Forest Certification: Enhancing Social Forestry Developments?

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Forest certification – the concept

Forest certification is a market-based instrument to recognise good forestry practice. It is a procedure whereby an independent certifier gives a written assurance that a forest is managed in accordance with agreed ecological, economic, and social criteria. A label informs the consumers that the products they buy come from a certified forest. Thus, forest certification is an instrument that harnesses market forces to provide an incentive for good forest management.

Forest certification is applicable to all types of forest enterprise, whether industrial or small-scale, corporately owned or community based, located in the North or in the South. It was designed as a tool to promote forestry that is socially beneficial as well as environmentally responsible and economically viable (Forest Stewardship Council, 1994). In the face of increasing failure of other policy instruments to contain forest destruction caused by logging operations, early proponents of certification hoped this new and market-based instrument would enhance control over the industrial exploitation of forests. At the same time, advocates of social forestry expected it would provide market access and other benefits for small-scale, low-impact, community run ‘eco-timber’ projects (Irvine, 1999).

Current trends – running counter to social forestry approaches?

This latter aspect – the opportunities and benefits of certification for small scale forest operations run by local people - is the most obvious point of departure for a discussion about how certification might be a suitable instrument to further social forestry. Current figures of forest enterprises certified under the scheme of the Forest Stewardship Council (FSC) suggest that rather than giving market access to
social forestry enterprises, certification might work in favour of ‘classical’
industrial forest management. More than eighty percent of the certified forest area
are managed by large-scale industrial enterprises, corporately or publicly owned,
while only two percent of the area are under communal management (the remainder
being managed by private individuals). However, these two percent of certified
forest area operations under communal management make up 17 percent of the
total number of certified forests. This suggests that there is a considerable
number of community based enterprises making use of certification, although in
the overall picture large-scale, public or corporate operations predominate. Forest
certification could, thus, be seen to consolidate the dichotomy between ‘classical’
forest management on the one hand and small pockets of social forestry projects
on the other. Yet, a continuation of that dichotomy hinders the structural and
institutional reforms necessary for pluralistic forestry models to develop on a
larger scale (v. Stieglitz, 1999).

In the following two issues will be looked at:

• Is forest certification a suitable tool to underpin social forestry models, i.e.
  forest management by local people?

• Does forest certification - by providing ‘legitimation’ and improved market
  access predominantly to large-scale, industrial forest management operations -
  act as a barrier to social reform processes in the forest sector?

It will be argued that forest certification helps to strengthen social forestry
approaches through external recognition and internal consolidation of
management capacities. It will also be shown in which way forest certification,
rather than blocking reform, to the contrary, can even act as a catalyst for
structural and institutional change in the forest sector.

34 Figures of forest area under ‘communal management’ include forests managed by community
organisations, cooperatives, communal or family user groups, and municipalities. In tropical
countries, the majority of certified communally managed forests is in Latin America. Figures are
based on the FSC’s list of certified forests, January 2000.
However, this paper will not address the issue of how far structural reform of the forest sector and a higher integration of forest management into its social context will pave the ground for social forestry to expand. Finally, attention will also be drawn to the limitations of certification in contributing to the consolidation of social forestry approaches.

Photo 5: Mahogany planks at the community sawmill of Petcacab in Mexiko. Together with another three communities of a producer co-operative Petcacab was certified in 1995 according to the principles of the Forest Stewardship Council (FSC).

**Boosting social forestry through good PR**

An international certificate of good forest stewardship, such as the FSC label, provides an enormous boost of recognition and publicity to forest management approaches by local people. Often, such operations are marginalised by central government institutions and representatives of the ‘classical’ or ‘scientific’ forestry model. The publicity generated by certification by far exceeds the circles usually associated with rural development concepts like donor agencies and research institutes. It reaches a wide array of people from national and international environmental NGOs to buyers and consumers.
been reported that the international attention has helped to sway criticism of the ecological impacts of community forestry that had been voiced by urban-based environmentalists (Maynard and Robinson, 1999). A case study on the impacts of certification of the indigenous community forest management project in Lomerío, Bolivia, concludes that certification of the project has given an important boost to the acceptance of indigenous groups‘ forest management in Bolivia as a whole (Markopoulos, 1998).

Thus, the international stamp of approval has helped to recognise local people as competent managers of their forest resources, comparable – through a common label - to ‗scientific‘ forest managers of large enterprises in the US or Sweden.

More important to many communities, however, is that the external recognition for responsible resource use can help pave the way towards obtaining land titles or officially recognised use rights. In the case of the indigenous community in Lomerío, it has certainly aided their quest for getting official recognition of tenure for their traditional territories (Markopoulos, 1998). Also the certification of campesino groups in Honduras has accelerated the process of government recognition of local use rights (Markopoulos, 1999). Generally, forest certification has brought about a heightened awareness and recognition of tenure and use rights of local and indigenous people in national level institutions (Bass and Simula, 1999).

The importance of external recognition to small and community-run businesses is confirmed in a recent survey of small businesses seeking or having already achieved certification. Publicity and prestige were mentioned most often as the non-market benefits that they expected from certification (Scrase, et.al., 1999).

Strengthening management capacity

Many authors have observed that certification contributes to local people‘s capacity to practice sustainable forest management (Bass and Simula, 1999, Markopoulos, 1998,1999, Irvine 1999, Maynard and Robinson, 1999). There are three aspects of management capacity that certification fosters: Technical aspects
of sustainable forest management; general enterprise management; and management of social relations. Capacities are raised (and capacity needs highlighted) in the phase of preparation for certification, during field auditing and after the certificate has been issued when conditions, or corrective action requests, have to be fulfilled before the next monitoring visit. Finally, the national level negotiations on the development of locally adapted standards provide an opportunity for mutual learning.

**Capacity-building stages in forest certification:**

For enterprises preparing for certification the principles, criteria and indicators serve as an encompassing guide to all aspects of sustainable forest management that have to be dealt with. Where general principles and criteria have been interpreted for the national context by supplementing them with relevant indicators, these national standards provide detailed and specific management requirements.

In the absence of nationally adapted certification standards such guidance will be provided by the certifiers‘ generic or local interim standards. The certification standards, though not designed as a forest management manual, provide clear objectives. Certification itself adds the incentive to achieve those objectives. The preliminary visit (scoping visit) that the certifiers usually offer their clients can also be regarded as part of the preparation phase. Scoping visits identify major strengths and weaknesses based on a briefing with the managers and/or a rough estimation of the applicant’s performance. This in turn helps the enterprise preparing for certification to deal with any major gaps before the full assessment.

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35 FSC accreditation requires certification bodies to provide a generic set of standards for the FSC Principles and Criteria as well as produce an interim standard when they first start operating in a country where no national FSC-endorsed standard exists. Interim standards consist of the certifier’s generic set supplemented by existing local regulations, guidelines, codes of practice, etc. and the results of a stakeholder consultation.
Towards Pluralistic Forestry

The next step in capacity-building is the field assessment. Although certifiers have to remain independent of other interests, and therefore are not allowed to provide consultancy services to an operation they certify, in practice the field assessment serves as an informal training opportunity. When the assessors interview forest managers and operators about the performance of the operation under investigation the discussions provide a lot of useful hints and recommendations to those involved. As Jack reports in a study on the impacts of the certification process in Bolivia, „one young forester I interviewed stressed that he saw these reviews not just as a duty to be performed, but as a chance to incorporate outside expertise into management practices“ (Jack, 1998).

The third phase starts when certification has been achieved, but conditionally\(^\text{36}\) on certain improvements. The summary of field results provided in the certification report identifies strengths and weaknesses of an operation. It points the forest managers to areas to consolidate and areas to improve. It normally contains a list of corrective actions, or conditions, that have to be met within a given time-frame. Together with specific recommendations it provides a clear guide to what kind of training or other measure might be needed to address any areas of non-compliance with the standards. The regular monitoring visits by the certifier ensure that the corrective actions are followed up.

**Management capacity**

The case studies on certified community enterprises carried out so far report that certification has had most impact on local people’s skills in the areas of general management and of management of their social relations. FSC Principles and Criteria require an enterprise to have organisational procedures for planning, implementation and monitoring with clearly defined and distributed

\(^{36}\) The FSC-system does not provide for ‘gradual’ certification corresponding to different levels of achievement, but allows certificates to be issued on specific conditions. The certification scheme of the Indonesian Ecolabelling Institute, on the other hand, does not allow for conditional certificates, but has a scale of bronze to gold as an incentive to achieve full compliance.
responsibilities, i.e. a formalised management system. Preparing for certification means, therefore, not only making sure that all the performance requirements are met in the field, but also that a management system is in place that ensures that the level of performance can be maintained.

However, while the requirements for a management system help to improve the management capacity of a forest enterprise, the associated requirements for documentation can be problematic, particularly in developing countries and for small-scale enterprises (Thornber, 1999, Scrase, et.al., 1999). They seem inappropriate in environments in which oral culture and traditional forms of management prevail, having been deemed impossible in projects without outside support (Tolfts, 1998). It has therefore been suggested that the requirements for documentation should be adapted to match the realities of social forestry operations (Irvine, 1999, Scrase, 1999). If documentation is only produced to formally fulfil certification requirements or to make auditing easier and if it is carried out by outside agencies like donor projects on behalf of the forest managing communities involved, it is not likely to benefit the management effort of those communities. If, on the other hand, simple and manageable monitoring and documenting systems could be developed specifically for community enterprises, then the requirements of certification could foster communities‘ managing and monitoring capacities even more strongly.

**Managing social relations**

Both in the case of campesino groups in Honduras and the Lomerío community in Bolivia certification has demanded a better handling of the enterprises‘ social relations. In Lomerío certification has helped to strengthen the social and institutional relations between the communities, their communal organisation and supporting agencies. As a consequence the communities were brought back into active decision-making which they had lost in the process of commercialisation. The assessment by the certifiers itself only identified some of the institutional and social weaknesses without attempting to address any of them in detail. However, the condition attached to the certification that a strategy for increasing community participation in decision-making and conflict resolution be designed and
implemented together with the recommendation that a larger conflict evaluation be carried out led to a thorough analysis of the situation and to the preparation of a work plan to gradually address the problems (Markopoulos, 1998). In Honduras, too, the certifier imposed conditions aimed at improving management of social relations. The assessment process had identified conflicts between the campesino groups vested with forest usufruct rights and the wider communities who use the forest resources traditionally. As a consequence the certifier asked the campesino groups to develop mechanisms for integrating the wider community into the decision-making process while leaving it to the group how this should be done. (Markopoulos, 1999).

Looking at opportunities for capacity-building in forest certification processes, it is generally important to bear in mind that the role of the certification exercise is mainly to highlight capacity needs rather than to fill the gaps itself. However, the analysis of strengths and weaknesses helps an enterprise to identify and focus on these capacity needs as well as enabling it to communicate them to outside agencies who are in a position to provide support.

Finally, an important and often overlooked opportunity for capacity building is the forum where nationally or locally adapted criteria and indicators are developed. This provides room for discussions on technical aspects of forest management for forest managers from a diverse range of backgrounds and experience who otherwise often work in isolation. Although not many forest managing communities have been directly involved in national level standards discussions, supporting NGOs and associations have had access to such forums. In the following it will be shown that these multi-stakeholder forums can also have a significant impact for forest sector reform processes.

**Forest certification as agent for reform in the forest sector?**

The following three elements of the forest certification process as designed in the FSC system contribute to making it a catalyst in social reform processes in a country’s forest sector: the application of certification standards, particularly those related to stakeholder participation; the local consultation of stakeholders
that forms part of the evaluation procedures; and the national level multi-stakeholder processes for the development of standards. Moreover, the resulting stakeholder agreements are binding for the certification contract and can have policy implications beyond the certified operation.

**Application of certification standards**

The social aspects contained in the global FSC Principles and Criteria of forest stewardship identify roles, responsibilities and rights of those forest stakeholders that are directly involved in or affected by forest management activities. The adaptation of these generally formulated requirements into locally appropriate indicators and their implementation by the forest management unit help to integrate forest management into its social context.

Examples are the right of local communities with legal or customary tenure or use rights to maintain control to the extent necessary to protect their rights or resources, over forest operations (FSC Criterion 2.2), the right of indigenous peoples to control forest management on their land and territories (FSC C. 3.1), the principle of not giving away those rights to other agencies without free and informed consent, and the role of indigenous peoples in identifying sites of special cultural, ecological, economic, or religious significance to be protected (FSC C. 3.3). They also stipulate local communities’ involvement in forest management through employment, provision of services and training, and through consultations (FSC C. 4.1, 4.4).

The certification requirements regarding rights and responsibilities of forest stakeholders set out in these criteria are not based on static definitions. At the level of the forest management unit such agreements are subject to revisions through continuous consultations between the forest management and groups directly affected by management operations (FSC C. 4.4) and through mechanisms to resolve disputes or grievances regarding tenure claims and use rights, resources and livelihoods of local peoples (FSC C. 2.3, 4.5). For instance, the certification of the Lomerío Community Forest Management Project is said to have „promoted the redefinition of community roles and responsibilities in forest
management and enterprise administration, with greater emphasis placed on active participation in decision-making. Without certification, it is likely that the conflicts engendered by enterprise development would have received far less attention“ (Markopoulos, 1998).

**Local stakeholder consultation**

The ongoing and participatory definition of roles and responsibilities of different stakeholders in forest management is also emphasised by the local stakeholder consultations that the FSC system requires for every forest that is evaluated. Stakeholder views are solicited on the standards to be used locally and on any issues of performance of the applicant enterprise in relation to the FSC Principles and Criteria (FSC, 1998a).

Indeed, these stakeholder consultations might be the most crucial instrument with regard to reforms towards greater social integration of forest management because they provide recognition and ‘legitimation’ of all relevant stakeholder groups (Bass, 1999). Input and involvement of the following groups is, thus, facilitated and ensured: „local or national government and non-government organisations which are involved in forest management, and which represent a range of environmental, ecological, legal, social and economic perspectives“ (FSC, 1998a).

**National standard development initiatives**

At the national level, certification initiatives and associated standard setting processes facilitate a redefinition of roles and responsibilities with regard to forest management. Most forest certification systems developed nationally or regionally so far, acknowledge that forest certification standards should be based on broad stakeholder consensus and acceptance. However, they vary considerably in the degree to which different stakeholders are allowed to and have participated in the actual decision-making.

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37 i.e. the interim standards that are applied in the absence of FSC-endorsed national standards
The FSC Process Guidelines for Developing Regional Certification Standards define a stakeholder, or stakeholder group, as „any individual or group who may be affected by, or expresses a strong interest in, forest management, or the development of forest management standards.” This may include „foresters, environmental and conservation organisations, loggers, forest dwellers, research and academic institutions, social and human rights advocacy groups, indigenous communities, development and aid organisations, government representatives, timber trade dealers and associations, and concerned individuals” (FSC, 1998b). The guidelines specifically recommend actively including „groups which are often excluded from decision-making processes” such as „under-represented social and ethnic groups, women, youth, rural communities, land owners, loggers and foresters.” (ibid.).

A broad stakeholder basis and balance of interests combined with clear rules of procedure, fair decision-making, transparency and accountability as requested for FSC recognition of national standards and initiatives make national forest certification initiatives into forums where a consensus agreement between government, corporate and civil society interests can be reached on how forests should be managed and with whose involvement.

**Binding agreements with wider policy implications**

But can these processes actually influence the wider political and social environment and structures, or are they likely to remain marginalised? The product of the consultative elements in the certification process, be they at the FMU or national level, is an agreed definition – within the global framework of FSC Principles and Criteria and national legislation – of how forests should be managed. This agreement becomes the contractual basis between certifier and certified operation. Rather than stopping short at general commitments and policy declarations (which are still often found at international level discussions on SFM criteria) the consultative processes in certification lead to binding agreements between stakeholders with an immediate impact on the forest management enterprise seeking certification. Moreover, dispute resolution mechanisms at the level of the FMU, the certifier and the national certification initiative ensure the
possibility for the renegotiation of these agreements and ongoing conflict resolution.

However, the dynamics of such processes can also have wider repercussions beyond the FMU. By highlighting the need for a more conducive political or legal framework for SFM, forest certification standards and procedures can underpin policy or legal changes. In Bolivia, the national forest legislation of 1996 was markedly inspired by the certification debate. Its legislative requirements for forest management mirror those of certification and thereby create an enabling framework for SFM and certification. In Costa Rica, the development of national standards for certification went hand in hand with the establishment of a new government incentive system for sustainable forest management. Individual forest certifications can also spur reforms in the legal and policy realms. As mentioned above, in both Honduras and Bolivia, pioneer certifications of local user groups have helped to bring about and/or accelerate processes of government recognition of local use and/or tenure rights (Markopoulos, 1998, 1999). Particularly with regard to tenure and use rights of local people and indigenous groups, forest certification has brought about a heightened awareness and recognition in national level institutions (Bass and Simula 1999).

**What certification doesn’t do**

Development agencies and NGOs have contributed considerably to raising expectations about the benefits that certification offers to local forest managing communities. However, some of these have proven to be unrealistic since certification has some important limitations that should be borne in mind by those who promote it for social forestry.

**No mechanism for accessing market potential consistently**

Although certification is a market-based instrument it does not provide a mechanism to improve the business and marketing performance to the same extent as for the quality control system for forest management (Maynard and
Indeed, certification has highlighted the difficulties that communities and smallholders who only recently entered the process of commercialisation face in this area.

In many cases NGOs and/or donors promoted certification for social forestry projects as a tool for the communities to benefit directly from higher prices achieved in international markets. Although large market potential exists for certified products, communities have been unable to access it consistently. A pronounced gap remained between their business capacities and the demands of international buyers regarding product quality, consistency of supply, and handling of business transactions.

The identification of this capacity need, however, has not yet translated into any visible change in donors’ strategies of supporting social forestry projects. Their focus still is - often exclusively – on forest management and does not include business development and marketing expertise. A recent report investigating common problems of small businesses to access certification concludes with the recommendation (amongst others) to develop a ‘small business guide to market opportunities for certified products’ (Scrave, H., et. al., 1999). Other authors recommend supporting social forestry projects to enter into local and national markets first, rather than to ‘leapfrog into international markets‘ (Irvine, 1999, Markopoulos, 1999).

Contrary to fair trade labelling schemes, forest certification does not entail the fostering of business partnerships and management of supply chains which include secure and just commercial deals and support with market information and promotion. As a result, certified social forestry projects frequently continue to be dependent on exploitative local trade structures, particularly when they have to sell unprocessed timber. The case study of campesino groups in Honduras concludes that the groups‘ limited business skills have prevented them from exploiting direct exporting opportunities. At the same time they sold certified timber without a price premium to a local manufacturer who was in a better position to make use of the existing demand in overseas markets (Markopoulos, 1999).
Suitability to communities’ complex social and diverse land use systems

Secondly, forest certification stops short at the forest boundary. Its exclusive focus on forest management in many ways makes it a “single-issue” scheme that is often ill-suited to the more complex and encompassing land management systems employed by local people and communities.

Management decisions necessitated within the wider system of resource management might clash with the requirements of certification. This is particularly the case when certification has led the management to focus too strongly on one forest function: timber production (Bass and Simula, 1999).

Similarly, some authors have questioned the suitability of certification to adequately address the complex social fabric of community enterprises. As an instrument designed to fit many different circumstances worldwide, it has proven “a rather blunt tool for measuring or promoting social development“ at the community level (Maynard and Robinson, 1999). The standards provide for some benefit sharing between those groups who are directly responsible for forest management and the wider community. The extent to which benefits should be shared under certification requirements, however, often depends on how the certifiers interpret the relevant clauses in the standards and how they take account of different stakeholders views.

Consequently some authors have perceived the standards’ interpretation as not going far enough, while for others it has gone too far. Maynard and Robinson claim that the certification of communities in Quintana Roo did not improve equity between those household heads, or ‘ejidatarios’, who are vested with forest rights and the non-ejidatario households, let alone within ejidatario households (ibid.). Bass and Simula, on the other hand, argue that the conditions attached to the certificate of campesino groups in Honduras for better integration of the interests of the larger community have exceeded local perceptions and norms of reasonable claims towards benefit sharing (Bass and Simula, 1999).
The problem of satisfactorily interpreting particularly the social aspects of the certification standards is exacerbated by the frequently limited expertise of assessors in this area and by procedural exigencies that do not allow a sufficiently thorough analysis of the complex social structures and relations in community enterprises.

**Conclusion**

Although the large majority of forests certified according to the FSC principles and criteria are large-scale industrial operations, the few certifications of community enterprises that do exist, particularly in Latin America, provide interesting lessons about the benefits and limitations of certification for social forestry.

Among the benefits is the publicity that an international certificate generates, as it can help improve relations with outside agencies like governments and donors. In particular, communities have appreciated the recognition of their competence as forest managers as well as the positive impact on negotiation processes with government authorities regarding land tenure and use rights. Internally, the different steps in the certification process have offered learning opportunities and highlighted capacity needs. Thus, certification has been shown to help consolidate communities’ management capacities, particularly in the realm of general management and management of social relations.

However, the case studies of certified social forestry enterprises have also helped to expose the limitations of certification. These have been primarily linked to the business success of the enterprises, since – contrary to expectations frequently raised by NGOs and donors – certification has no mechanism to facilitate consistent access to the market potential for certified products. Moreover, current certification practice and standards are not well adapted to match the diverse land management objectives and social equity issues of forest managing communities.

Indeed, the case studies show that forest certification has so far not benefited to any significant degree from social forestry theory and practice. More input into
the design of certification programmes is needed from social forestry and community development experiences to adapt certification procedures and audit techniques to the needs and management realities of forest managing communities.

Such input and participation is also needed to a greater extent than at present in national certification initiatives. The design of the FSC certification system opens new avenues for the definition and negotiation of agreements between stakeholders. Only if these avenues are effectively utilised by all stakeholders can certification bring momentum to structural reform processes in the forest sector.

References


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