, to maintain or increase access to markets for their products, to improve their public image, and to achieve social and environmental goals.

#### ***What is behind the idea?***

Forest certification is a market mechanism to promote the sustainable use and management of forests and to identify “sustainably produced” products for the consumer. The aim is to reward forest managers who pursue sustainable forest practices rather than practices with the potential to cause negative economic, social and environmental impacts. A certification label on a forest product informs potential

buyers that the product was produced in a well-managed forest in accordance with a given set of standards. Consumers concerned about social and environmental issues are expected to give preference to products carrying such a label, and they may also be prepared to pay higher prices for them. Forest managers may be motivated to pursue certification for various reasons (see “benefits” below), ultimately leading to improvements in the quality of forest management and an increase in the extent of well-managed forests.

### ***What are the benefits?***

In many cases, the most immediate benefit of certification for forest managers is the streamlining of forest operations due to improvements in efficiency and greater control of production processes.

Although experience has shown that certified forest products do not always obtain higher prices compared with uncertified products, certification may be essential for maintaining access to some markets.

Certification has been shown to be a valuable tool for positioning products in the marketplace and in certain sectors: in the paper and packaging sector, for example, certification is the norm rather than the exception in many major markets. Certification can also provide confirmation that a product fulfils legal requirements – such as those established by laws aimed at preventing the trade of illegal timber products – and may help producers and traders in fulfilling administrative obligations. Forest certification may help bring about improvements in the working conditions and safety and health of forest workers, lead to improved forest conservation outcomes, and encourage sustainable forest use. Forest certification can help boost the public image of companies – both those that pursue certification in their own forest operations, and those that purchase only certified products.

### ***What are the costs?***

Forest managers incur both direct and indirect costs in pursuing certification. Direct costs include those associated with the certification process – such as the fees paid to certifiers to conduct initial assessments and subsequent audits, hold stakeholder consultations and prepare reports. Achieving certification may also require investments in machinery, staff training, infrastructure and logistics to improve forest management in compliance with the certification standards; these indirect costs could be much higher than direct costs, depending on the gap between the existing quality of management and that required to meet the certification standards. Because the direct costs of certification are relatively fixed, they usually decrease per unit of wood production or forest area – in other words, they decline, in relative terms, the larger the forest operation. Indirect costs, on the other hand, increase as operations increase in size because of the need to improve practices across larger areas.

### ***How is certification achieved?***

Achieving forest certification can be either a quick or a lengthy process, depending on the pre-certification quality of forest management, administration and documentation systems, and on the capacity of the applicant to make the required adjustments. Basic certification requirements include:

- compliance with the law;
- well-written and coherent forest management plans;
- the implementation and monitoring of operations to reduce forest damage;
- adequate working conditions; and
- good relations with people living in and around the forest subject to the certification process.

The certification process requires that applicants take a number of steps to demonstrate full compliance with the standards. A certificate valid for a specified number of years is issued when compliance has been achieved.

## **Related modules**

- [Development of forest-based enterprises](#)
- [Forest law enforcement](#)
- [Forest management planning](#)
- [Land-use planning](#)
- [Occupational health and safety in forestry](#)

## In more depth

### The PEFC's criteria for SFM standards

*Criterion 1:* Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle

*Criterion 2:* Maintenance of forest ecosystem health and vitality

*Criterion 3:* Maintenance and encouragement of productive functions of forests (wood and non-wood)

*Criterion 4:* Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems

*Criterion 5:* Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water)

*Criterion 6:* Maintenance of other socioeconomic functions and conditions

*Criterion 7:* Compliance with legal requirements

The concept of forest certification arose as a way of addressing public concerns about tropical deforestation and forest degradation. The [Forest Stewardship Council](#) (FSC), which pioneered forest certification in the early 1990s, was created as a result of collaboration between environmental non-governmental organizations, forest product companies and social interest groups. Today, there are more than 50 certification schemes addressing a wide variety of forest types, tenure and management regimes.

The [Programme for the Endorsement of Forest Certification](#) (PEFC) is the largest certification framework in terms of forest area, accounting for about two-thirds of the total certified area worldwide, while the FSC is the fastest-growing scheme (by certified area). By 2013, the FSC and the PEFC combined had issued more than 10 000 certificates for nearly 400 million hectares of forest, of which approximately 90 percent was located in Europe and North America.

Some countries have developed their own national forest certification standards, procedures and agencies, usually based on an international model. Some logging companies and their representative organizations have also established forest standards, although these are generally less rigorous than those set by the major certification schemes. It has been noted that the existence of so many certification schemes and standards may confuse consumers and thus jeopardize one of the original aims of certification, which was to provide consumers with clear, reliable information on the status of the forests from which their timber purchases were obtained.

### The FSC principles

*Principle 1:* Compliance with laws

*Principle 2:* Workers' rights and employment conditions

*Principle 3:* Indigenous peoples' rights

*Principle 4:* Community relations

*Principle 5:* Benefits from the forest

*Principle 6:* Environmental values and impacts

*Principle 7:* Management planning

*Principle 8:* Monitoring and assessment

*Principle 9:* High conservation values

*Principle 10:* Implementation of management Activities

### ***Principles, criteria, indicators and standards***

In most forest certification schemes, the specific requirements for good forest management are presented in a hierarchical system of principles, criteria and indicators. Principles provide an overall framework and set out a vision of sustainable forest management. Criteria are categories of conditions or processes by which sustainable forest management can be assessed, and each criterion is characterized by a set of indicators that can be monitored to assess change over time.

The process by which certification bodies have developed their principles, criteria and indicators has varied. In 1994, the FSC defined ten global principles and associated criteria that set the framework within which national groups could develop indicators and verifiers specifying national and subnational standards through multistakeholder processes.

The PEFC adopted a definition of sustainable forest management that was developed by the Ministerial Conference on the Protection of Forests in Europe in 1993 (and later adopted by FAO). The PEFC supplements its principles, criteria and indicators derived from globally recognized intergovernmental processes with additional requirements in national schemes prepared with the involvement of key stakeholders – including forest owners and managers – and endorsed by the PEFC Council.

Certification standards are generally developed, reviewed and revised in consultation with stakeholders. Global standards may be adapted to suit national conditions; for example, the FSC adapts its global standards through a network of national working groups.

Despite many differences in scope, content and procedures, all credible forest certification programmes require compliance with existing laws and regulations; the protection of biodiversity, endangered species and wildlife habitats; sustainable harvesting levels; the protection of water quality; respect for the rights of local people and employees; economic viability in forest operations; an adequate management plan; and the monitoring of operations. In addition, certifiers are required to make audit summaries available to the public and to establish mechanisms for complaints and appeals.

The FSC and the PEFC have differing approaches. The FSC employs a system for accrediting certifiers, who are responsible for auditing forest operations, assessing compliance with FSC standards (developed at a national or subnational level), and issuing FSC certificates. Forest enterprises and groups of forest management units certified in this way are permitted to use the FSC label on their products. In contrast, the PEFC endorses national certification systems (e.g. the Australian Forestry Standard and the Brazilian Forest Certification Programme), which develop their own certification standards and accredit certifiers. Forest operations certified in this way are permitted to use the PEFC label on their products.

The accreditation process employed by the FSC and by national certification systems involves a combination of field and office audits and is designed to ensure that certifiers comply with the stipulated rules and procedures and work to uniformly high standards. All national systems wishing to be PEFC-recognized undergo an independent assessment to ensure compliance with the PEFC's sustainability benchmarks. Although they take different approaches, both the FSC and the PEFC are umbrella organizations designed to ensure uniform certification standards.

### ***The forest management certification process***

Applicants must take the following steps to demonstrate full compliance with the specified forest management certification standards, although the sequence and intensity of these steps may vary between schemes and operations:

- **Preparation.** The forest manager ("operator") gathers information on certification by talking to relevant people and from other sources (e.g. online).
- **Making contact.** The operator makes contact with potential certifiers, who provide information about the requirements and details of the certification process and – based on information supplied by the operator – estimate their costs in certifying the operation.
- **Decision.** The operator determines the overall investment needed to fulfil the requirements of certification and the benefits that might be expected. On this basis, it decides whether certification is in its interests, and, if so, which certification scheme and certifier would be most appropriate.
- **Contract.** The operator and the selected certifier enter into a formal contract.
- **Preliminary audit.** Once contracted, the certifier checks relevant documentation to ensure that the documentation requirements of the certification standard are met.
- **On-site assessment.** A team of experts selected by the certifier undertakes a detailed on-site assessment, checking forest operations and consulting with relevant stakeholders, including employees and local people. The team produces a report on the performance of the operator according to the relevant standards.
- **Adjustments.** Depending on the findings of the team of experts, the operator may need to adjust its operation to ensure that it meets the certification standards; these adjustments are often referred to as "major corrective actions". The team of experts may

also recommend other actions to improve performance that should be taken during the certification period, often called “minor corrective actions”.

- **Issuance of certification.** When the major corrective actions have been taken to the satisfaction of the certifier, the operator is issued with a forest management certificate. Normally, such certificates are valid for several years.
- **Verification audits.** To ensure compliance with the standard over the validation period of the certificate and to guarantee that any specified minor corrective actions are taken, most certification schemes require an annual verification audit, which may include inspection visits by the certifier and may result in new recommendations for corrective actions. In the case of non-compliance with requirements, certification may be suspended.
- **Renewal.** To renew certification on expiry, a new audit is undertaken.

### ***Chain-of-custody certification***

Chain-of-custody certification ensures that wood, wood fibre or non-wood forest products contained in an item or product line originates in certified forests. It allows companies to label their products, which in turn enables consumers to identify and choose products that support responsible forest management. In the PEFC system, chain-of-custody certification is rolled into the forest management certificate; under the FSC, the two certificate types have separate standards but can be combined in a joint certificate where applicable (e.g. when an operator is vertically integrated).

There are two mechanisms for tracing the origin of forest-based products. One involves the strict separation of certified and non-certified raw materials in all phases of the production process. In the other, certifiers allow the mixing of certified and non-certified raw materials or reclaimed forest-based materials under controlled procedures to avoid incorporating material from illegal harvesting. Chain-of-custody certification can be obtained by an individual company, a group of operations composed of several smaller enterprises, and larger companies operating at multiple locations. For a product to qualify for chain-of-custody certification, all entities along the supply chain must possess a certificate. All chain-of-custody certification procedures require common, centrally administered and monitored control and reporting systems that allow certifiers to evaluate participating operations or sites using a sampling approach.

### ***Certification of small and medium-sized operations***

Because certifiers must make annual audit visits and prepare paperwork regardless of the size of the operation, the costs of forest certification for small and medium-sized enterprises (SMEs), especially traditional or community-based operations, may outweigh the benefits. Moreover, larger companies usually have a competitive advantage over SMEs in markets in which certification may be a prerequisite for participation, adding to the barriers faced by SMEs in certifying their operations. In an effort to make certification affordable for smaller forestholders, some certifiers offer simplified procedures that emphasize the involvement of local rather than national interest groups. It is also possible to certify several small operations concurrently (“group forest management certification”), which can lead to considerable cost reductions. Nevertheless, many small-scale operators rely on public and private organizations to bear some of the costs involved in the certification process and in complying with certification standards.

### ***Non-wood forest products***

Forest management certification applies to the entire forest management system of an operator. Therefore, all products and services generated in a certified forest management area have the potential to carry the label of the certifier, including non-wood forest products. Some national initiatives have drafted specific standards for non-wood forest products, and some of these have been approved by the FSC and the PEFC.

## Further Learning

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## Credits

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