DEVELOPING FOREST CERTIFICATION

UNEDITED ANNEXES

COUNTRY CASE STUDIES

TABLE OF CONTENTS

ANNEX I	BRAZIL
ANNEX II	THE REPUBLIC DU CONGO
ANNEX III	GABON
ANNEX IV	GHANA
ANNEX V	INDONESIA
ANNEX VI	MALAYSIA

Country Case Study

BRAZIL

TABLE OF CONTENTS

1. INTRODUCTION 1

2. DRIVERS OF FOREST CERTIFICATION 1

2.1 Legal Requirements 1
2.2 Forest Product Market 1
2.3 Stakeholders 1

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS 2

3.1 Milestones in the Development of Forest Certification in Brazil 2
3.2 Current Status 2
3.2.1 Certified Forests 2
3.2.2 Estimated Production of Certified Timber 4
3.2.3 Chain of Custody Certification 5

4. ISSUES RELATED TO FOREST CERTIFICATION SYSTEMS 5

4.1 CERFLOR 5
4.2 FSC 6
4.3 Key Differences 7

5. MAIN PROBLEMS ENCOUNTERED IN THE CERTIFICATION PROCESS 7

6. APPLICABILITY OF CERTIFICATION SYSTEMS 8

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 10

7.1 Accreditation 10
7.2 Accredited Organizations for Forest Management Auditing 11

8. LEGAL ASPECTS 11

9. ECONOMIC INCENTIVES AND IMPLICATIONS 12

9.1 Reasons for the Adoption of Forest Certification in Brazil 12
9.2 Certification Costs 13

10. IMPACTS OF ITTO IS RECENT CAPACITY BUILDING WORK 14

11. RECOMMENDATIONS 15

REFERENCES AND DATA SOURCES 16

List of Tables

Table 3.1 Main Milestones in the Development of Forest Certification in Brazil 3
Table 3.2 Forest Certified Areas in Brazil (2007) 4
Table 3.3 Estimated Annual Sustained Production Capacity of Certified Timber in Brazil (1,000 m^3/year) 5
Table 3.4 Number of FSC Chain of Custody Certificates, 2007 5
Table 4.1 Key Differences in the Implementation of FSC and CERFLOR Systems 7
Table 5.1 Main Reasons for CARs during the Certification Process 8
Table 7.1 Organizations Accredited for Forest Certification in Brazil 11
Table 8.1 Comparison of Timber Production Costs from Certified and Illegal Sources in Rondônia 12
Table 9.1 Costs of FSC Forest Certification in Pará State (Brazil) 14

List of Figures

Figure 3.1 Certified Forestry by System, 2007 2
Figure 3.2 Evolution of the Certified Area in Brazil (hectares) 4
Figure 4.1 Stakeholders Involved in the Discussions on the NBR 15789 Standard for Certification of Natural Forest) 6

1. INTRODUCTION

Over the last few years, there has been a growing interest in forest certification from producers and consumers in Brazil. From the forest producers' perspective the interest is mainly in finding new marketing tools. On the other hand, consumers see certification as a guarantee that the wood product comes from sustainable forest helping improve the global environment.

In vertically integrated companies involved in the production of pulp and paper, industrial charcoal and solid wood products, there is an increasing interest in implementing certification as a way to improve business and gain new markets. Over the last few years, the Brazilian civil society and especially national and international NGOs have been very active in promoting forest certification also in the domestic market.

Currently there are two main forest certification schemes in Brazil: (i) the Forest Stewardship Council (FSC), introduced in 1994; and, (ii) the Brazilian Program for Forest Certification (CERFLOR – *Programa Brasileiro de Certificação Florestal*), a certification system linked to the National System for Metrology, Standardization and Industrial Quality (SINMETRO – *Sistema Nacional de Metrologia, Normalização e Qualidade Industrial*), launched in 2002, CERFLOR was later internationally recognized by the Programme for Endorsement of Forest Certification Schemes (PEFC).

2. DRIVERS OF FOREST CERTIFICATION

The main drivers for forest certification in Brazil have been legal requirements, market demand and stakeholders.

2.1 Legal Requirements

During the last few years new regulations and improvements in law enforcement concerning the use of natural and plantation forests have favoured forest certification in Brazil, particularly the Law 11.284 of March 2, 2006, on forest concession.

Certification is voluntary but there is a general consensus that certified forest operations fulfil legal requirements and are in line with national forest policies and regulations. For this reason certified companies are in general subject to less frequent government audits and, in general, they tend to have better image.

2.2 Forest Product Market

The size of the world market for forest products (logs, lumber, pulp and paper, veneers and wood panels) is approximately US$ 180 billion and it has historically grown at an average rate of 2% per year. Value added wood products, including furniture, add another US$ 70 billion to the international trade. The market for these products is growing at an average rate of 6% per year.

Brazil has a global market share of about 3%. Companies have noted that the market share of certified forest products is increasing. Certification is a useful way to comply with market requirements and to promote sales, both gaining importance. The export markets also require legality (e.g. FLEGT) and social responsibility.

The incipient demand for certified timber in the internal market is still restricted to certain market niches, but is increasing,

2.3 Stakeholders

Credible involvement of stakeholders in the development and implementation of certification schemes is considered to be fundamental in market requirements. This has become increasingly clear over the last few years. Consumers need to be convinced that the scheme is independent and those promoting it are fully committed to the principles of sustainability.

CERFLOR has involved highly credible institutions, such as the National Institute of Metrology,

Standardization and Industrial Quality (INMETRO – *Instituto Nacional de Metrologia, Normalização e Qualidade Industrial*), responsible for development and management of the national quality and accreditation system. The system also involves the Brazilian Association of Technical Standards (ABNT – *Associação Brasileira de Normas Técnicas*), the national forum for the development the standards where various stakeholders participate. This gives credibility to the system at the national level, but apparently has not been sufficient for buyers in other markets. To some extent this limitation has been overcome by PEFC endorsement of CERFLOR.

The FSC scheme is an international certification system, and in Brazil, as in other parts of the world, it is largely perceived as an NGO initiative. This has made the scheme, to some extent, less acceptable by the private sector but, on the other hand, FSC appears to be credible from the point of view of consumers, especially in external markets.

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS

3.1 Milestones in the Development of Forest Certification in Brazil

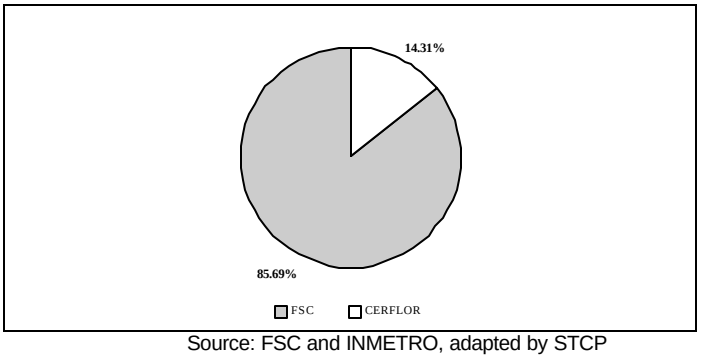
The main milestones in the development of certification in the Brazil are presented in Table 3.1. FSC started its operation in Brazil in 1994 through the FSC National Work Group. However, the endorsement of FSC National Initiative was possible only after the establishment of the Brazilian Council of Forest Management (CBMF – *Conselho Brasileiro de Manejo Florestal*) in 2001. It is a non-governmental organization aimed at the promotion of the "good management" of Brazilian forests. CERFLOR started its operation in 2002 with the publication of a set of five standards.

3.2 Current Status

3.2.1 Certified Forests

Currently there are 76 certified forest operations in Brazil (48 plantations and 28 natural forests of which 65 private and 11 community forest). The total certified forest area is 5.8 million hectares (Table 3.2). The area is presently equally divided between natural forest and plantations. FSC is the main scheme, accounting for 90% of the total certified area (87% plantations and 100% of the natural forests) (Figure 3.1). CRFLOR certified areas account for 21% and 2.6%, respectively[1].

Figure 3.1 Certified Forestry by System, 2007



Source: FSC and INMETRO, adapted by STCP

[1] Note that two companies have been certified under both schemes (CENIBRA and Manoa).

Table 3.1 Main Milestones in the Development of Forest Certification in Brazil

Year	FSC	CERFLOR
1990-1993	Initial consultations were carried out to define main steps for the creation of FSC-based certification scheme. This work was coordinated by a Working Group mainly formed by NGOs.	The Brazilian Society for Silviculture (SBS - Sociedade Brasileira de Silvicultura) started discussions on the development of a national forest certification scheme. The Government of Brazil was reluctant to the idea as a market driven initiative with no involvement of the national certification system
1994	FSC started to operate in Brazil through the FSC-Br Work Group.	
1996		SBS, together with several private sector associations, universities, research institutions and non-governmental organizations, started formal discussions on a national certification scheme. The efforts were supported by some Government agencies, and the scheme was named Brazilian Program for Forest Certification (CERFLOR). A cooperation agreement was signed with the Brazilian Association for Technical Standards (ABNT) for the develop-ment of the principles and criteria, to be considered as part of the National Certification System.
2001	The Brazilian Council of Forest Management (CBMF - *Conselho Brasileiro de Manejo Florestal*) was established as an inde-pendent NGO formed by representatives from the social, environmental and econo-mic sectors. The objective was to define and facilitate discussions on "good management" of Brazilian forests, based on the Principles and Criteria that would take into consideration ecological safeguards with social benefits and economic feasibility.	The Forum for the Competitiveness of the Timber and Furniture Productive Chain (*Fórum de Competitividade da Cadeia Produtiva de Madeira e Móveis*) was created with the objective of providing a forum for dialogue between the productive sector, the government and the National Congress. Among the activities proposed as priority by the forum was a project to develop a national forest certification system. In 2001 the Technical Sub Commission for Forest Certification was created, under the Technical Commission for Environmental Certification. This sub-commission developed CERFLOR.
2002	Accreditation of CBMF as the Brazilian representative of the FSC. Endorsement of the FSC national standard for natural forest management by the FSC International.	CERFLOR was officially launched as part of the National Certification System, with the publication of the standards for plantation forest, chain-of-custody and auditing procedures.
2003		With the support of an ITTO project, implemented by Brazilian Association of Mechanically Processed Timber Products (ABIMCI) the process of development of principles, criteria and indicators for the sustainable management of natural forests was started
2005		Approval and publication of the principles, criteria and indicators for the sustainable management of natural forests as the NBR 15789. Endorsement of the CERFLOR by the PEFC.

Source Suiter (pers.comm.) and INMETRO (adapted by STCP)

The evolution of the certified area demonstrates that there has been a significant growth over the last five years when the total area was multiplied by four (Figure 3.2). One of the main reasons for this expansion is the FSC certification of an indigenous non-timber management area of 1,543,460 ha located in the Mato Grosso State. This forest management unit accounts alone for 26% of the total certified area in Brazil but its contribution to certified timber supply is marginal. Another major contribution to the expansion has come from the start up of CERFLOR scheme, with the certified area reaching 835,657 ha.

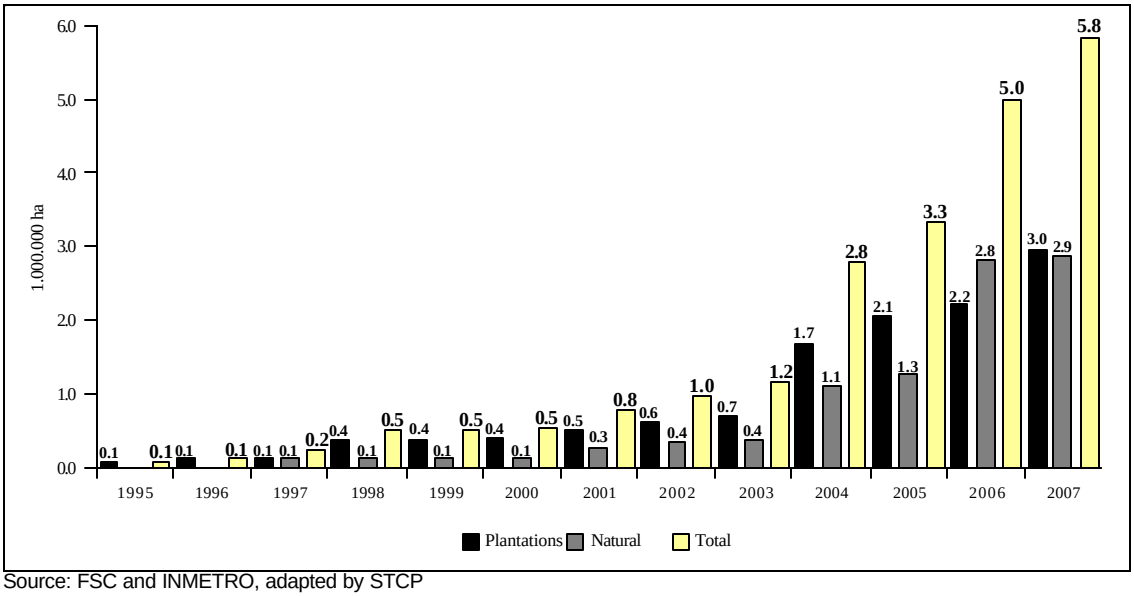
Table 3.2 Forest Certified Areas in Brazil (2007)

Certification system	Forest type		Type of ownership		Total
	Natural*	Plantation	Private	Community forest[1)]	
	- 1000 ha -				
FSC	2,794.1	2,209.0	3,419.0	1,586.2	**5,003.0**
CERFLOR	73.0	762.7	835.7	-	**835.7**
TOTAL	**2,794.1[2)]**	**2,971.6**	**3,945.7[2)]**	**1,586.2**	**5,531.9[2)]**

1) Including timber and non-timber operations
2) The areas certified under both schemes were counted only once

Source: FSC and INMETRO, adapted by STCP

Figure 3.2 Evolution of the Certified Area in Brazil (hectares)



Source: FSC and INMETRO, adapted by STCP

3.2.2 Estimated Production of Certified Timber

The total potential production of certified forests in Brazil is estimated[2] at around 89.8 million m^3 (Table 3.3). Around 99% of this volume comes from plantation wood, largely linked with the pulp industry, and this means that most of the pulp produced in Brazil is now based on certified wood sources.

The certified production in the country represents about 48% of the total sustainable timber produced from plantations but about only 2% of the timber produced by from natural forests.

[2] Based on 30 m^3/ha/year for plantations and 15 m^3/ha on a 30-year cutting cycle for natural forests. This assumption represents an average of the observed FMUs in Amazon.

Table 3.3 Estimated Annual Sustained Production Capacity of Certified Timber in Brazil (1,000 m^3/year)

System	Plantation	Natural
CERFLOR	22,879	36
FSC	66,269	613
TOTAL	**89,149**	**649**
	89,799	

Source: STCP

3.2.3 Chain of Custody Certification

Brazil has currently 191 operations certified under the FSC CoC certification standard, including companies and community forest enterprises using natural and plantation forests for production of timber and non-timber products (Table 3.4). Under the CERFLOR scheme there are only 2 certified CoC operations, both pulp and paper companies.

Most of the FSC chain of custody certifications are for plantation wood (84%). Certified community enterprises are still few (7 operations, less than 4% of the total).

Table 3.4 Number of FSC Chain of Custody Certificates, 2007

Source of product		Scale of operation		Product		
Natural forest	**Plantation**	**Private sector**	**Community forest enterprises**	**Timber**	**Non-timber**	**Both**
31	160	184	7	175	10	6

Source: FSC (adapted by STCP)

4. ISSUES RELATED TO FOREST CERTIFICATION SYSTEMS

The information on problems and issued identified by stakeholders is based on experience gained by the consultant working with forest certification and on discussions with stakeholders. The problems and issues are presented separately for the two forest certification schemes (CERFLOR and FSC) although in many cases they apply to both.

4.1 CERFLOR

Being part of the National Certification System under the INMETRO framework, CERFLOR is in principle acceptable at international level within the existing agreements for mutual recognition under the ISO umbrella.

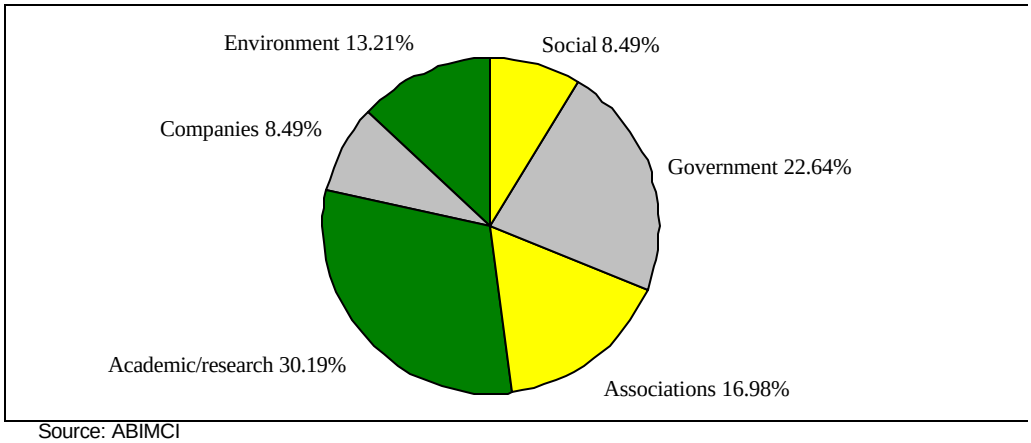
CERFLOR follows the strictly defined internationally accepted procedures. The system is based on a set of six standards covering procedures that are common to the general National Certification Scheme and taking into consideration the specific characteristics of certification of plantations and natural forests. The standards are:

- NBR 14789– Forest Management – Principle, Criteria and Indicators for Forest Plantations;
- NBR 14790– Chain of Custody;
- NBR 14791- Guidelines for Forest Audit - General Principles;
- NBR 14792- Audit Procedures- Forest Management Auditing;
- NBR 14793- Audit Procedures- Qualification Criteria for Forest Auditors;
- NBR 15789– Forest Management – Principle, Criteria and Indicators for Natural Forests.

The process that led to the development of CERFLOR was very long. The proposal was made by the private sector in the early 1990s, but it was to some extent blocked by the Brazilian government and the process did not move ahead for almost ten years. After having the government convinced about the need for a national scheme, the process was restarted. The standards preparation strictly followed the procedures defined by INMETRO, including the involvement of stakeholders in a wide and open discussion before being voted and officially adopted as part of the National Certification System, Nevertheless, CERFLOR has been criticized for too strong a participation by the private sector. In spite of being invited several times, large NGOs, particularly international ones, did not participate in the standard setting process.

The parties leading the process (basically SBS and INMETRO) insisted on inviting NGOs and other representatives of the civil society for all meetings. The main arguments for non-participation by the large NGOs were that that there was already another certification system available and that other systems would not be credible, and that the discussions were not sufficiently involving stakeholders. This does not seem to be the case as the consultations have involved hundreds of persons. As an example, the discussions involving the principles and criteria for the certification of natural forests alone involved more than 400 people representing different groups (Figure 4.1).

Figure 4.1 Stakeholders Involved in the Discussions on the NBR 15789 Standard for Certification of Natural Forest)



Source: ABIMCI

In principle the concerns of NGOs that consultations were based on a relatively narrow group of persons and heavily concentrated in the private sector were not justified as the process fully followed the structure and procedures based on the National Certification System.

Another limitation was that the private sector involved in the early stages was only interested in certification of forest plantations. Therefore, a separate project was implemented by ABIMCI (supported by ITTO) to develop the national standard for the certification of natural forests.

One of the challenges for CERFLOR label is to increase its acceptability as a proof of legality. This is said to be determinant for the future of the scheme in the market place.

4.2 FSC

In Brazil, FSC is considered an NGO-controlled process. The main concern of the private sector is that standards can be raised over time, possibly reaching a level where compliance with the requirements makes operations unfeasible. Furthermore, the FSC certification process is also considered by some companies too rigid in dealing with some social and environmental aspects.

There is also a perception that the system is too vulnerable for external pressures. This has been demonstrated by a recent campaign by national and international NGOs against FSC certification of plantation forests, with an objective to cancel the already issued certificates and to avoid any new certifications.

4.3 Key Differences

There are a number of important differences between CERFLOR and FSC (Table 4.1).

Table 4.1 Key Differences in the Implementation of FSC and CERFLOR Systems

Attribute	FSC	CERFLOR
Standards and criteria	Principles are strongly linked to environmental aspects expressed in the global FSC P&C.	The standards were created within the ABNT Forum based on international C&I (Tarapoto and ITTO) considering the INMETRO National Certification System.
Objective	Objectives are strongly linked to conservation, including: i. Recognition and promotion of sustainable forest management; ii. Conserving natural resources; iii. Accessing new (environmentally oriented) markets; iv. Reducing environmental impacts.	The objectives focus on meeting the market demand: i. Promote and disseminate sustainable forest management in the country; ii. Promote and disseminate the certification system (CERFLOR) in the market; iii. Facilitate access of small and medium-sized producers to forest certification; iv. Promote forest products in the national and international markets.
Credibility	FSC has been backed by large international NGOs, including WWF, Greenpeace and Friends of the Earth. The support of these organizations to FSC has been important to increase its credibility in tropical timber importing markets.	CERFLOR is backed by international mutual recognition mechanisms, including : i. IAF – International Accreditation Forum; ii. ILAC – International Laboratory Accreditation Cooperation; iii. EA – European Cooperation for Accreditation; iv. APLAC – Asia Pacific Laboratory Accreditation Cooperation; v. IAAC – Inter American Accreditation Cooperation; vi. PEFC – Program of Endorsement of Forest Certification Schemes.

Source: FSC and INMETRO (adapted by the author)

5. MAIN PROBLEMS ENCOUNTERED IN THE CERTIFICATION PROCESS

Table 5.1 presents the main reasons for CARs (Corrective Action Requests) in certified FMUs in Brazil. The information is based on consultations with certification bodies and representatives of CERFLOR and FSC.

Table 5.1 Main Reasons for CARs during the Certification Process

System	Principle	Action area	Reasons for CAR
CERFLOR	Principle 1 – Legal aspects	Clarification of the land tenure	The problems related to land tenure in forest management areas in Brazil are due to the national land ownership situation that for years has suffered from serious problems. The problem is more frequent in the Amazon Region but also occurs in other regions due to the lack of formal titles and difficulties related to the titling of those lands.
	Principle 5 – Social Development	Labour relations	In the Amazon Region it is common to involve contractors and forest workers only during the dry season when harvesting takes place. This practice has some problems including: ? Lack of specialization and difficulties to improve forest operations as in most cases a new team is involved. ? Social impacts due to unemployment during the rainy season.
FSC	Principle 6 – Environmental Impact	Monitoring of flora and fauna	The implementation of these activities requires participation of professionals hired from outside, as companies normally do not have specialist staff in this field. Companies tend to contract the services of researchers and external consultants, usually at high cost. In some cases, partnership agreements with research organizations and universities, that should facilitate the process, are creating difficulties by taking too long to generate the results required in the certification process. Sometimes the problems are due to recommendations that call for more than is actually required to meet certification standards, and sometimes the results of the studies and the recommendations made are not fully understood. As a result some recommendations are not applied in the field.
	Principle 4 – Community Relations and Worker Rights.	Community relations	Brazilian forest companies tend to work isolated, and for cultural and other reasons many have very little contact with local society. This cr4eates problems of communication and is a potential source of conflicts.

Source: Fieldwork data

6. APPLICABILITY OF CERTIFICATION SYSTEMS

In general, difficulties related to the applicability of forest certification under the Brazilian conditions are the same for both CERFLOR and FSC. Difficulties are mainly related to the size of companies and community forests.

The FSC certification system is generally more restrictive in dealing with social and land ownership issues, and this has made some vertically integrated companies in Brazil to select CERFLOR. On the other hand, the FSC Principles and Criteria are strongly rooted in environmental and social values and many companies share them. An example is ORSA FLORESTAL, the owner of the largest FSC certified natural forest management area for timber production in Brazil (Box 6.1).

Box 6.1 ORSA FLORESTAL

The managed forest owned by ORSA FLORESTAL (ORSA GROUP), located on the border between Pará and Amapá states, is the largest native production forest area certified by the FSC in Brazil. It has 545,000 hectares. The forests are managed to supply a sawmill located in the same site as the JARI pulp mill that is also owned by the Group. The sawmill has a production capacity of 1,000 m^3 per month. The mill will be expanded and in 2007 and is expected to reach a production of 2,200 m^3 per month.

The Company policy is to have all raw materials coming from the certified forests. The CEO of the Group has announced that "*certification for the ORSA Group is not only a marketing tool but also a guarantee that the Company's whole forestry activity is in line with the principles of the Group, based on the three P's: People, Planet and Profit. No business activity makes sense without this and the FSC is totally part of this principle.*"

ORSA FLORESTAL is also planning to involve local communities in the business and this will include support to certification of community and other land owners in the region. This is expected to increase the supply of certified timber to the company industrial operations

Source: ORSA FLORESTAL, adapted by STCP

Differences in the applicability vary depending on the size and type of operation:

Large Companies

The main difficulties identified in the application of forest certification systems in large Brazilian companies are related to the following issues :

i. Forest regulations

Several FSC-certified companies have given up (or are about to give up) their certification due to the difficulties to obtain the approval of management plans from local forest authorities. The reasons for such difficulties are not related to procedures of the company, but bureaucracy and inefficiency of the local government agencies, often associated with corruption.

ii. Social movements
Managed forest areas are normally large, and their size and natural wealth attract the interest of several groups; some are legitimate social movements, others use the social and environmental movements to promote invasion of properties for various political and other reasons, creating an insecure investment climate.

iii. Competition from illegal logging
The Brazilian consumer has shown little concern on the origin of the timber bought, and this has indirectly contributed to illegal logging and trade. Under these circumstances legally produced timber is at a competitive disadvantage compared to legal producers.

iv. Macro-economic factors
For many years in the past the Brazilian economy was quite volatile, that included high inflation and other macroeconomic disturbances. This affected all economic sectors, and as a result the economic growth was slower than the world average. The general situation is much better now, but in the last 1-2 years the constant appreciation of the local currency has affected exporting companies. Certified production is mainly targeted at exports and therefore directly impacted by the country's international competitiveness.

v. Lack of interface with local communities
Brazilian forest companies tend to have little contact with local communities. This is cultural, but also partly due to the fact that most of the forest and related industrial operations are not in the hands of local investors who are normally from other regions in the country. This tends to create conflict with the local communities, particularly in the Amazon, where the companies are often located close to small municipalities.

Medium/ Small-sized Companies

In the case of medium and small-sized companies that represent the vast majority of forest enterprises operating in Brazil, especially in the solid wood industry, limitations are basically similar to those of the large companies. In addition these groups are constrained by the high standards applied in the two certification schemes which are difficult to comply with.

These companies have also limitations in human and financial resources, and in most cases they have no ways to reach certification, in spite of their interest and efforts. This has limited certification to larger companies and could lead to further industry concentration as medium and small-sized companies lose markets when they cannot satisfy the demand for certified products.

Communities

There are only 11 FSC certified community forests in Brazil. The main difficulties in dealing with certification of community forest management are:

i. Communities are highly dependent on the support of outside institutions (typically NGOs and the government) for the implementation of sustainable management both with regard to financing and management capacity.

ii. The lack of qualified human resources in the communities increases the dependence on external technical and managerial support representing a serious risk to the sustainability of the process.

CERFLOR has no experience on certification of community forest management nor does it have a specific standard for it. The results of a study carried out in community management areas in the State of Amapá have shown that certification of community forests is not an easy task, and the following aspects need to be taken into consideration:

i. Community forest projects are established in small areas, generally less that 500 hectares, and there is no guarantee of sustainability of the activity;

ii. The fragmentation of land tenure or ownership of the managed areas makes it difficult to ensure that the communities are fully committed to maintain all areas under sustainable management in the long run;

iii. The financial resources necessary to build up a minimum infrastructure to meet the certification requirements are often greater than the capacity of community to raise them; communities are dependent on external financial resources;

iv. The dependence on external resources can cause a reduction in community control over its forest assets, potentially leading to conflicts related to the objectives and implementation of forest management.

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES

7.1 Accreditation

The CERFLOR accreditation mechanism is based on the National Certification System, operated by INMETRO. It relies on the standard NIT-DICOR-053 “Criteria for the Accreditation of a Forest Management Certification Organism in Accordance with NBR 14789 and/or NBR 15789”. The main requirements of this standard are:

i. To fulfil the requirements of Resolution 04/02, of the National Council of Metrology (Conmetro) that deals with the Brazilian System for Evaluation of Conformity (SBAC);

ii. To fulfil the criteria defined by the ABNT ISO/IEC Guide 66 (International Guide that sets the criteria for bodies operating assessment and certification/registration of Environmental Management Systems). This is based on the Guidelines of IAF;

iii. To have in place a team of qualified auditors of certification, in line with the requirements of NBR ISO 19011 (Guidelines for auditing quality and environmental management systems)

iv. To have procedures for critical analysis of reports by experts in certification (technical reviewers);

v. To establish a Certification Commission involving representatives of the private sector, the environmental sector, the civil society and other groups, selected from an open list. The Commission has the responsibility to assess the progress of the work and to make recommendations on certification;

vi. To accept to be audited by a third party, as proposed by INMETRO, in order to verify implementation of auditing work.

The procedures for FSC accreditation in Brazil follow the rules of the FSC International. The system is based on procedures defined by ASI-Accreditation Services International GmbH, Germany, and follows the criteria defined in the document "Procedures for FSC Accreditation of Certification Bodies" (ASI-PRO-20-110).

In principle, the FSC accreditation process is largely similar to that of CERFLOR, drawing on the ISO/IEC Guide 65 (General requirements for bodies operating product certification systems) as a basis. In spite of this, being an independent body, FSC has no obligation to follow ISO standards and, in case of differences, the FSC rules prevail.

7.2 Accredited Organizations for Forest Management Auditing

Currently there are three organizations accredited by INMETRO to carry out forest management auditing and certification based on CERFLOR standards and five organizations accredited to carry out forest management auditing of FSC standards (Table 7.1). Availability of accreditation and certification services is not a constraint in Brazil.

Table 7.1 Organizations Accredited for Forest Certification in Brazil

Organization	System
TECPAR - Instituto de Tecnologia do Paraná	CERFLOR
SGS ICS CERTIFICADORA LTDA	CERFLOR and FSC
Bureau Veritas Certification	CERFLOR and FSC
IMAFLORA - Instituto de Manejo e Certificação Florestal e Agrícola (Rainfores Alliance)	FSC
IMO-Control do Brasil, Instituto de Mercado Ecológico (IMO - Institut für Marktölogie)	FSC
SCS - Scientific Certification System, Inc. Forest Conservation Program	FSC
Control Union Certifications - Skal International	FSC

Source: INMETRO and FSC Brazil

8. LEGAL ASPECTS

Forest activities in Brazil are highly regulated. There are several laws and other legal instruments regulating forest activities at federal, state and even at local government (municipality) level. Besides regulation directly dealing with forest activities, there are other legal instruments related to land use, health, work relations and safety, transportation, environment and other aspects that indirectly regulate forest activities.

Besides having quite an extensive list of instruments regulating forest activities, frequent changes in the legislation create difficulties and uncertainties to investors in the sector. This is particularly serious for the forestry sector in which long-term investments are necessary.

Complying with legal requirements generates extra costs, and if these costs are too high, they encourage informal operations, corruption and other forms of illegality. Table 8.1 presents a comparison between the costs of production of timber from a certified source with that produced illegally. Certified timber production complies with all the legal requirements but the costs of production are around double those of the operations that do not comply with these requirements. A large portion of the transaction costs could be reduced, were legislation reviewed and simplified.

When all the legal requirements are fulfilled, the companies are in fact very close to be certified under the two certification schemes. This has made certification to gain the support of the federal and state governments in Brazil, and also the support of some timber traders and consumers.

The support of the federal government to certification is reflected in the Law 11.284 of March 2, 2006, dealing with forest concessions. The Law considers certification as a criterion for selection of concessionaires, among other criteria such as environmental impact, direct social benefits, efficiency in the operations, and the value added to of the operations. For the Brazilian Forest Service certification is an additional guarantee that the above aspects are fully taken into consideration reducing the need for monitoring and thereby the supervision costs of the government.

Table 8.1 Comparison of Timber Production Costs from Certified and Illegal Sources in Rondônia

Operation	Certified operation		Illegal operation	
	Item	Cost (US$/m^3)	Item	Cost (US$/m^3)
Harvesting	• Low impact logging operations • All legal aspects fulfilled • Operational monitoring • Training	22.5	Operations carried out in third party areas with no compliance with legal/ environmental requirements	9.0
Transportation	• Company trucks • All legal requirements fulfilled.	16.5	Third party trucks, with no attention to legal requirements	12.0
Other costs	• Legal invoices • Transportation permits	44.0	No documents	19.0
Total landed cost in mill wood yard		**83.0**	**-**	**40.0**

Source: Indústria de Madeiras Manoa, adapted by STCP

9. ECONOMIC INCENTIVES AND IMPLICATIONS

9.1 Reasons for the Adoption of Forest Certification in Brazil

9.1.1 Market Incentives

The main driving force of certification in Brazil is the demand, or often just expectations on future demand, for certified products in the international market. As a result, most of the certified companies are operating in the international market.

The main driver is not consumer demand, but the growing pressure from governments in importing countries that, under the influence of environmental groups, are putting in place public procurement requirements for wood products (such as the FLEGT). Most companies expect that such market barriers will increase in the future, and that markets will be lost if certification is not adopted.

As an example, aiming to ensure access to new markets, “Indústria de Madeiras Manoa Ltda.”, which owns a managed area of 73,000 hectares in the State of Rondônia, has adopted forest certification. The company was already certified by FSC and recently became the first Brazilian company to be certified under CERFLOR NBR 15789 (Box 7.1).

9.1.2 Operational Reasons

The adoption of certification has helped companies improve forest operations. Some companies have reported that the adoption of certification has helped gain productivity and reduce operational costs, which, to some extent, can offset the additional costs of certification. The main cost savings were related to a better yield of the harvesting operation due to the introduction of reduced impact techniques, detailed planning of skidding trails, and training of field teams.

Box 7.1 INDÚSTRIA DE MADEIRAS MANOA – First Management Area in the Amazon Region to be Certified by CERFLOR

The management plan was submitted to the forest authorities and approved in 1997. The company took a decision to continuously improve its forest operations and in 2001 started to implement new forest practices to reduce environmental impact and reach FSC certification. Manoa was certified under FSC in 2005, and soon thereafter also decided to apply for CERFLOR certification because the system was recognized by PEFC. Some clients have suggested that PEFC certification would help improve market access for the company's products in Europe. The CERFLOR certification was implemented with some ITTO support as part of the private sector and civil society partnership program. Manoa considers that to improve forest management is part of the responsibility with the planet's sustainability. The decision on the adoption of certification was made based on the expectations on opening of new markets, but this has not yet really happened.

Source: Indústria de Madeiras Manoa Ltda.

The adoption of certification has also helped companies improve legal compliance. This has reduced the need of internal monitoring, and therefore the cost of business management. Furthermore, these improvements can help avoid creating legal and environmental liabilities.

9.1.3 Image and Marketing Reasons

Certification tends to improve the image of the companies, and can be used as a marketing tool. This does not only facilitate sales, but also improves the image among other stakeholders, and as a result reduces conflicts and risks.

In general, a company that has a forest operation certified tends to have better relations with local communities and authorities. The perception of local authorities is that the certified operations require less monitoring, and therefore the costs of transaction are reduced.

9.2 Certification Costs

There are several costs involved in certification. Some of the costs are classified as direct costs, and are therefore relatively easy to assess. Others are indirect costs, that are not so easy to segregate as in some cases these indirect costs are associated with legal aspects that should be paid regardless the company being certified or not. There are also other costs related to certification (such as training, investment in machines and others) but these can also result in productivity gains and therefore should not be associated only to certification.

Table 9.1 presents some information on a recent study on certification costs. The study was based on a company operating 140,000 ha in Pará State that was recently certified under FSC. The total costs, most of which are indirect, are relatively high, especially in the first year,

The study also pointed out that the costs of certification can vary significantly among companies due to the size of operation, and as a result the costs per cubic meter produced can vary enormously. The main factors affecting the costs of certification are:

i. Level of the company's legal compliance before the certification process;

ii. Business management capacity, information system and organization, including the availability of human resources

iii. Size of the operation.

Table 91 Costs of FSC Forest Certification in Pará State (Brazil)

Activities	Costs (US$)	
	First year	Annual cost for the subsequent 4 years
Internal direct costs	74,000	-
External direct costs	36,600	9,000
Indirect costs:		
- Infrastructure, training and equipment	81,050	21,900
- Addressing social requirements	145,100	-
- Adjustment of the forest management system	6,900	110,800
Total	**343,650**	**141,700**
Total per m^3*	**1.68**	**0.69**
Total per ha	**2.45**	**1.01**

* In relation to the production level of 205,000 m^3/year.

Source: STCP

The size of operation is in most cases largely related to the other two aspects (legal compliance and internal capacity). This clearly explains why most of the companies certified in Brazil (both under FSC and CERFLOR) are relatively large operations, and only 26 (35%) have areas below 10,000 ha. In fact, the costs and lack of managerial capacity are strong limitations for small companies. Certification of community forest enterprises will probably be viable only if subsidies and external support are available.

10. IMPACTS OF ITTO IS RECENT CAPACITY BUILDING WORK

In Brazil several ITTO projects have helped to improve local capacity in the implementation of sustainable forest management below.

? Project PD 35/95 Rev. 1 (F) - Dissemination and Training on ITTO Guidelines, Criteria and Indicators

This project was financed by ITTO and implemented by the Forest Foundation of the Federal University of Paraná (FUNPAR). The project covered a total period of four years, (1999-2003) and its main objective was to promote dissemination and training of the ITTO C&I and Guidelines among professionals.

As a result of the project, 25 training courses were organized and implemented, and about 1,300 professionals from the private sector, government and non-governmental organizations were trained. Furthermore 10,000 copies of ITTO Guidelines and of ITTO Criteria and Indicators to Sustainable Management of Natural Tropical Forests, translated into Portuguese, were printed and disseminated.

? Project PD 7/94 Rev.3 (M,I) – Information and Technical Assistance for Production and Trade in Tropical Timber

This project was implemented in 1998-2002 by SINDIMAD (Belém Timber Industries Syndicate) with the objective to increase the exports of sustainable tropical timber from Brazil to selected consumer countries.

The main activities were to increase cooperation between selected Brazilian tropical timber exporting companies and their importing counterparts in North America and Europe, to prepare annual reports with detailed information on production, to develop a methodology for collecting information and assessing sustainability of production and tropical timber trade, to increase availability of information on the production status of Brazilian tropical timber imported to North

America and Europe, and to organize an international conference on tropical timber.

As results of the project, the trade of products from sustainable sources has increased and the technical assistance program was successfully implemented helping the participating companies improve their product quality and forest practices. Information was disseminated through several ways to producers, importers, traders, NGOs and others. The international conference was successfully implemented with a large number of participants.

? Project PD 140/02 (M) Development of Criteria and Indicators for Sustainable Management Applicable in Brazilian Tropical Forests

The project was implemented in 2002-2005 by the Brazilian Mechanically Processed Timber Association (ABIMCI – *Associação Brasileira das Indústrias de Madeira Processada Mecanicamente*). The project objectives were to develop the national criteria and indicators for sustainable management of natural tropical forests, to build up human capacity, to test and disseminate information on forest management standards, and to train personnel on their use.

As the main result of the project implementation, the national standard for natural forest management was published as the NBR 15789, completing the CERFLOR set of standards. Several professionals were trained on implementation and auditing.

? Private Sector and the Civil Society Partnership

This initiative was implemented by ABIMCI, with the ITTO support based on ITTC Decision 5 (XXXIII) that aims to promote cooperation between the private sector and the civil society. The project involved Indústria de Madeiras Manoa, a forest company which owns a managed area of 73,000 hectares in the State of Rondônia. Based on the project Manoa became the first company to have natural forest certified under CERFLOR.

11. RECOMMENDATIONS

Forest certification in Brazil is still limited to relatively large-scale operations, and options should be found to make progress among small and medium-sized forest enterprises as well as communities. Possible action areas are:

- Improve knowledge of small and medium-sized entrepreneurs and communities on forest operations and certification requirements through intensive training and targeted technical assistance programs;

- Develop financing mechanisms that take into consideration progress towards sustainable forest management and certification, based on assessment applying a phased approach to certification;

- Identify options to promote horizontal cooperation and incentives such as tax reduction, subsidies or other ways, considering larger companies serving as a source of knowledge and human resources to upgrade knowledge in forest management in smaller companies and communities. Outgrower forest partnerships should be considered as a potential mechanism to engage small-scale and community landowners in sustainable management of plantation forests.

REFERENCES AND DATA SOURCES

CERFLOR – Certificação Florestal – Available at http://www.inmetro.gov.br/qualidade/cerflor.asp. Consulted in 15/07/07.

FSC – Conselho Brasileiro de Certificação Florestal FSC Brasil, Produtos e Florestas Certificadas – Available at http://www.fsc.org.br/index.cfm?fuseaction=conteudo&IDsecao=180. Consulted in 12/07/07

VIANA, V.; FREITAS, A.; CAFFER, M.; SUITER FILHO, W; ARMELIN, M. Certificação Florestal. Conselho Nacional da Reserva da Biosfera da Mata Atlântica, São Paulo, 2002.

SANTANA, E; SCHMID, M. Costs and Benefits of Certification. Report prepared for Indufor Oy, Curitiba, 2004.

Interviews:

TECPAR, Mr. Rodrigo Feijó;

SCS, Ms. Mário Kikuchi;

INMETRO, Ms. Maria Teresa Rezende;

Fórum Nacional das Atividades de Base Florestal – FNABF, Mr. Fernando Castanheira;

IMAFLORA, Mr. Lineu Siqueira and Mr. Maurício Voivodic;

FSC Brasil, Mr. Bruno Martinelli;

EMBRAPA Florestas, Mr Sérgio Ahrens;

Sociedade Brasileira de Silvicultura, Mr. Rubens Garlipp;

Country Case Study

THE REPUBLIC OF CONGO

Étude de cas de pays

LA REPUBLIQUE DU CONGO

INDICE

LISTE DES ABREVIATIONS ET DES ACRONYMES II

1. FACTEURS DE CERTIFIC ATION FORESTIERES 1

2. EVOLUTION DE LA CERTIFICATION ET ETAT AC TUEL 2

3. PROBLÈMES ET DISPOSITIONS RELATIVES AU DEVELOPPEMENT DU STANDARD 3

4. ADAPTABILITE DES PCI DANS LES CONDITIONS CONGOLAISES 4

5. PROBLÈMES ET DISPOSITIONS RENCONTRES DANS LE PROCESSUS DE CERTIFICATION 5

6. CONVENANCE DES SYSTÈ MES DE CERTIFICATION 7

7. DISPONIBILITÉ DES SERVICES D'ACCRÉDITATION ET DE CERTI FICATION 9

8. DISPOSITIONS LÉGALES 9

9. INCITATIONS ET IMPLICATIONS ÉCONOMIQUES 10

10. RECOMMANDATIONS 10

BIBLIOGRAPHIE 12

Liste des tableaux

Tableau 2.1 Caractéristiques de l'UFA Kabo certifiée en 2005 3
Tableau 6.1 Comparaison des options FSC et système national 8

LISTE DES ABREVIATIONS ET DES ACRONYMES

AFD	Aménagement Forestier Durable
APV	Accords bilatéraux de Partenariat Volontaires
ATIBT	Association Technique Internationale des Bois Tropicaux
BIT	Bureau International du Travail
CIB,	Congolaise Industrielle des Bois
CNIAF	Centre national d'inventaire et d'aménagement des ressources forestières et fauniques
DAC	Demandes d'actions correctives
DFP	Domaine Forestier Permanent
ENEF	Ecole Nationale des Eaux et des Forêts
FAO	Food and Agriculture Organization of the United Nations
FLEGT	Forest Law Enforcement, Governance and Trade
FSC	Forest Stewardship Council
CAFTN	Réseau Forêts et Commerce d'Afrique Centrale (Central Africa Forest & Trade Network
GDF	Gestion Durable des Forêts
GFTN	Global Forest and Trade Network
GNT	Groupe National de Travail
Ha	hectare
IDR	Institut de Développement Rural
IFO	Industrie Forestière de Ouesso
ISO	International Standard Organisation
m^3	mètre cube
OAB	Organisation Africaine du Bois
OIBT	Organisation Internationale des Bois Tropicaux
ONG	Organisation non gouvernementale
P&C	Principes et Critères
PAFC	Pan-African Forest Certification
PCI	Principes, Critères et Indicateurs
PEFC	Program for Endorsement of Forest Certification
PME	Petite et Moyenne Entreprise
PROGEPP	Projet de gestion des écosystèmes périphériques au parc de Nouabalé-Ndoki
RCA	République Centrafricaine
RIFFEAC	Réseau des Institutions de Formation Forestière et Environnementale d'Afrique Centrale
SCPFE	Service de Contrôle des Produits Forestiers à l'Exportation
SGS	Société Générale de Surveillance
SIGEF	Système d'information, de gestion et d'exploitation forestière
UE	Union Européenne
UFA	Unité Forestière d'Aménagement
USLAB	Unité de Surveillance et de Lutte Anti-Braconnage
WCA	Wildlife Conservation Society
WRI	World Resources Institute
WWF	World Wide Foundation for Nature

1. FACTEURS DE CERTIFICATION FORESTIERES

La certification forestière ne peut être réalisée que si certains facteurs sont favorables aux entreprises. Au Congo, quelques facteurs peuvent être cités, notamment :

- La volonté politique. La politique gouvernementale vise la gestion durable des forêts du Congo. Elle s'est concrétisée par la promulgation d'un nouveau code forestier (16/2000 du 20 novembre 2000) consécutive au débat international sur les forêts depuis la conférence de Rio en 1992. La signature de nombreux accords et traités internationaux traduit é galement cette volonté.
- Un corpus législatif et réglementaire basé sur la gestion durable des forêts, en vue d'une production soutenue de bois et des produits forestiers non ligneux et la conservation des écosystèmes forestiers, ainsi qu'une meilleure contribution du secteur forestier au développement socio-économique. Cette législation rend l'aménagement obligatoire pour toute exploitation du domaine forestier (articles 68 et 69 du décret 2002-437 fixant les conditions de gestion et d'utilisation des forêts).
- Le cadre institutionnel est constitué par une administration disposant de cadres de haut niveau et de structures d'appui (SNR, CNIAF, Fonds forestier, SCPFE) capables d'assurer la mise en œuvre de l'aménagement forestier durable (AFD).
- L'existence d'un domaine forestier permanent dont l'Etat est le seul propriétaire. Celui-ci d'une superficie d'environ 21,6 millions d'hectares dont 18 845 363 hectares de forêts naturelles de production (Atlas forestier interactif du Congo, 2006) est reparti actuellement en 43 Unités Forestières d'Aménagement (UFA) de grande taille (dont la superficie varie entre 150 000 et 1 150 000 ha)
- L'approche participative des plans d'aménagement qui favorise une meilleure collaboration entre les exploitants, les populations locales, l'administration, les ONGs, les bailleurs de fonds et les autres groupes intéressés par la gestion durable des forêts (GDF).
- La prise de conscience de quelques acteurs. Il existe un Groupe National de Travail (GNT) sur la gestion durable des forêts auquel participent les représentants de principaux groupes de parties prenantes. Certains organismes de certification (FSC par exemple) ont établi des initiatives nationales afin d'adapter leur standard aux conditions locales. Quelques opérateurs économiques adhèrent déjà au processus d'aménagement durable et de certification des forêts. Le Congo compte actuellement près de 5,2 millions d'hectares sous aménagement, une UFA certifiée (Kabo) et quelques autres en cours d'aménagement ou de certification (Pokola). Les communautés locales ainsi que les ONGs collaborent également dans la gestion des concessions forestières.
- De nombreuses concessions forestières qui sont des filiales de multinationales d'origine européenne (CIB, IFO, FORALAC, Nouvelle TRABEC) livrent leur production sur le marché international surtout européen. Elles représentent 48 % de la superficie totale

Seuls les produits (grumes de bois, avivés, contreplaqués) livrés sur le marché européen sont actuellement soumis aux conditions de certification. Ce marché exigera d'ici 2015, la signature d'un accord de légalité *(accord de partenariat volontaire)*.

La légalité est avant tout une exigence de l'administration forestière mais elle constitue l'un des principes de gestion durable des forêts (Principe 1 du PCI de l'OAB-OIBT, 2003) et de standard de certification (par ex. principe 1 de FSC). Son respect dépend de l'efficacité et du manque de laxisme de l'administration forestière. Au Congo, la taxation forestière en rapport avec la légalité influencerait le développement du processus de certification. En effet, l'augmentation de la fiscalité forestière par le gouvernement fortement contraint par les bailleurs de fonds a été considérée par les entreprises forestières comme un alourdissement des charges et un frein à l'investissement notamment au financement des aménagements.

Dans le pays, parmi les groupes favorables à la certification, on note:

- les ONGs, pour une gestion durable des écosystèmes, la lutte contre la déforestation abusive, le pillage des ressources et la pauvreté des populations
- le gouvernement pour une meilleure valorisation des ressources et un accroissement des recettes fiscales

- les grands concessionnaires forestiers et les industriels à cause de l'accès de leur produit sur le marché international plus rémunérateur et la lutte contre la concurrence illégale des petits producteurs non respectueux des lois
- les populations riveraines grâce à un partage équitable des bénéfices et une meilleure participation dans la gestion des ressources naturelles.

Par contre quelques groupes s'opposent à la certification : il s'agit principalement de petits producteurs constitués surtout d'exploitants privés nationaux (37 % de la superficie totale) qui considèrent la certification comme un obstacle à l'accès au marché désormais réservé à une qualité donnée de produit et de ce fait, ils doivent satisfaire donc aux exigences de celui-ci. Cette opposition est liée à la faiblesse de leurs moyens, le manque de technicité, le manque d'information et de sensibilisation sur la certification, la taille (inférieure à 50 000 ha) et la pauvreté de leurs concessions (3è, 4è passage). Ils sont presque tous installés dans le sud du pays. Les nombreux opérateurs qui sont insérés dans les filières domestiques informelles (bois de service, bois énergie, « scies mobiles ») sont peu incités à s'engager dans une démarche d'aménagement puis de certification. La demande locale n'est en effet pas sensible au fait que les produits soient issus de forêts aménagées ou non, et les dispositifs répressifs ou incitatifs sont insuffisants. Au lendemain des conflits armés (1997), ces opérateurs ont été amenés à faire appel à la sous-traitance pour mener leurs activités. Sous l'emprise de courtiers et dans une situation du tissu bancaire insuffisant ou inexistant, de nombreuses sociétés ont ainsi préféré sous traiter le transport, la commercialisation et même l'exploitation des bois issus de leurs concessions par les grandes entreprises asiatiques.

Depuis quelques années déjà de nouveaux exploitants forestiers sont arrivés, essentiellement asiatiques (malaisiens et chinois). Grâce à des équipements surpuissants et un marché extérieur important et peu exigeant des normes environnementales, les entreprises à capitaux libanais et asiatiques (respectivement 9 et 30 % de la superficie totale) exploitent intensément les forêts en prélevant aussi les essences secondaires ou de promotion et parfois de faible dimension. La qualité et le volume des arbres qui restent sur le chantier après exploitation sont dramatiquement différents si on fait la comparaison avec une exploitation traditionnelle sélective.

Ces sociétés asiatiques sont presque toutes localisées dans les massifs du sud Congo qui ont été les premiers exploités à cause de la proximité du port de Pointe-Noire et des voies ferrées et sont donc appauvris en essences de première catégorie. Elles ne sont pas contraintes à la réalisation de plan d'aménagement, ce qui ne permet pas de juger de la durabilité de leur exploitation. L'impact de ce système d'exploitation sur l'environnement est cependant une source d'inquiétude. De plus, il n'existe aucun décret sur la manière dont ces forêts devraient être gérées pour une production appropriée dans le futur.

2. EVOLUTION DE LA CERTIFICATION ET ETAT ACTUEL

L'historique de la certification au Congo peut être liée à la société « Congolaise Industrielle des Bois » (CIB) qui, l'unique, a bénéficié de la certification de la fondation Keurhout (Pays Bas) à partir de 1998 et constitue l'entreprise pilote pour l'AFD.

L'évolution de la certification au Congo peut être schématisée en trois étapes définies comme suit :

- La première étape est celle de l'influence des ONGs. Celles-ci ont été à l'origine des campagnes de boycott des bois africains en Europe à partir des années 1990. Au Congo, la CIB fut particulièrement visée par les ONGs allemandes et celles des Pays-Bas. Il s'en est suivi plus tard, le retrait de la certification Keurhout (Pays Bas).
- L'aménagement forestier durable est la deuxième étape. La réponse au boycott du bois africain a été l'adaptation des législations nationales et l'adhésion des entreprises au processus d'aménagement forestier durable. On assiste à l'adoption du nouveau code forestier (loi 16/2000 du 20 novembre 2000) faisant obligation du plan d'aménagement de la forêt avant exploitation. L'élaboration et la mise en œuvre d'un plan d'aménagement agréé par l'administration constituent également une étape décisive vers la certification. Au cours de celle-ci, le concessionnaire réalise des études (écologiques et socio-économiques, inventaires multi-ressources) devant aboutir à la rédaction de documents d'aménagement (plan d'aménagement, plan de

gestion et plan opérationnel annuel). Il établit également des partenariats avec les parties impliquées ou intéressées par la gestion durable des écosystèmes (ONG de conservation, populations locale et autochtone). On cite le cas du partenariat entre l'administration forestière, la CIB et l'ONG de conservation Wildlife Conservation Society (WCS). Cette collaboration a trouvé le soutien de l'OIBT à travers le projet de gestion des écosystèmes périphériques au parc de Nouabalé-Ndoki (PROGEPP). La gestion de la faune dans les concessions est aussi appuyée par la création d'Unité de Surveillance et de Lutte Anti-braconnage (USLAB). Cet apport de l'OIBT contribue considérablement à la conservation de la biodiversité parce que le braconnage est un très grave problème dans les zones forestières au Congo.

- La certification constitue la troisième étape. Depuis 2005, une seule concession forestière de la CIB a été certifiée (Kabo). Elle présente les caractéristiques suivantes (Tableau 0.1).

Tableau 0.1 Caractéristiques de l'UFA Kabo certifiée en 2005

UFA	**Kabo**
Superficie	296.000 hectares
Type de forêt	Naturelle
Propriété / gestion	Privée
Entreprise	Congolaise Industrielle des bois (CIB)
Système de certification	Forest Stewardship Council (FSC)
Production estimée	100.000 – 150.000 m^3
Type de certificat	Gestion forestière
Nombre et type de certificats de Chaîne de traçabilité	0

Cette certification est intervenue après plusieurs audits effectués au sein de l'UFA. Une autre concession (UFA Pokola) de la même entreprise (CIB) fait actuellement l'objet d'audit par la SGS – Qualifor (accréditée par le FSC) en vue de sa certification.

3. PROBLÈMES ET DISPOSITIONS RELATIVES AU DEVELOPPEMENT DU STANDARD

Actuellement, seuls les Principes, Critères et Indicateurs (PCI) de gestion durable des forêts congolaises ont été développés par le projet OIBT PD 272/04 Rev.2(F) : «*Développement des critères et indicateurs nationaux pour l'aménagement durable des forêts du Congo à base des critères et indicateurs de l'OIBT*». Il n'existe pas encore de standard national de certification. Pour le développer, une initiative FSC nationale a été constituée en 2005. Celle-ci n'est pas encore reconnue officiellement par le FSC. La direction de l'initiative est principalement composée de fonctionnaires du ministère en charge des forêts et les participants sont peu disponibles et insuffisamment formés au processus.

Les PCI nationaux de gestion durable des forêts (GDF) congolaises ont été développés selon les PCI OAB/OIBT harmonisés. Ils sont une adaptation de ces derniers aux conditions nationales et des unités forestières d'aménagement du Congo. Ce produit peut être considéré comme un standard de la GDF pour le pays.

Le problème à l'origine du développement de ce standard de GDF a été l'absence d'un cadre de concertation regroupant tous les acteurs et toutes les autres parties prenantes de l'aménagement durable des forêts au Congo. Il affecte évidemment tous les critères sauf le critère 3 des critères et indicateurs révisés OIBT (OIBT, 2005). L'élaboration d'une norme crédible pour la GDF implique en effet la participation et l'approbation des parties prenantes.

Quelques aspects restent **encore problématiques** dans le processus de développement du standard. On peut citer par exemple :

- le manque de plan d'affectation des terres, Celui-ci est important pour les activités de chaque secteur de l'économie et donc pour la gestion des forêts. Il assure aussi la durabilité des activités relatives au domaine forestier

- la diversité et la variation dans la taille des concessions forestières (de 40 000 ha à 1 300 000 ha),
- la variation du degré d'exploitation des forêts (1er, 2ème, 3ème, 4ème ou 5ème rotation) et la durée d'exploitation (15, 25 ou 30 ans) devraient être considérées, ainsi que la durabilité de la gestion forestière. Ces différences dans les concessions forestières rendent difficile l'élaboration et l'harmonisation des normes nationales
- l'information et la participation effective des parties prenantes qui n'ont pas de formation adéquate
- l'insuffisance de la recherche forestière,
- la prise en compte ou non de la biodiversité par l'inventaire multi-ressources
- l'intégration (ou non) des lois relatives à la gestion de la faune

De plus, il y a des contraintes pour la mise en œuvre du standard :

- le financement et la réalisation des plans d'aménagement par l'entreprise
- l'insuffisance des ressources humaines et des moyens logistiques

4. ADAPTABILITE DES PCI DANS LES CONDITIONS CONGOLAISES

Les autres contraintes identifiées dans le processus d'adaptation du standard de GDF (Critères et indicateurs révisés de l'OIBT ; OIBT, 2005) ont été principalement :

- l'insuffisance de moyens logistiques, matériels et financiers : l'applicabilité de tous les 7 critères de l'OIBT est liée à cette contrainte
- l'insuffisance des ressources humaines : les 7 critères sont également concernés à des degrés divers. La GFD étant un concept nouveau, nécessite un recyclage ou un recrutement d'un nouveau personnel pour sa mise en œuvre
- l'absence de directives nationales d'aménagement: elles donnent la direction à suivre quant à l'aménagement des forêts surtout au niveau national, ce qui rend l'applicabilité des critères 1, 4, 5 et 6 assez difficile
- l'absence de directives ou normes d'exploitation : leur absence rend l'applicabilité du critère 4 au niveau de l'UFA assez délicate
- l'insuffisance de textes et réglementations : l'adoption et le respect d'autres textes sont jugés nécessaires afin de rendre l'applicabilité des critères 1, 2, 5, 6 et 7 efficiente
- la gestion informelle des produits forestiers ligneux et non ligneux au niveau national : il est difficile de disposer de données sur tous les produits forestiers ligneux et non ligneux à cause du caractère informel du commerce de ces produits. L'applicabilité des critères 4 et 7 est moyenne
- l'absence d'un plan d'occupation des sols : cette situation ne permet pas de distinguer ce qui est domaine forestier permanent (DFP) de ce qui ne l'est pas. Il est difficile d'appliquer les critères 2, 3, 4, 5 et 6
- l'absence de cartes thématiques : cette contrainte se rattache à des degrés divers au manque d'un plan d'affectation des sols
- l'absence de plans d'aménagement des différentes UFA rend difficile l'application des exigences des indicateurs 4.5 et 6.5
- le manque de moyens logistiques et matériels de la structure de communication au sein du ministère en charge des forêts : les indicateurs 1.9, 4.10 et 7.12 pour ne citer que ces aspects ne peuvent pas être appliqués facilement
- l'absence de canevas/normes de collecte des données statistiques au niveau national et des directions départementales : certaines exigences des critères 1, 4, 6 et 7 ne peuvent être accomplies aisément
- l'absence d'une structure chargée de l'archivage et de la collecte des données au sein du ministère chargé des forêts ne permet pas de remplir les exigences des indicateurs 1.5, 4.9, 5.4 et 7.3

- la dissémination des zones de protection notamment des aires protégées sans possibilité actuellement d'établir des couloirs biologiques entre elles ne rend pas l'indicateur 5.2 applicable en République du Congo
- l'instabilité politique (1993-1998) engendré par des troubles socio-politiques durant cette période explique le retard du Congo par rapport à d'autres pays de la sous région (Cameroun, Gabon) dans le développement des critères et indicateurs de GDF

Quelques initiatives ont été prises pour lever ces contraintes. La création d'un Groupe National de Travail (GNT-Congo) en 2004 a permis de réunir tous les acteurs de la GFD autour d'une table, ce qui a permis également de développer des Critères et Indicateurs nationaux. Le Congo dispose désormais d'un standard de GDF grâce à l'appui de l'OIBT (projets conjoint OAB-OIBT PD 124/01 Rev 2(M) : « *Promotion de la gestion durable des forêts naturelles africaines* » et PD 272/04 Rev.2(F) : « *Développement des critères et indicateurs nationaux pour l'aménagement durable des forêts du Congo à base des critères et indicateurs de l'OIBT*). Le projet OAB-OIBT a permis de constituer le GNT-Congo, de contribuer à la formation de ses membres et à la rédaction du rapport préliminaire (Draft) des PCI nationaux. Le projet PD 272/04 Rev.2 (F) quant à lui, a permis la réalisation de tests de terrain et la validation de la version définitive des PCI nationaux.

De nombreux autres projets en matière d'aménagement et de conservation ont été mis en œuvre avec les bailleurs de fonds principalement l'OIBT parmi lesquels doivent être cités ici :

- *Elaboration d'un plan directeur en matière d'aménagement forestier au Congo (PPD 4/96 Rev.1 (F), 2002)*
- *Application des techniques de télédétection et de systèmes d'information géographique pour appuyer le contrôle de la législation forestière en république du Congo (PD 176/02 (F), 2006*

La FAO a appuyé l'élaboration des normes nationales d'exploitation par le Centre national d'inventaire et d'aménagement des ressources forestières et fauniques (CNIAF) mais elles ne sont pas encore mises en application ; l'étude des produits forestiers non ligneux (*la stratégie nationale de valorisation des produits forestiers non ligneux*) et la définition d'un inventaire forestier national. WRI développe actuellement un système d'information, de gestion et d'exploitation forestière (SIGEF) à la direction des études et de la planification du ministère en charge des forêts.

L'Initiative nationale FSC devrait développer prochainement le standard national de certification selon les principes et critères du FSC. Les principes et critères étant génériques, il s'agira notamment de développer des indicateurs (et vérificateurs) adaptés aux conditions des forêts congolaises selon un processus participatif en associant toutes les parties concernées conformément au Manuel d'initiative nationale du FSC.

8. PROBLÈMES ET DISPOSITIONS RENCONTRES DANS LE PROCESSUS DE CERTIFICATION

Le processus de certification est encore récent au Congo. Sa mise en œuvre engendre nécessairement des problèmes.

L'évaluation complète de Kabo selon les normes FSC a été procédée par la société d'audit SGS en octobre 2005. Pour réaliser son audit, celle-ci avait développé auparavant une norme intérimaire (liste de vérification) adaptée aux conditions congolaises. Cette norme combine les PCI OAB/OIBT et les Principes et Critères du FSC. Le processus de son développement était constitué par l'élaboration d'un rapport préliminaire (draft) soumis aux parties intéressées et agréé par le FSC. Les problèmes rencontrés par SGS étaient d'une part relatifs à la nouveauté du processus dans le pays (absence de formation et de sensibilisation de la société civile, identification des personnes ressources, conditions nationales de gestion forestière, affirmation du rôle de l'administration forestière) et d'autre part à la communication (langues locales).

Toutes les non conformités avec le programme Qualifor-SGS (agréé par le FSC) identifiées ont été traduites en deux types de demandes d'actions correctives (DAC) :

- DACs majeures – Celles-ci doivent être résolues et réévaluées avant qu'une certification puisse être délivrée ;
- DACs mineures – Celles-ci n'empêchent pas la certification d'avoir lieu mais elles doivent être traitées dans un délai prescrit et doivent être vérifiées lors de la première visite de surveillance.

Cette évaluation a donné lieu à deux importantes demandes d'action corrective : d'une part sur l'approbation officielle du plan de gestion forestière par les autorités congolaises (principe 7 du FSC) (DAC1) et d'autre part sur la mise en œuvre d'un processus plus soutenu et plus formel pour les communications et les négociations avec les collectivités autochtones (principe 4 des relations avec les communautés et les droits des travailleurs) (DAC2). En effet, le plan de gestion étant à la base de la gestion durable de la concession forestière, il se devait d'être approuvé par les autorités avant sa mise en œuvre conformément à la loi en vigueur (article 56 du code forestier), ce qui démontre également du respect des lois tel est le principe 1 du FSC.

Les réunions avec les parties prenantes et l'administration forestière ont permis de valider le plan d'aménagement de Kabo mais le décret d'approbation du plan d'aménagement n'a toujours pas été pris en conseil de ministre conformément à l'article 56 du code forestier. Les aspects sociaux (DAC 2) ont été également traités par l'entreprise grâce à la mise en œuvre d'un plan d'action social (logements, santé, sécurité du travail, instances de concertation et de négociation avec les populations locales Bantu et Pygmées, fonds de développement local, …)

L'évaluation d'octobre 2006 a permis de lever les actions correctives majeures et le suivi d'avril 2007 a cependant formulé 24 actions correctives mineures. Elles concernent tous les principes sauf le principe 10 relatif aux plantations. A titre indicatif, elles portent par exemple sur :

- l'inexistence de contrôle permettant la conformité aux exigences des conventions fondamentales du BIT, les mesures de sécurité n'étant pas toujours respectées
- la largeur des routes d'axes lourds définis de la CIB excède celle définie par la réglementation
- l'inexistence de procédure de contrôle post-exploitation
- l'absence d'études d'impact environnemental de l'exploitation forestière sur les parcs nationaux adjacents (Parc national de Lobeki au Cameroun et parc national de Dzanga Ndoki en RCA)

La CIB dispose de quatre concessions (Pokola, Kabo, Loundoungou-Toukoulaka et Pikounda). Une seule (Kabo) a été soumise à la certification en 2005 et une deuxième (Pokola) est actuellement en cours d'évaluation en vue de sa certification. Cette attitude relève de la prudence compte tenu de la nouveauté du processus en forêts denses humides africaines, des conditions d'aménagement de chaque concession et des moyens importants à mobiliser. Le partenariat avec l'ONG de conservation (WCS) et la création d'une unité de surveillance et de lutte anti-braconnage (USLAB) ont permis de résoudre déjà (avant le processus de certification) le problème de braconnage couramment pratiqué dans les concessions forestières.

Parmi les autres obstacles à l'obtention des UFA certifiées dans le pays, on peut citer en général:

- Le manque de financement pour la réalisation des plans d'aménagement. Les banques sont peu disposées à octroyer des prêts aux opérateurs du secteur bois, en particulier aux petites entreprises. Les plus grandes entreprises (ayant plus de facilité de prêt) peuvent aussi se trouver en proie à des difficultés dans l'application des meilleures pratiques forestières si elles ont sans cesse à payer des taux d'intérêt élevés.
- Le braconnage. Il a longtemps été favorisé par l'exploitation forestière et constitue l'une des activités les plus menaçantes pour la biodiversité. La gestion de la faune dans les concessions forestières s'avère nécessaire pour la préservation de la biodiversité
- L'insuffisance ou le manque d'avantages et d'incitatifs économiques pour les concessions aménagées. Des primes à la performance, l'extension des droits des concessions, la facilitation des droits d'importation de matériel en faveur des entreprises volontaristes acceptant les règles légales et techniques seraient le meilleur garant du dialogue et des bons comportements.
- La faible taille (inférieure à 50 000 ha) et la pauvreté en essences principales de certaines concessions notamment des PMEs dans le sud du pays.

- Le manque d'informations et d'outils pour appuyer la prise de décision. Le manque d'informations économiques et de liens entre les producteurs et les opportunités du marché constitue un frein à l'adhésion au processus de certification
- Le manque de personnel qualifié. Beaucoup d'entreprises manquent encore de professionnalisme dans l'exécution des travaux d'exploitation à cause des capacités humaines d'intervention limitées. L'absence de personnel qualifié ne permet pas aussi une évaluation interne des progrès réalisés vers la certification. Ces problèmes sont récurrents au niveau des PMEs
- L'existence d'un marché de bois peu contraignant (marché asiatique notamment chinois). Depuis les années 1992 est arrivé au Congo un nouveau groupe d'exploitants asiatiques (malaisiens, chinois) dont la production est destinée essentiellement au marché asiatique peu contraignant des règles de durabilité. La coupe d'arbres de faible diamètre est courante et les amendes prévues par la loi sont faibles pour ne pas décourager les mauvais comportements.

9. CONVENANCE DES SYSTÈMES DE CERTIFICATION

Il existe plusieurs systèmes de certification : Keurhout, FSC, PEFC, PAFC-Gabon, ISO, etc. mais seuls les deux premiers (Keurhout[3] et FSC) ont été utilisés au Congo. Une concession forestière de 680 000 ha gérée par la CIB avait été certifiée selon le système Keurhout qui a défini les procédures d'élaboration des normes d'accréditation et de vérification de la chaîne de traçabilité. Toutefois cette certification a fait l'objet d'une controverse judiciaire aux Pays Bas avant d'être retirée. Ce choix est expliqué par le fait que l'entreprise approvisionnait le marché hollandais où Keurhout est reconnu. L'approche Keurhout est aussi plus souple en ce qui concerne les exigences minimales et donne des incitations pour une amélioration progressive vers la gestion durable des ressources en tenant compte de la spécificité de l'environnement écologique, économique et technologique local.

Depuis 2005, la même entreprise, CIB a fait l'objet d'une certification FSC pour une concession de 296 000 ha. Ce nouveau choix s'explique en partie par la reconnaissance limitée du système Keurhout par les marchés internationaux car il ne serait reconnu qu'aux Pays Bas. Le système FSC connaît actuellement une influence importante sur les marchés européens et nord américains auxquels CIB livre sa production. Certains systèmes acceptent de réaliser une certification progressive ou « par étapes ». Pour cela, on note quelques initiatives des ONGs environnementales telles WWF avec le Réseau forêts et commerce d'Afrique centrale (Central Africa Forest & Trade Network, CAFTN) affilié au Global Forest and Trade Network (GFTN).

Le système de certification FSC est basé sur la performance tandis que le système ISO recherche la réalisation de conditions données. Le développement d'un système national à l'instar du PAFC-Gabon ne peut se faire sans une analyse des forces et faiblesses de ce système (Tableau 9.1).

La certification devrait-elle être abordée par **étapes** au Congo ? Une approche progressive ou « par étapes » permet à certains pays de faire valoir les progrès qu'ils réalisent en direction de l'aménagement forestier durable à mesure qu'ils améliorent leurs opérations mais avant qu'ils ne puissent prétendre à une certification pleine et entière. Elle prévoit donc des réalisations progressives dans les opérations forestières moyennant le respect des lois nationales et internationales, et l'application de normes techniques, environnementales et sociales suivant un calendrier déterminé. A notre point de vue la certification doit être l'aboutissement de l'aménagement forestier durable et doit s'apprécier globalement selon ses trois principes fondamentaux qui assurent la durabilité. L'équilibre du système en dépend et peut être assuré par étapes. La raison à l'origine de l'adoption de cette approche a été que les exigences du standard du FSC étaient considérées comme élevées et les progrès vers la réalisation des normes FSC dans les forêts tropicales naturelles étaient lents. La certification de Kabo signifie qu'il est possible de réunir (malgré les actions correctives) toutes les conditions de la certification tout au moins pour les grandes entreprises.

La certification par étapes tient compte du niveau des exigences des standards de certification et du niveau de développement des entreprises. Celles-ci ne disposaient pas, pour la plupart, de l'expertise et des moyens nécessaires. Cette approche à la certification a fait l'objet de discussions et de propositions dans la sous région. Elle est proposée dans la sous région par certains organismes tels

[3] Keurhout n'est pas en réalité un système de certification mais un système de reconnaissance de certificats issus par des certificateurs.

que le bureau régional de WWF à travers le Réseau Forêts et Commerce d'Afrique Centrale (CAFTN) qui est affilié au Global Forest and Trade Network (GFTN), une initiative globale du WWF International pour renforcer les interactions entre les opérateurs forestiers responsables et les marchés sensibilisés aux enjeux de la gestion forestière durable, notamment les marchés des bois certifiés.

Tableau 9.1 Comparaison des options FSC et système national

	FSC	Système national
Forces	- Système s'appliquant partout dans le monde y compris en Afrique - Dispose d'un standard de certification de la gestion forestière et de la chaîne de traçabilité. - Il existe des procédures d'élaboration des normes, d'accréditation et de vérification de la chaîne de traçabilité. - Dispose d'un label mondialement connu et crédible - Les organismes de certification accrédités par le FSC peuvent élaborer la norme intérimaire afin de certifier l'UFA sans initiative d'élaboration des normes au niveau national - Possibilité d'adapter le standard du FSC (principes et critères, P&C) par les Initiatives nationales afin de développer une norme nationale avec les principes, critères et indicateurs (PC&I) - Existence d'un bureau régional (Ghana) pouvant encadrer les initiatives nationales	- Certification basée sur une norme nationale ou régionale pouvant intégrer les PCI OAB-OIBT déjà élaborés - La prise en compte des conditions nationales dans l'élaboration de la norme y compris la variation régionale des normes de performance - L'utilisation des experts locaux ayant une bonne connaissance de la gestion forestière dans le pays - La possibilité de reconnaissance mutuelle à travers le PEFC - L'investissement dans l'élaboration des PCI nationaux peut être rentabilisé car les PCI sont la base pour l'obtention d'une norme nationale - Les conditions nationales différentes entre le nord et le sud du pays peuvent faire varier le niveau de performance de la norme nationale
Faiblesses	- Utilisation d'une norme intérimaire générique à l'UFA par des équipes d'audit étrangères n'ayant pas une meilleure connaissance de la gestion forestière du pays - Il n y a pas d'organismes nationaux de certification accrédités par le FSC dans la sous région - Les pays africains du bassin du Congo (qui dispose de la grande étendue des forêts tropicales denses et humides africaines) sont d'expression française. La langue française n'est pas une langue de travail au FSC, ce qui peut constituer un léger handicap pour certaines entreprises ou les pays concernés et limiter de ce fait le choix du FSC.	- L'élaboration des normes nécessite des ressources significatifs et de l'expertise dont ne dispose pas le pays ; l'appui extérieure serait nécessaire. - L'aboutissement d'un tel processus peut s'avérer ainsi long et difficile. - Les coûts opérationnels du système national pourraient être élevés, ce qui nécessite un soutien important de la part du pays. - L'approbation internationale et la crédibilité d'un tel système peuvent être limitées. - L'étroitesse du marché national et régional ne justifie probablement pas un tel investissement. - La concurrence du système FSC déjà en place pourrait être forte.

LA CATFN propose une méthodologie flexible, basée sur 21 modules de progression dans 4 domaines différents (légalité, exploitation forestière, développement social et gestion de l'environnement). Dans le cadre des modules retenus pour l'opérateur, un calendrier de progression est établi pour atteindre un niveau de performance certifiable selon le système FSC ou selon un autre système de certification jugé crédible et indépendant par le WWF. Au Congo, quelques entreprises ont adhéré à cette initiative.

Le processus FLEGT (Forest Law Enforcement Governance and Trade) aussi (qui est la réponse de l'Union Européenne à l'exploitation illégale des bois) est basé uniquement sur la légalité à travers les Accords bilatéraux de Partenariat Volontaires (APV) et la délivrance de licence FLEGT (qui n'est pas un système de certification à proprement parlé) puisque l'Union Européenne en a fait une obligation pour son marché. Cette condition pour les marchés européens va poser des problèmes pour les entreprises qui optent déjà pour la certification. Une harmonisation entre les systèmes de certification (comprenant la légalité) et le FLEGT serait, du point de vue des opérateurs congolais, tout à fait souhaitable.

Le développement d'une foresterie à deux vitesses (légalité et durabilité) entraînerait un désavantage compétitif des bois issus des forêts gérées durablement au profit de ceux issus de forêts non aménagées ou exploitées illégalement. L'image du bois congolais sur les marchés européens peut pâtir de la mauvaise gestion forestière et des pratiques illégales d'une minorité de concessionnaires. La démarche vers une certification de la GDF est certes un exercice long, coûteux et parfois périlleux. On peut faire remarquer entre autres que la légalité est déjà sous la responsabilité de l'Etat et est exigée par tous les standards de certification. Sa vérification peut être considérée en effet comme la première étape vers la certification. Il convient cependant de définir les autres étapes comme obligatoires à réaliser dans un délai prescrit lors de l'adhésion des entreprises concernées au processus.

La certification de la GDF peut être lourde pour les PMEs qui disposent souvent de titres de courte durée, de petites surfaces et de ressources limitées ne permettant pas l'établissement d'un véritable plan de gestion (travaillent sur la base d'un plan simple de gestion ou des inventaires d'exploitation). Pour arriver à être certifiées, les PMEs doivent posséder des conditions nécessaires préalables. Pour surmonter les difficultés économiques qu'elles éprouvent on pourrait les rassembler pour une certification groupée.

La certification est volontaire sous la responsabilité des acteurs forestiers, concessionnaires, industriels, utilisateurs, ces derniers ne devraient rechercher que des produits labellisés. Elle dynamise et optimise la gestion durable des forêts. Elle conduit à une gestion forestière qui fait plus et mieux que la stricte application de la loi. Elle est crédibilisée par une évaluation indépendante.

10. DISPONIBILITÉ DES SERVICES D'ACCRÉDITATION ET DE CERTIFICATION

Il n'existe pas encore une capacité nationale pour la certification et l'accréditation. Il n'existe pas aussi une capacité nationale adéquate pour auditer la GDF. Cette activité est faite par la SGS-Qualifor agréée par le FSC. Celui-ci constitue un réseau international d'entités qu'il accrédite, composé d'une part d'organismes de certification et, d'autre part, d'initiatives FSC nationales. Il existe une initiative FSC nationale en cours d'affirmation.

Il n y a pas encore un seul organisme national de certification accrédité par un schéma quelconque de certification. Le processus de certification de Kabo a été mené par les experts étrangers. Il y a eu un seul expert sous régional (Camerounais) mais pas d'experts locaux dans les équipes d'audit de SGS. Le personnel d'audit formé par le projet régional OAB-OIBT PD124/01 est constitué essentiellement de fonctionnaires de l'administration forestière. Il n'a pas participé à l'audit pour la certification de Kabo et n'a donc pas à ce jour utilisé les manuels produits à cet effet par le projet.

L'amélioration de cette situation peut se faire par le renforcement des capacités de l'expertise nationale notamment de la société civile, la dynamisation de groupes de travail nationaux (en gestion forestière et certification), le développement du standard FSC adapté aux conditions nationales.

11. DISPOSITIONS LÉGALES

Le Congo dispose de nombreux atouts favorables à la certification. Le cadre politique, juridique, législatif et réglementaire a été actualisé (loi 16/2000 et ses textes d'application) et est acquis à la cause. La volonté politique est sans cesse réaffirmée et la participation de toutes les parties prenantes à la GDF est de mise. Le Congo dispose de la première concession de forêt naturelle certifiée de grande taille en Afrique et il apparaît de ce fait comme leader et exemple (à l'exception du Cameroun) sur le continent.

Le respect de la légalité est à la base du processus FLEGT de l'Union européenne (UE) dont les interventions dans le domaine forestier sont largement guidées par les objectifs de bonne gouvernance et de protection de la biodiversité. Ce processus vise à accroître la capacité des pays en développement à contrôler l'exploitation illégale de leurs forêts et à réduire le commerce du bois illégal entre ces pays et l'Union européenne. Le plan d'action FLEGT vise l'obtention d'accords de partenariat bilatéraux entre l'Union européenne et les pays producteurs de bois et produits dérivés.

Le Congo négocie actuellement la signature de l'*accord de partenariat volontaire* avec l'UE. Le respect de la légalité est avant tout une exigence de l'administration et est donc de ce fait obligatoire pour les sociétés. Il constitue également un des principes des systèmes de gestion (PCI OAB-OIBT) et de certification (FSC) cependant la certification est un processus volontaire et paraît donc complémentaire à l'initiative FLEGT. L'intérêt des concessionnaires, exportateurs des bois, en certification, demeure grand car celle-ci assure une plus grande crédibilité et permet d'explorer des marchés extra européens. Certains opérateurs pourraient se limiter à la vérification de la légalité s'il n'est pas fait obligation de l'amélioration des performances dans un délai précis. La légalité pourrait donc se définir dans le cadre d'une certification par étapes et en constituerait la première étape

12. INCITATIONS ET IMPLICATIONS ÉCONOMIQUES

Il n y a pas à proprement parlé, d'incitations économiques pour la certification. L'accès à des marchés importants est certes favorisé par la certification. Il semble que la nécessité pour l'entreprise intéressée (CIB) de maintenir ses marchés en Europe ait été un facteur primordial de motivation dans sa poursuite de certification. Cette motivation ne se retrouve cependant pas toujours chez les opérateurs plus petits qui approvisionnent les marchés intérieurs ; dans leur cas, il s'agira de trouver d'autres incitations en vue de leur adhésion au processus de certification.

Les coûts de la certification (coûts de la certification, coût d'amélioration de la gestion) peuvent être des obstacles sérieux à son développement. Cependant, après avoir amélioré la gestion, certaines entreprises ont pu constater que les effets positifs sur le plan de l'efficience, de la santé et de la sécurité compensent les coûts de la certification. Il y a une estimation des coûts par hectare de l'aménagement (préparation du plan et appui à sa mise en œuvre) au Gabon et au Cameroun (4,45 à 5,14 €/ha) (Forni et Bayol, 2004). Les variations sont le fait que :

- les gros exploitants sont en mesure d'étaler les coûts fixes de la certification sur des superficies et des volumes plus grands,
- la concurrence augmente, ce qui fait baisser les coûts,

13. RECOMMANDATIONS

Il s'agit de lever les contraintes au développement du processus de certification. Plusieurs activités sont recommandées à l'endroit de chaque acteur concerné. On peut citer :

Au niveau du gouvernement

- Inciter l'ensemble des acteurs à s'engager dans une démarche d'aménagement. Dans le bassin du Congo, les entreprises industrielles côtoient une multitude de PMEs qui exploitent des concessions de petite taille. *Les incitations à la réalisation des plans d'aménagement, en particulier les mécanismes financiers*, devraient être adaptées pour cibler en priorité les opérateurs les moins enclins à s'engager vers la gestion durable, notamment les petits concessionnaires et les opérateurs qui approvisionnent les marchés locaux ou qui exportent hors Europe.
- En outre, procéder au *regroupement de petites concessions* au sein de structures organisées pourrait permettre de dépasser le seuil critique de production.
- Améliorer *la gouvernance de l'administration et du secteur forestier*. Les pratiques de contournement des lois forestières et de prélèvements fiscaux par certains acteurs et les pratiques de corruption sont souvent observées. Il apparaît nécessaire d'assainir le système fiscal et renforcer les services de l'administration forestière.
- Rétablir de *bonnes conditions de concurrence* qui ne pénalisent pas les entreprises les plus vertueuses. Différents instruments sont envisageables : d'une part des dispositifs incitatifs (aides financières, exonérations fiscales, attestation et certificat de légalité) ciblés vers les entreprises engagées dans la démarche d'aménagement, et d'autre part des dispositifs répressifs sanctionnant les entreprises qui exploitent illégalement la ressource (sanctions fiscales, mesures pénales ….).

Au niveau de l'entreprise forestière

- Améliorer les *relations* entre les entreprises forestières et les populations locales
- Renforcer les *capacités* des entreprises par le développement des outils de prise de décision (SIG, modélisation, cellule d'aménagement, …)
- Adopter la *démarche d'aménagement* afin de réaliser des investissements et pour l'accès à un marché plus important
- Organiser des PMEs volontaires sous un, ou plusieurs, groupes régionaux pour appliquer les procédures des systèmes de *certification en groupe* pour ces PMEs regroupées afin de supporter ensemble les coûts de la certification.
- Au niveau du FSC, *développer et implémenter le standard FSC* aux conditions nationales et sous régionales (Bassin du Congo). Le bureau régional du FSC devrait jouer un rôle à cet effet pour faire développer et harmoniser les normes nationales structurées en PC&I. Les PCI de l'OAB-OIBT pourraient alors être pris en considération, la révision en cours du standard FSC offrant l'opportunité cependant le travail initial n'a pas été amorcé.
- Assurer la *sensibilisation des parties prenantes* sur la certification à travers le bureau régional et les initiatives FSC nationales. L'intérêt de la certification n'est pas encore bien compris de tous. La certification en groupes constitue une variante pour les PMEs.

Au niveau de l'OIBT

- L'OIBT devrait continuer à assister les pays producteurs de bois en trouvant des *voies innovatrices pour garantir une « assurance » légale*. Elle devrait promouvoir la certification par étapes, le respect de la légalité serait considéré comme la première étape
- L'OIBT devrait établir un partenariat avec les institutions de formation nationales (Institut de Développement Rural, IDR et lEcole Nationale des Eaux et des Forêts, ENEF) ou sous régionales (RIFFEAC) afin de *renforcer les capacités des gestionnaires des concessions forestières*, des acteurs et parties prenantes intéressées ou intervenant dans l'AFD. Il existe actuellement deux propositions de projets agréés par l'OIBT pour le compte de l'IDR et l'ENEF du Congo (PD 363/01 Rev.2) et le RIFFEAC mais non encore financés.
- L'OIBT devrait continuer à *renforcer les capacités des acteurs et parties intéressées à la certification* en organisant des sessions de formation continue. Certaines initiatives en cours dans la sous région pourraient à ce titre être évaluées et encouragées (ATIBT, CAFTN, etc.)
- L'OIBT devrait mener une action importante de *promotion de bois certifié* dans les pays consommateurs car aujourd'hui, les bois certifiés ne se vendent pas plus chers. Les produits manufacturés certifiés ne sont pas non plus valorisés par un prix plus élevé.

BIBLIOGRAPHIE

Forni E. et Bayol N. 2004. Le coût en aménagement dans le bassin du Congo. Bois et forêts des tropiques, 281 (3) : 96

FSC 2000. Principes et critères pour la gestion forestière. Website : www.fsc.org

Mimbimi E. P. 2003. La certification en Afrique. OIBT Actualités des forêts tropicales 11/3 : 15

MEFE 2004. Le code forestier. Ed. Hemar, Brazzaville, Congo. 142 p.

N'zala D. 2002. Conservation et gestion durable des écosystèmes des forêts tropicales humides de l'Afrique centrale. Etude de cas d'aménagement forestier exemplaire. Exemple de la Concession de Pokola-Kabo-Loundoungou (Congo). Etude FAO, forêt d'excellence, 21 p.

N'zala D., Gami N., Nkéoua G., Forni E., Nsosso D., Nkounkou F. 2006. La gestion des concessions forestières en République du Congo. *In* Exploitation et gestion durable des forêts en Afrique centrale – La quête de la durabilité (Nasi R., Nguinguiri J C. et Ezzine de Blas D.; edit., L'Harmattan, Paris) : 153 – 168.

OAB - OIBT 2003. Principes, critères et indicateurs OAB-OIBT de la gestion durable des forêts tropicales naturelles d'Afrique. Série Développement de politique OIBT N° 14. OIBT, Yokohama, Japon ; 26 p.

OIBT 2005. Critères et indicateurs révisés de l'OIBT pour l'aménagement durable des forêts tropicales. Modèle de rapport sur les C&I inclus. Série OIBT : politique forestière N° 15. OIBT, Yokohama, Japon ; 40 p

Country Case Study

GABON

TABLE OF CONTENTS

ABBREVIATIONS AND ACROSYMS II

1. BACKGROUND 1

2. DRIVERS OF FOREST CERTIFICATION 1

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS 2

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING 3

- 4.1 Forest Certification Standards 3
- 4.2 Standards for the Verification of Legality 4

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS 5

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 6

- 6.1 Assessment 6
- 6.2 Small Concessions 6
- 6.3 Large Concessions 6

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 7

8. LEGAL ISSUES 8

9. ECONOMIC INCENTIVES AND IMPLICATIONS 8

10. RECOMMENDATIONS 9

REFERENCES 10

CONSULTED DOCUMENTS 10

List of Tables

Table 6.1 Appropriateness of Certification Schemes to Local Conditions in Gabon 6

ABBREVIATIONS AND ACROSYMS

ATO	African Timber Organization
C&I	Criteria and Indicators
EU	European Union
FLEGT	Forest Law Enforcement and Trade
FMU	Forest Management Unit
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GFTN	Global Forest Trade Network
HCVF	High Conservation Value Forest
ILO	International Labor Organization
ISO	International Standards organization
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature
LC	Large Concession
NGO	Non Government Organization
NWG	National Working Group
PAFC	Pan African Forest Certification
PCI	Principles, Criteria and Indicators
PEFC	Programme for Endorsement of Forest Certification initiatives
PFE	Permanent Forest Estate
SC	Small Concession
SFM	Sustainable Forest Management
TFT	Tropical Forest Trust
TTAP	Tropical Timber Action Plan
VPA	Voluntary Partnership Agreement
WWF	World Wide Fund for Nature

1. BACKGROUND

The forest cover of Gabon is estimated at 20 millions ha which represents four fifths of the country land base. The dominant forest type is the natural tropical forest as plantation forests do not exist apart from a few plots that are experimental by nature. Because of the low population density and low pressure from other land uses such as agriculture, the deforestation rate in Gabon is nearly equal to zero (FAO, 2007)

Gabon's biological diversity is said to be exceptional as estimates of number of plant species vary from 6000 to 10000. Gabon is estimated to host 35 percent, 30 percent and 11 percent of the world populations of gorillas, chimpanzees and elephant, respectively (Christy et al. 2003).

The national economy of Gabon is much dominated by the oil industry and its contribution to the Gross Domestic Product (GDP) is estimated to be above 80%. However, the forestry industry provides more employment than any other productive sector in Gabon. More than 28% of the active population in Gabon is employed in the forest industry.

Industrial forest exploitation and timber exportation started in the late 1800s. Since then, the main timber species exported from Gabon has been Okoumé (*Aucoumea klaineana)* which still represents more than 80% of the timber products exports. Timber production is estimated to be around 4 million m^3 of which 70% is exported as roundwood. Traditionally, the most important destination of timber products has been Western Europe, but for the last five years China has become the leading international market for Gabon's timber products.

Industrial logging is conducted by private enterprises (mostly European and Asian multinationals) which have been granted logging concessions by the State. Concessions areas are quite large (up to 600,000 ha) and forest management enterprises have the responsibility to manage their concessions (granted for at least 30 years) in respect of sustainable forest management practices.

2. DRIVERS OF FOREST CERTIFICATION

Gabon was the first country of the Congo Basin to be involved in forest certification. One of the leading logging enterprises of the country (Leroy Gabon) committed itself to forest certification as early as 1993 (the same year when the FSC forest certification system was launched). Leroy expected market advantages related to forest certification which was a new concept then. In 1996, Leroy commanded an FSC forest certification audit from SGS QUALIFOR for some of its logging permits. The audit was conclusive and SGS QUALIFOR awarded an FSC certificate to Leroy. However, the certificate was withdrawn later due to controversies related to the quality of the forest management plan developed by Leroy and criticisms from national and international NGOs about the stakeholder consultation process led by SGS QUALIFOR (Eba'a Atyi 2006).

The withdrawal of Leroy's certificate was an important setback to forest certification in the country as a whole. The private sector which initially was the main diver pushing for forest certification in Gabon became lukewarm about it. Nevertheless, opinions of members of the logging enterprises' union show that most enterprises (especially those with European capital) have always favored forest certification, but they have sometimes opposed the FSC forest certification system. This is the reason why, after the Leroy Gabon controversy, three leading logging companies applied for certification under the Keurhout system and advocated for the development of a national system (PAFC-Gabon).

The position of the forestry administration has also evolved over time. At first, the forestry administration opposed forest certification as it was introduced mainly as an NGO-driven process. Forestry officers considered certification a process that challenges the ownership of forest lands and forest resources by the State, thereby representing a threat for the state control of forest operations. Since then the perception has changed and forest certification is now considered by many forest administration officers an additional mechanism that can contribute to law enforcement and especially to increasing fiscal revenues collected by the State from logging enterprises.

Additional support to promote forest certification in Gabon has come from international NGOs (mainly WWF) and international organizations such as ATO and ITTO. Starting in the mid-1990's WWF had a

regional project on forest certification in Central and West Africa (Gabon, Cameroon and Ghana). This EU-funded project helped to establish a national working group (NWG) on sustainable forest management and certification in Gabon. Members of the NWG were trained on forest certification and subsequently a number of initiatives were taken to raise awareness among stakeholder groups on forest certification. Currently WWF, through the Global Forest Trade Network (GFTN) initiative, is providing technical support to two companies that have shown interest in FSC certification.

Similarly, the ATO and ITTO initiatives on Criteria and Indicators (C&I) have helped improve the understanding on forest certification among actors of the forestry sector in Gabon. Much of the changes in opinions among forestry actors in Gabon can be related to the initiatives of these two organizations.

Although forest management certification is still in initial stages in Gabon, more and more logging enterprises have become interested in getting legality certificates. The drive comes from two main sources: the European Union (EU) and the shift from European markets (which have traditionally favored forest certification) to Asian markets. The EU has identified the promotion of forest governance as a high priority for its funding in the forestry sector. The EU is now supporting three initiatives related to legality in the logging the industry:

1. The Forest Law Enforcement and Trade (FLEGT) initiative. Gabon is encouraged to negotiate a Voluntary Partnership Agreement (VPA) with the EU. Logging enterprises perceive the VPA as a tool that will make legality certificates mandatory to any exports to the EU markets and some companies have already taken measures towards getting such certificates.
2. The Tropical Timber Action Plan (TTAP) implemented by the Tropical Forest Trust (TFT) helps interested/committed logging companies comply with legality requirements linking with timber trade federations and their members in Europe.
3. The WWF-IUCN legality definition initiative implemented by TRAFFIC International aiming at developing C&I for the definition of legality in Gabon.

Asian markets that have become the main outlet for the timber products from Gabon appear to have less demand for certified timber products. Therefore, some logging companies do not see incentives to make progress towards forest certification which is perceived as unnecessarily costly. Such companies are however willing to get legality certificates as it is anticipated that the requirement of legality may be also introduced in the Asian markets in the near future.

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS

Four certification systems have had activities in Gabon since 1993, i.e. FSC, Keurhout, ISO and PAFC-Gabon.

FSC was the first forest certification system formally introduced in Gabon in 1996 with the commitment by Leroy Gabon to manage its forests sustainably and to comply with FSC Principles and Criteria. Leroy then obtained an FSC certificate for a total forest area of about 180.000 ha but, as explained, the FSC certificate was subsequently withdrawn. Since then the FSC system has not been applied in the country. However, another concessionaire, Rougier Gabon, commissioned an FSC pre-audit conducted in July 2007 by the France-based certification body BVQI. There is currently no FSC certified forest in Gabon but at least one enterprise is formally committed to the system through a pre-audit.

After the failure of the first FSC certificate, three companies (Leroy, Rougier and Thanry) managing a total land area of 1,480,268 ha obtained certification from Keurhout, a system which was specific to the Dutch market using four minimum requirements for forest management. The three Keurhout certificates expired in 2007. The Keurhout system has stopped functioning as a certification system and it is now a recognition mechanism for certificates issued by others systems.

The same three companies that acquired Keurhout certificates also implemented ISO 14001 environmental quality management system, and their certificates continue to be valid. Apart from the

three ISO 14001 certificates, there is no certified forest in Gabon and no Chain-of Custody certifications for the time being.

A national certification system PAFC-Gabon is being developed in Gabon. The system uses the ATO-ITTO PCI as the basis for forest management standards and it is has applied for endorsement by PEFC (Programme for Endorsement of Forest Certification). The PAFC-Gabon system is not yet operational but its development is advanced and may be completed by the end of 2007. Given the support that the development of national initiative has received from the logging industry, it is foreseen that a number of companies will apply for audits once the system will be functional.

In conclusion, although a great deal of effort has been done to implement sustainable forest management in Gabon, there is currently no forest concession with a formal sustainable forest management certificate. However, the situation is expected to change within a year.

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING

4.1 Forest Certification Standards

Most certification systems that have been active in Gabon have used standards set at the international or regional levels, with nuances for the case of PAFC-Gabon.

FSC requires that the national standards be developed by a FSC-recognized national working group based on the FSC Principles and Criteria. The FSC NWG should draft the standard by adding indicators and means of verification that are specific to the country. Currently there is no FSC NWG in Gabon. Therefore, the certification bodies that conducted audits in the case of Leroy-Gabon and more recently for Rougier had to develop specific standards for these FMUs by themselves. Given that in both cases the certifiers were based in Europe there has been criticism that the generic standards developed were not sufficiently adapted to the situation in Gabon even though the involved certification bodies were supposed to have conducted consultations with national stakeholders.

In the case of Leroy Gabon, one of the points of controversy was that the consultation process was poor. The national NGOs that opposed the certification argued that SGS QUALIFOR had no knowledge of the social settings in the country. In the more recent case of Rougier, the consultation was done widely through internet and a meeting in Libreville. However, it has been observed that this was not satisfactory because internet communication does not reach all the stakeholders in Gabon and Libreville is far from the logging site. Some participants at the meeting even suggested that the certification body should have made a field study before proposing its standards. It is possible that the problem was solved during the field inspection of the pre-audit.

In its certification, Keurhout used the following general minimum requirements:

i. Forest management should demonstrate that adequate attention is given to the integrity of ecological functions and the continuity of economic, social and cultural functions of the forest assessed based on intrinsic criteria and indicators.
ii. The forest management enterprise should have an appropriate management system.
iii. The certification body should be independent and meet international guidelines related to organization and monitoring procedures, and professional competence in forest management
iv. During the transportation of timber products, procedures concerning the separation of products from different sources should be reliable and transparent.

These general minimum requirements were further divided into principles, criteria and indicators. Also in the case of Keurhout there were criticisms that there was no involvement of the Gabonese stakeholders. The standard was considered vague and not adapted to the country's conditions.

The ATO-ITTO Principles, Criteria and Indicators (PCI) to be used by PAFC – Gabon for forest certification were developed through integration of national, regional and international approaches. The international process was conducted by ITTO, the regional one by ATO, and the national one by the national working group. The international and regional processes have involved international

expertise and several stakeholder groups which should make these standards credible enough. The NWG has ensured that the standards are well adapted to the country context. Different from the development of the other standards, government representatives were also involved in the development of ATO-ITTO PCI for Gabon. The SFM standards that can be used for forest certification at the FMU level include three principles related to the following aspects:

- Sustainable supply of forest goods and services
- Maintenance of ecological functions
- The contribution of the forest to the economic and social well being of workers and local populations in the forest management unit (FMU)

Nevertheless, during the development of these standards, it was felt that there was not enough capacity and understanding on technical issues at the national level. The problem was eventually solved with the intervention of consultants and resource persons. The problems that PAFC-Gabon may be faced with could be more related to the credibility of certification procedure rather than the quality of technical standards.

In summary, the main problems encountered during the standard development used in forest certification in Gabon relate to poor involvement of local stakeholders and low capacity and understanding on certification issues among national actors.

4.2 Standards for the Verification of Legality

There have been two initiatives to develop standards for the definition and verification of legality in Gabon: the WWF initiative funded by the EU and implemented by TRAFFIC International, and the FORCOMS initiative implemented by IFIA-WRI and now supported by the French Cooperation.

Both drafts are not yet completed and rely on external consultants to conduct literature studies, individual consultations among stakeholders and to organize workshops to gather all stakeholder groups' views.

The WWF-IUCN-TRAFFIC proposal has the following 10 basic principles):

Principle 1: Access, use rights and tenure
Principle 2: Harvesting regulations
Principle 3: Transportation of logs, wood products
Principle 4: Processing regulations
Principle 5: Import and export regulations
Principle 6: Environmental regulations
Principle 7: Conservation regulations
Principle 8: Social regulations
Principle 9: Taxes, fees and royalty
Principle 10: Subcontractors and partners

Each principle consists of a set of criteria. Each criterion represents an important aspect which allows an assessment of a legal principle. However, only indicators and verifiers are to be used during audits to evaluate compliance with a given regulation. Because legality is based on the laws and regulations of the country, an effort is made to link indicators and verifiers with specific regulations.

In parallel, the FORCOMS initiative has proposed five indicators for the verification of compliance with national laws by forest concession enterprises. The five indicators cover the following aspects:

i. Registration of the enterprise
ii. Forest exploitation obligations
iii. Timber processing obligations
iv. Social obligations
v. Environmental obligations

It is expected that the government will start preparing negotiations with the EU on the VPA before the end of 2007, and one of the requirements for such negotiations is the development of legality standards.

There is apparently a great deal of confusion between the two legality initiatives (which are mostly financed by the same donor, i.e. the EU). It is not clear how and by whom each of these standards will be used. As legality standards are based on national laws, it would be better to build a consensus at the national level on a set of main regulations to be included in all the standards rather than proceeding through two parallel initiatives. Such a consensus requires that the current initiatives are made coherent through more or less formal linkages, which is not the case for the time being. The TRAFFIC initiative, although based on wide consultations, functions as an-NGO led initiative whilst the VPA negotiations look like a separate government approach. Many stakeholders, including the forest industry and the forestry administration, have already expressed concern on this confusion and the need to harmonize legality initiatives. It is possible that the VPA process may reduce the interest of the industry in forest certification unless there continue to be strong demand for certified products in international markets.

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS

The Kerhout certification process that took place in three logging concessions a few years ago did not encounter many problems as the involved companies had made a lot of progress related to silviculture. The main criticisms expressed by some stakeholders of the civil society and local NGOs were related to the lack of consultations with interested parties by certifiers during certification audits.

The FSC experience with Leroy Gabon revealed the poor quality of management planning (lack of a genuine forest management plan). In fact, the NGOs that opposed the Leroy certification had the view that it was then too early to certify forest concessions in Gabon because the forestry administration had not developed official guidelines for the elaboration of forest management plans. Nowadays, Gabon has such guidelines and all the logging companies which have expressed interest in forest certification have elaborated their forest management plans based on reliable forest inventory.

Based on the pre-audit of Rougier and the WWF-GFTN follow-up of logging companies interested in forest certification, the main corrective actions needed to comply with the certification requirements are related to social aspects of forest management. Companies are not always aware of the International Labor Organization (ILO) regulations for the safety of forest workers and they need to take action to support local development which could contribute to the improvement of the living conditions of the local populations. This is not difficult as the population density is low in forest areas.

In the FSC-pre-audit High Conservation Value Forest (principle 9 of FSC) has proved to be difficult to define and apply.

In spite of these issues, there have been no major difficulties during the certification process as in Gabon both silviculture and forest management planning are quite well advanced in the interested enterprises. Similarly, companies applying for forest certification already comply with the national legislation in Gabon. However, social aspects of forest management need to be improved. The required improvements concern implementation of local development projects at community level as well as better knowledge and respect of ILO regulations on forest workers safety. The task related to contribution to local development may not be easy because the local populations in Gabon do not traditionally have strong community organization.

It should be noted that the fact that the three major logging enterprises are involved in the ISO 14001 process has helped them document all forest management operations in an effective and orderly manner. This facilitates their entry to any forest management certification system.

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS

6.1 Assessment

In Gabon, three forest management certification systems have been active: Keurhout, FSC and PAFC-Gabon. However, PAFC-Gabon is not yet operational as its procedures are still being developed. Table 6.1 shows a subjective assessment of the level of appropriateness of the three systems in national conditions in Gabon, considering economic, social and environmental aspects and necessary institutional arrangements. Only natural forests of two size categories are considered. In Gabon, concessions of less than 50,000 ha are considered to be small concessions (SC), including community forests, whereas large concessions (LC) are in the range of 50,000 ha to 600,000 ha.

Table 6.1 Appropriateness of Certification Schemes to Local Conditions in Gabon

Attribute	Keurhout		FSC		PAFC-Gabon	
	SC	LC	SC	LC	SC	LC
Economic aspects	+	+++	+	+++	+	+++
Social aspects	+	+	++	++	+++	++
Environmental aspects	+	++	+	++	+	+++
Institutional arrangements	++	+	+	+	…	…

+ major limitations
++ medium limitations
+++ minor limitations
Source: Consultant assessment

6.2 Small Concessions

The three systems are not well adapted for small concessions because of applying the same requirements for all concessions. It is known that the costs of upgrading forest management operations and those of the certification process will be in relative terms much higher for small concessions than large ones. Therefore, by applying the same requirements, the economic viability of certification of small concessions can be jeopardized.

Similarly, the environmental requirements are not well adapted small enterprises. In their case, environmental requirements should favor semi-industrial labor-intensive techniques which are environment friendly. This is not the case of any of the three systems.

FSC and PAFC-Gabon have potential to raise the contribution of forest management to the living conditions of workers and local populations. Keurhout remains vague on this issue.

It would be better for each system to develop a different set of standards for the specific case of small concessions with special emphasis on community forests. For example, all the criteria related to the monitoring of forest dynamics and scientific studies should be simplified or removed for small concessions and especially for community forests managed by villagers.

6.3 Large Concessions

All the three systems seem well adapted for the economic aspects, including silvicultural techniques, forest management planning and all the legal aspects. It should be noted that, Keurhout claimed that they mainly used the ATO-ITTO regional PCI for technical aspects of forest management, likewise. Also the generic FSC standard developed by BVQI (used during the pre-audit of Rougier) refer many times to the ATO-ITTO PCI adapted to Gabon. However, FSC standards have to be always based on the FSC Principles & Criteria.

On social aspects Keurhout appears to be the least appropriate as it remains very general. FSC has a lot of detailed criteria on social aspects, but these are not always adapted to the case of Gabon. For example much emphasis is given to the indigenous people which is not a pertinent issue in Gabon.

PAFC-Gabon gives enough attention to local populations but none of the three systems is concerned by the wide differences in salaries and benefits that exist between executive African staff (engineers, administrators, etc.) and their expatriate (European and Asian) counterparts.

Environmental requirements in all the three systems are quite appropriate for Gabon even though the FSC High Conservation Value Forests (HCVF) concept appears to be sometimes difficult to apply and interpret in the case of Gabon.

PAFC-Gabon is still working on its institutional arrangement and it is not possible to assess its appropriateness before the provisions and procedures have been finalized. FSC and Keurhout are not very different concerning institutional arrangements. Both systems have procedures/requirements established outside Gabon for governance structures and they have elaborated broad principles and criteria to which interested companies must adhere. FSC requires that a national working group develops specific indicators and verifiers and, in the absence of an FSC national working group, the certification body has to develop the indicators to be used in audits. Both systems require that certificates be issued in a transparent manner.

In the case of Gabon, where there is not yet an FSC national working group, the problem with the current approach is that national actors feel excluded from the institutional process, giving the impression that forest certification is designed to serve the interest of a few international NGOs.

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES

There are no accreditation services available in the country. FSC has its own accreditation services at the international level (based in Germany). All certification bodies interested in issuing FSC certificates should meet the specific requirements of FSC accreditation. Keurhout does not have accreditation services but certificates are issued by experts already accredited by recognized offices with international reputation and credibility. PAFC-Gabon the procedures of which are still being developed, does not foresee setting up its own accreditation services. Instead, certificates for PAFC-Gabon would be issued by certification bodies already accredited by internationally recognized organizations. In the draft procedures already developed (PAFC-Gabon 2005), it is foreseen that the certification should meet three sets of requirements:

1. Meet the conditions set in the International Standards Organization (ISO) Guide 62 (EN 45 012), 66, 65 (EN 45 011) and EC rule 761/2001
2. Have good technical competence in sustainable forest management systems, including economic, social and environmental aspects
3. Possess an excellent knowledge of the PAFC-Gabon forest certification scheme.

The fact that there is no forest certification accreditation services based in Gabon does represent a problem. Use of internationally recognized accreditation services adds to the credibility of certification systems. Given that timber products from certified forests are mostly demanded in international markets, it is important that accreditation services also enjoy international credibility.

Similarly, there is no certification body based in Gabon. The certification bodies that have conducted forest management audits in the country are all based in Europe. Although BVQI has established a regional office in Douala (Cameroon), lead auditors still come from Europe. This results in high costs of auditing that may be easily supported by large multinational logging enterprises, but difficult to bear by small national concessionaires.

There is a problem of lack of local capacity in forest management auditing in Gabon. Some efforts are already undertaken at the regional level by ATO and ITTO through the regional project on the promotion of sustainable management of African forests (PD 124/01(M) rev.2) which has trained a few trainers in forest management auditing from Gabon (together with participants from nine other countries). The project will continue with further training of SFM auditing specialists, but the efforts of the regional project may not be enough to cover the needs for auditing capacity in Gabon.

8. LEGAL ISSUES

There is no specific reference to forest certification in the forestry legislation of Gabon. However, the forest law adopted in 2001 (République du Gabon 2001) commits the country to achieve SFM. In accordance with this law (Article 2), SFM should improve the contribution of the forestry sector to the economic, social, cultural and scientific development of the country. This implies that, if forest certification is a tool to achieve SFM, it should be encouraged by government institutions in Gabon.

Although the forestry administration officers were initially opposing forest certification, this has progressively changed and many of them are now well informed on the subject and are promoting it. Furthermore, Gabon has adhered to the Yaoundé Declaration of the Summit of the Heads of Central African States with one of its commitments on forest certification and eco-labeling. Therefore, there seems to be no legal or institutional obstacles for forest certification in Gabon.

In fact, no forest certification initiative has met difficulties in Gabon from government institutions. It may be useful for the government of Gabon to make an official policy statement on forest certification to clarify any doubts in this respect.

9. ECONOMIC INCENTIVES AND IMPLICATIONS

The costs of achieving forest certification can be divided into three groups (van Dam 2003):

a. The *costs* of the certification process itself, what the producer pays to the certification body.
b. The *costs* implied by meeting all the requirements of *proper sustainable forest management* so as to be able to attain certification
c. The *costs associated to maintaining certification* , i.e. payment made to the certifier for annual monitoring/verification visits.

These costs are especially high when certification bodies are based in Europe. Because of the importance of fixed costs, forest certification is in relative terms more expensive for small forest concessionaires than for larger ones.

In general the type (b) costs are more important than the other two. All logging companies are usually required to upgrade their forest management practices, and thus face the type (b) costs, independently from whether they are interested in forest certification or not. The law makes it mandatory for all the companies which are granted concessions within the Permanent Forest Estate (PFE) to manage these concessions sustainably according to forest management plans. Therefore, for a company that already complies with national laws, forest certification does not appear to be so costly, especially in large concessions. The type (c) costs are accumulated over a subsequent four-year period and therefore they can be significant. Unfortunately, there is currently no detailed study to provide meaningful estimates on the three types of costs.

It has been stated in many studies that price premiums are not captured in many markets demanding certified timber products (e.g. Eba'a Atyi & Simula 2002), and that the most important advantage that logging companies pursuing forest certification should expect is ensured access to sensitive markets. However, discussions with many timber trade federations in Europe have revealed that, at present, there appears to be price premiums in several markets. It is not clear whether these premiums can compensate for the costs of forest certification and for how long these markets will be willing to pay the price premiums.

In general, there is a lack of information about the markets of certified timber products in Gabon. It would be highly useful to improve the availability of this information, especially for managers of small concessions.

10. RECOMMENDATIONS

1. Forest certification systems operating in Gabon should develop specific standards for small concessions and community forests taking into account their financial and managerial constraints. This would make it easier for small concessions to apply for forest certification.
2. Stakeholders, in cooperation with the government of Gabon (forestry administration) and with the support of donors, should develop specific SFM standards for small concessions. Such standards should be simplified and easy to implement in the field.
3. The government of Gabon should issue a policy statement that encourages the implementation of forest certification in the country.
4. The government of Gabon should develop appropriate fiscal and administrative incentives to encourage logging companies to apply for forest certification.
5. International organizations such as ITTO, in collaboration with logging companies, should examine comparability of forest certification systems by supporting experimentation of joint forest certifications in pilot concessions in Gabon.
6. The government of Gabon, with the support of international organizations and logging companies, should conduct a detailed study on the costs of forest certification for small and large forest concessions.
7. The government of Gabon, with the support of donors, should continue efforts to build national capacity in forest management auditing.
8. Existing forest certification bodies should establish national offices in Gabon with the intention of reducing costs related to forest certification operations
9. ITTO, forest certification systems, other international organizations and the government of Gabon should ensure the availability of information on international markets for certified tropical timber products and the current possibilities of price premiums. This would encourage forest concessionaires towards forest certification.
10. The government of Gabon, donors and NGOs active in Gabon should promote coherence and harmonization of the initiatives engaged in the setting of legality standards in the country.

REFERENCES

Christy, P., Jaffré, R., Ntougou, O. and Wilks, C. 2003. La forêt et la filière bois au Gabon. République Française. Ministère des Affaires Etrangères. Paris, France.

Eba'a Atyi, R. 2006. Forest certification in Gabon in Cashore, B., Gale F., Meidinger, E. and Newson, D. (eds) *Confronting sustainability: Forest Certification in Developing and Transitioning Countries.* Yale School of Forestry and Environmental Studies. USA.

Eba'a Atyi, R. and Simula, M. 2002. Forest certification: pending challenges for tropical timber. ITTO Technical Series n°19. ITTO. Yokohama, Japan.

FAO, 2007. Situation des forêts du monde 2007. FAO, Rome Italie.

PAFC-Gabon. 2005. Pan African Forest Certification PAFC -Gabon : Schéma Gabonais de certification forestière. Libreville, Gabon.

Présidence de la République. 2002. Loi n° 016/01 Portant code forestier en République Gabonaise. Libreville, Gabon

Van Dam. 2003. The economics of forest certification, sustainable development for whom? Paper presented at the Latin American Congress on Development and Environment "Local challenges of globalisation". 11-12 April 2003.Flacso, Quito, Ecuador.

CONSULTED DOCUMENTS

Présidence de la République. 2002. Loi n° 016/01 Portant code forestier en république Gabonaise.

Présidence de la République, 1994. Loi n° 3/94 du 21 novembre 1994 portant code du travail de la République Gabonaise

Présidence de la République, 1993. Loi n° 16/93 relative à la protection et à l'amélioration de l'Environnement. (code de l'Environnement)

Présidence de la République, 2005. décret N° 000539/PR/MEFEPEPN réglementant les Etudes d'Impact sur l'Environnement.

Présidence de la République, 2005 : Decret n° 000541 n°/PR/MEFEPEPN réglementant l'élimination des déchets

Présidence de la République, 2005 : Décret n° 000242/PR/MEFEPEPN réglementant le déversement de certains produits dans les eaux superficielles, souterraines et marines.

Anonyme . (?). Convention collective des exploitation forestière de la République Gabonaise.

SGS. (2005). Vérification de Légalité et traçabilité du Bois

Présidence de la République. Projet de décret définissent les normes techniques et de gestion durable des forêts domaniales productives enregistrées

Ministère de l'Economie Forestière, des Eaux de la Pêche chargé de l'Environnement et de la Protection de la Nature. Projet d'arrêté fixant la composition des groupes d'essences exploitables

Country Case Study

GHANA

TABLE OF CONTENTS

1. INTRODUCTION 1

2. DRIVERS OF FOREST CERTIFICATION 1

2.1 Legal Requirements 1
2.2 Forest Product Market 1
2.3 Stakeholders 1

3. EVOLUTION OF CERTIFICATION AND CURRENT S TATUS 2

3.1 Milestones in the Development of Forest Certification in Brazil 2
3.2 Current Status 2
3.2.1 Certified Forests 2
3.2.2 Estimated Production of Certified Timber 4
3.2.3 Chain of Custody Certification 5

4. ISSUES RELATED TO FOREST CERTIFICATION SYSTEMS 5

4.1 CERFLOR 5
4.2 FSC 6
4.3 Key Differences 7

5. MAIN PROBLEMS ENCOUNTERED IN THE CERTIFICATION PROCESS 7

6. APPLICABILITY OF CERTIFICATION SYSTEMS 8

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 10

7.1 Accreditation 10
7.2 Accredited Organizations for Forest Management Auditing 11

8. LEGAL ASPECTS 11

9. ECONOMIC INCENTIVES AND IMPLICATIONS 12

9.1 Reasons for the Adoption of For est Certification in Brazil 12
9.2 Certification Costs 13

10. IMPACTS OF ITTO IS RECENT CAPACITY BUILD ING WORK 14

11. RECOMMENDATIONS 15

REFERENCES AND DATA SOURCES 16

LISTE DES ABREVIATIONS ET DES ACRONYMES II

1. FACTEURS DE CERTIFIC ATION FORESTIERES 1

2. EVOLUTION DE LA CERTIFICATION ET ETAT AC TUEL 2

3. PROBLÈMES ET DISPOSITIONS RELATIVES AU DEVELOPPEMENT DU STANDARD 3

4. ADAPTABILITE DES PCI DANS LES CONDITIONS CONGOLAISES 4

8. PROBLÈMES ET DISPOSITIONS RENCON TRES DANS LE PROCESSUS DE CERTIFICATION 5

9. CONVENANCE DES SYSTÈ MES DE CERTIFICATION 7

10. DISPONIBILITÉ DES SERVICES D'ACCRÉDITATION ET DE CERTIFICATION 9

11. DISPOSITIONS LÉGALES 9

12. INCITATIONS ET IMPLICATIONS ÉCONOMIQUES 10

13. RECOMMANDATIONS 10

BIBLIOGRAPHIE 12

ABBREVIATIONS AND ACROSYMS II

1. BACKGROUND 1

2. DRIVERS OF FOREST CERTIFICATION 1

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS 2

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING 3

4.1 Forest Certification Standards 3
4.2 Standards for the Verification of Legality 4

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS 5

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 6

6.1 Assessment 6
6.2 Small Concessions 6
6.3 Large Concessions 6

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 7

8. LEGAL ISSUES 8

9. ECONOMIC INCENTIVES AND IMPLICATIONS 8

10. RECOMMENDATIONS 9

REFERENCES 10

CONSULTED DOCUMENTS 10

1. INTRODUCTION 1

2. DRIVERS OF FOREST CERTIFICATION 1

3. EVOLUTION OF CERTIFICATION AND CURRENTSTATUS 3

3.1 Milestones 3
3.2 Issue of National Scheme 3
3.3 Other initiatives 5
3.3.1 Global Forest and Trade Netw ork (GFTN) 5
3.3.1 Kumasi Wood Cluster (KWC) 5

4. PROBLEMS AND ISSUES ENCOUNTERED IN STAND ARD SETTING 6

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS 7

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 8

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 10

8. LEGAL ISSUES 10

9. ECONOMIC INCENTIVES AND IMPLICATIONS 11

10. PAN AFRICAN FOREST CERTIFICATION 11

11. RECOMMENDATIONS 12

ABBREVIATIONS AND ACRONYMS II

1. BACKGROUND 1

2. DRIVERS OF FOREST CERTIFICATION 1

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS 3

3.1 Milestones 3
3.2 LEI - FSC Cooperation 4
3.3 Implementation 5
3.4 International Recognition 5
3.5 Other initiatives 7
3.5.1 Indonesian Forest Trade Network 7
3.5.2 PAN ASEAN Timber Certification Initiative 7

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING 7

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS 8

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 9

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 9

8. LEGAL ISSUES 10

9. ECONOMIC INCENTIVES AND IMPLICATIONS 11

10. RECOMMENDATIONS 12

ABBREVIATIONS AND ACRONYMS II

1 INTRODUCTION 1

2. DRIVERS OF FOREST CERTIFICATION 2

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS 3

3.1 Milestones 3
3.2 Other initiatives 5
3.2.1 Malaysia Forest Trade Network 5
3.2.2 FSC National Initiative 5
3.2.3 PAN ASEAN Timber Certification Initiative 5

4. INTERNATIONAL RECOGNITION AND COOPERATION OF MTCC SCHEME 6

4.1 Recognition 6
4.2 MTCC's Cooperation with PEFC 7

5. PROBLEMS AND ISSUES ENCOUNTERED 7

5.1 Standard Setting 7
5.2 Certification Process 7

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 8

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 8

8. LEGAL ISSUES 9

9. ECONOMIC INCENTIVES AND IMPLICATIONS 10

10. RECOMMENDATIONS 10

List of Tables

Table 6.1 Appropriateness of FSC Certification Scheme 9

List of Figures

Figure 2.1 Negotiation Road Map with the EU 2

References 14

Appendix 1 Requirements for On and Off Forest Reserves 15

1. INTRODUCTION

Factors that have contributed to the unsustainable use of Ghana's forest have included weak institutional capacity to regulate and manage the forest resource, poor enforcement of forestry regulations due to resource gaps, inadequate commitment of forestry personnel, and ineffective implementation of policies and management prescriptions (MLFM, 2005).

To address these problems the government took the lead role and organised a national stakeholder forum in 1996. The forum agreed that forest certification should be embraced as an important tool to improve forest management, accountability and good governance in the forest sector. Certification was perceived as a means of encouraging good governance in the forest sector, achieving Sustainable Forest Management of Ghana's forests and gaining access to Ghana's major markets, in particular the European Union (EU), that are environmentally sensitive. Ghana therefore viewed certification as a strategic marketing policy that would impact on Ghana's future trade in wood products as well as guarantee the future wood requirements through Sustainable Forest Management (SFM).

2. DRIVERS OF FOREST CERTIFICATION

The main drivers for forest certification in Ghana are as follows:

v. Market requirements for trade in legal and sustainable timber. The EU is Ghana's major market accounting for 47% of export earnings in 2006. This is a reduction from the 56% of export earnings in 2004. The reduction is a reflection of the demands of the environmentally sensitive markets and the inability of Ghanaian firms to meet market requirements in terms of forest certification resulting in the loss of market share in the EU. The loss in market share is significant for the UK, Germany, the Netherlands and Ireland markets. For instance, the share of imported Ghanaian timber in Germany fell from 35% in 1995 to 15% of total timber imports from Ghana in 2004 (www.globaltimber.org, 2007).

vi. Market requirements at addressing illegal logging and achieving good governance in the forestry sector. Ghana is the lead country in the African Forest Law Enforcement and Governance process and has made commitments to the process as a means to addressing national deficiencies in the forest sector (Bird et al, 2006).

vii. Pressure from environmental non-governmental organizations at addressing social and environmental issues in tropical timber producer countries.

viii. Desire by companies to be perceived as being socially and environmentally responsible. There is growing demand for Ghanaian companies to provide evidence of the source of raw material.

ix. Introduction of public procurement policies in G8 countries that will impact on demand and trade in timber.

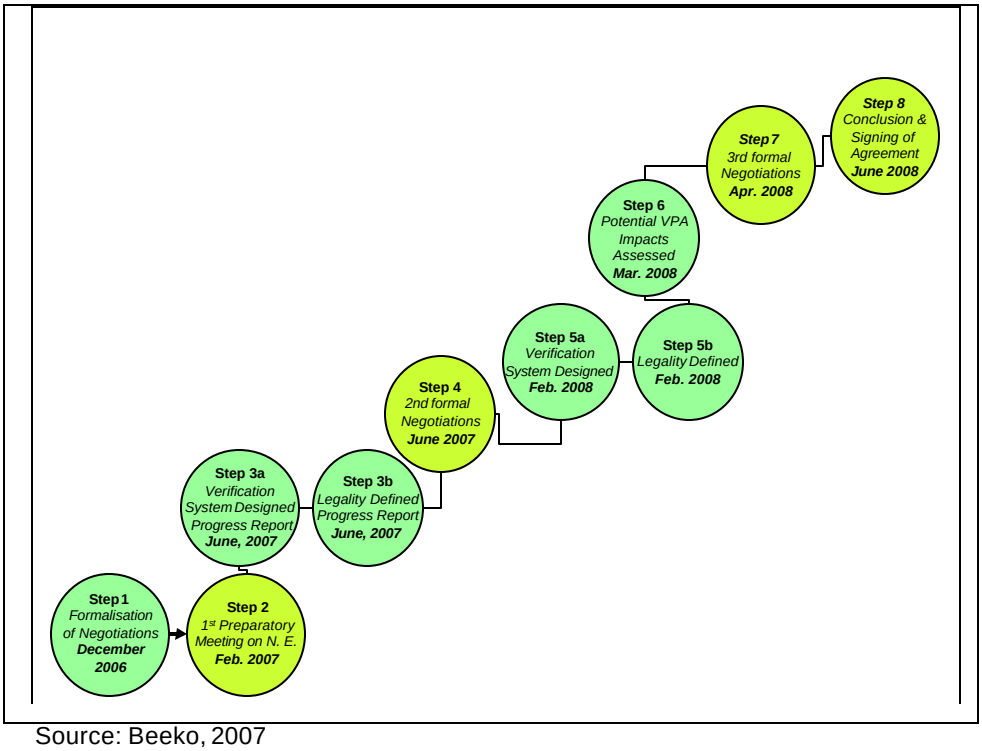
x. Increasing demand by the donor community for transparency and good governance in the forestry sector.

Products subject to certification requirements are sawntimber, veneer, plywood and garden furniture. This is also reflected in product coverage in the Forest Law Enforcement Governance and Trade (FLEGT) process and the Voluntary Partnership Agreement between the EU and partner countries.

The difficulty in achieving SFM certification in Ghana has resulted in an increased shift towards demonstration of legality. This is being pursued under the Validation of Legal Timber Programme (VLTP) which seeks to create an environment that promotes SFM, improves rural livelihoods as well as enabling industry efficiency in a good governance environment. The VLTP is expected to create a balance between resource and industry capacity. A key component of the Programme is the log and product tracking system. This will, among others, improve monitoring of timber flows, improve revenue flows from forest produce, in particular timber, and provide Ghanaian firms with access to the EU markets. The financial incentives and capacity building under the Voluntary Partnership Agreement between Ghana and EC is encouraging the shift towards Ghana pursuing a legality regime and de-emphasizing the need for forest certification. As at 2007, Ghana has formally announced its intention

to enter into the Voluntary Partnership Agreement with the EU and has undertaken two rounds of negotiations with the EU. Ghana expects to reach agreement on the definition of legality and system design to embark on a road map to formal agreement with the EU as contained in below. Figure 2.1.

Figure 2.1 Negotiation Road Map with the EU



Source: Beeko, 2007

Ghana, however, sees VLTP as the first phase towards forest certification and is therefore pursuing a phased approach to forest and product certification. What is not clear at this stage in Ghana is how to handle the phases between legal timber and full certification. There is no discussion on the form and structure of the phased approach to forest certification in Ghana. Both Off Reserves and Forest Reserves need to be considered in this context.

Off Reserve areas will have to focus on establishing the source and legality of production. This can be done under the VLTP/VPA process. Certification of Sustainable Forest Management will have to focus on the reserved forests. Ghana should shift away from the national scheme and create awareness and support to allow companies to use the existing schemes on the market. For now FSC is the lead scheme in Ghana and needs to be promoted. Within the FSC scheme Ghana will have to approach it in phases. The first phase should be to obtain legal timber (legal origin). The second phase would then be progressing towards legality and the third phase would be full compliance for certification. Time frames between phases will depend on the size of company and extent of corrective actions required. To be able to facilitate the certification of SFM under the FSC scheme, it will be important for FSC to engage more effectively the Forestry Commission and the Government of Ghana (Ministry of Lands Forestry and Mines).

The lack of financial commitments in support of forest certification is a constraint. Given that companies are producing mainly commodity products, namely lumber, veneer and plywood and for which margins are low, companies are reluctant to invest in forest certification and have been dependent on donors or non-governmental organizations to provide support. For instance, there is support from the Inter-Church Organisation for development and Cooperation (ICCO) in supporting small to medium-sized companies in pursuing forest certification under the FSC scheme. Other support projects include:

- WWF/GFTN under the Producer group initiative (see section 3.3.1)
- CBI under the Kumasi Wood Cluster (see section 3.3.2)
- Doen Foundation for the Kumasi Wood Cluster and for the FSC scheme
- From 1998 to 2000 the support has been provided by the EU/Netherlands Government under the "Ghana Forest Management Certification System Project".
- The private sector, under the EU-ACP Business Assistance Scheme (EBAS), is provided with a facility that could co-finance 50% of the costs (up to Euro 70,000) involved in hiring specialized experts and consultants from the EU.

Stakeholders pushing for forest certification are mainly the NGOs, buyers/importers and government. Importers in the EU are the main driver for forest and product certification in Ghana and they are demanding for evidence of sustainability when they purchase wood products. Stakeholders opposing certification and the Validation of Legal Timber Program are mainly the private timber companies, i.e. the millers. Loggers on the other hand do not appear to provide any resistance at the moment partly because they are not in contact with the external market due to the suspension in log exports in 1995. There is also a general lack of awareness on the part of loggers on forest certification and the market requirements for certified timber. The public in general, landowners, chiefs and District Assemblies (the local authority) are neither aware of forest certification nor the market requirements and developments in respect of forest certification.

3. EVOLUTION OF CERTIFICATION AND CURRENT STATUS

3.1 Milestones

Development of forest certification in Ghana started in 1995 with the initiation of consultative process led by the then Ministry of Lands and Forestry (now Ministry of Lands, Forestry and Mines). This was in response to the on going international forestry debate on sustainable forest management and the commitment by members of the International Tropical Timber Organisation to Objective 2000 – that timber traded from member countries must be from sustainable sources by the year 2000. The key initial milestone in the evolution of forest certification in Ghana was the holding of a national stakeholders meeting in Kumasi in June 1996 and the decision to create a National Committee on Forest Certification (NCFC) to drive and guide the process in Ghana. Milestones, activities and outputs since then are shown in Box 3.1.

3.2 Issue of National Scheme

Despite the decade of engagement in developing a national system for forest certification in Ghana, the process has not gone beyond the standards development stage. The standards have had several revisions but stakeholders have failed to establish either a national scheme or obtained endorsements from any of the global or regional initiatives on forest certification. The reasons for this failure are discussed in sections 3 and 4.

There are no structures in place to support a national scheme. The Ghana Standards Board and the Forestry Commission have not developed the capacity to provide support for the development of forest certification in Ghana. In 2005 the Ghana National Working Group (NWG) on certification commissioned a review of the Forest Management Certification Standards and Checklist (FMCSC) - Version 4. The review was aimed at harmonizing the Forest Management Certification Standards and Checklist (FMCSC) with the Forest Steward Council's (FSC) Criteria and Indicators as well as the African Timber Organization (ATO)/International Tropical Timber Organization (ITTO) Principles, Criteria and Indicators (PCI) for sustainable management of African natural tropical forests. Within the same period, the Ministry of Lands, Forestry and Mines (MLFM), with the support of the ATO under the auspices of ITTO PD 124/01 Rev. 2 (M) "Promotion of Sustainable Forest Management of African Forests", undertook a review of the FMCSC taking into consideration recent forest sector policy, legislative and institutional reforms. This was an attempt at developing a national standard and scheme. This was to ensure the relevance of the standard to the local situation in Ghana. To a large extent, the Principles and Criteria remained similar and differences occurred at the indicator level for the forest management unit. However, a major difference with the FSC standard has to do with the

Principle 3 of the FSC standard on indigenous peoples. Ghana has no indigenous peoples within its territory as adopted by the UN Working Group on Indigenous Peoples.

Box 3.1 Key Milestones of Certification Development

Date	Activity	Major Outcomes
November 1995	Launching of the Ghanaian certification process.	Adopted and initiated a certification process involving consultations, system development, implementation, monitoring and review
June 1996	First Stakeholder Workshop.	Stakeholder presented their views on the certification scheme. Developed consensus on the scope and economics of certification and strategies for implementation of certification. Recommended the setting up a National Committee on Certification (NCC) to co-ordinate the development of a credible certification system.
August 1996	Establishment of the National Committee on Certification (NCC).	Ministry of Lands and Forestry (MLF) formally mandated the NCC to coordinate the development of a credible certification scheme.
September 1996	Formation of the Technical Committee on Certification (TCC).	The Director of the Ghana Standards Board (GSB) assumed the Chair of TCC. TCC was charged with the responsibility of developing standards and criteria for SFM and an appropriate framework for implementation of the certification system.
November 1996	African Regional Seminar on Certification of SFM.	Developed African position on international timber certification Formulated strategies for harmonization and mutual recognition of certification schemes in the member countries of the African Timber Organization.
November 1997	Workshop on Potential for Sustainable Timber Production outside Forest Reserves.	Developed stakeholder consensus on standards for quality forest management (QFM) outside forest reserves. Considered the appropriate mechanism for log tracking and other chain of custody issues for off-reserve SFM certification.
December 1997	Publication of the draft Standards Document.	The technical Working Group (TWG) of the NCC published the draft QFM standards documents 1. Principles document 2 Criteria and Indicators document 3. System document
October 1998	Second stakeholder Workshop on Certification.	Stakeholders reviewed and adopted the three QFM documents. Developed a strategy and schedule for field testing of criteria and indicators for the standards. Adopted an implementation strategy for the QFM standards.
December 1999	Pilot testing of the computer-based log tracking system.	Stakeholders and technical experts tested the bar-coding of trees and logs. Tested the inspection and reporting of log movements in the chain of custody process with computer-aided database and transmission system.
April 2000	International Certification Workshop.	Shared the findings of the field study and pilot testing of the log tracking system.
November 2000	Forest Management Certification Standards and Checklist - Version 4	Standards to reinforce the forest management system and to facilitate its application in the field.
May 2002	Capacity Building in Forest Certification Workshop.	Inter-institutional development of training capacity in forest certification. Re-launch of the National Workshop Group on Forest Certification and Sustainable Forest Management.
August 2004	Project PD 124/01 Rev.2 (M).	Harmonization of Ghanaian Standards with ATO Criteria and Indicators
March 2005	Compatibility Study Report Commissioned by the National Governing Council, Ghana Forest Certification Scheme.	Review of the Forest Management Certification Standards and Checklist (FMCSC) - Version 4 document in 2005.
May 2005	Forest Management Certification Standards and Checklist - Version 5	Harmonization of Forest Management Certification Standards and Checklist with Forest Stewardship Council's (FSC) and the ATO/ ITTO Principles, Criteria and Indicators (PCIs) and for the sustainable management of African natural tropical forests.
April 2007	Ghana Forest Certification Standards in FSC format	Stakeholder consultations on Ghana Forest Certification Standard in FSC format to facilitate FSC endorsement of Ghana standards

The advantages for developing a national scheme would be

i. the ownership of the scheme
ii. reduced cost in terms of engagement of one system by the industry
iii. adaptability and appropriateness to local conditions.

The disadvantages of developing a national scheme would include:

i. cost of promoting the scheme to gain acceptance in the market

ii. strong competition from established schemes such as FSC which for now appears to be the main scheme in Ghana. PEFC has on a number of occasions invited the Timber Industry Development Division to its Annual General Meetings and can be perceived as an attempt to interest Ghana in the PEFC initiative

iii. possibly expose national schemes to attack from NGOs that are supportive of FSC scheme

Skills for undertaking auditing of forest management under various standards are mostly confined to the personnel presently employed by the state forest agencies. Training requirements in the private sector for both the FSC and an eventual national scheme can be expected to be largely similar.

3.3 Other initiatives

3.3.1 Global Forest and Trade Network (GFTN)

A Producers Group Initiative (PGI) Ghana has been established under GFTN which is being supported by the World Wide Fund for Nature (WWF) targeted at the FSC scheme. Support provided is in the form of technical advice while the Department for International Development in the UK provides financial support. The PGI adopts a stepwise approach to forest certification using the FSC scheme. In Ghana six companies, namely, Samartex, Ghana Primewood Products Ltd., Scanstyle Mim Ltd., Logs and Lumber Ltd., Coppon Sawmills Ltd. And John Bitar Company Ltd, have signed on to the PGI. These companies account for **over 40% of timber export** earnings from Ghana. The companies are mainly large and integrated companies.

The National Working Group (NWG) in Ghana with the support of FSC (Africa) whose regional office is in Accra provides support through training and information dissemination to the PGI companies in the following areas:

⇒ Development of action plans to achieve certification
⇒ Baseline audit
⇒ Writing of forest management plans
⇒ Training in Reduced Impact Logging (RIL)

3.3.1 Kumasi Wood Cluster (KWC)

The Centre for the Promotion of Imports from Developing Countries (CBI) of the Netherlands, in collaboration with the Timber Industry Development Division (TIDD) of the Ghana Forestry Commission, is implementing a project that seeks to promote timber and timber products from sustainable sources in Ghana to the European Union market.

The project is to create awareness on timber certification. Participating companies are offered assistance to achieve certification to enable them trade in certified wood products to the EU market. The project is also expected to build capacity of participating companies to write their own forest management plans.

The Kumasi Wood Cluster was incorporated in Ghana in November 2004. A key aim of the KWC is to pool resources together to achieve forest certification (Abeney, 2007). KWC involves the following six companies:

- Sunstex
- SKOD
- Subri Industrial Plantations Ltd
- Bibiani Logging and Lumber
- Poku Transport and Sawmills Ltd.
- Ewiah Wood Products Ltd.

These six participating firms are small and medium sized enterprises (SME) (Proforest, 2005).

Sponsorship of the project is from CBI, DOEN Foundation and the ICCO. The donors require participating companies in the cluster to indicate their willingness to be FSC-certified. The sponsors have commitments to promoting FSC.

The FSC-based certification project for KWC is expected to use the stepwise approach based on the Modular Implementation and Verification modules (MIV).

As a group, the KWC has a potential area of 48,000 hectares to be certified by 2009 (Adu, 2007). However, members of the cluster are being encouraged to identify one concession area each for trial. Currently none of the companies has any area under certification or is undertaking chain of custody certification. The KWC as a group exported 12,500 m^3 of timber in 2006. One company Bibiani Logging and Lumber accounted for 10,000 m^3. Total timber exports from Ghana in 2006 were 452,000 m^3.

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING

Ghana's approach to standards development for forest certification was to use the ITTO Criteria and Indicators for Sustainable forest management as the basic framework and seek harmonization with the African initiative by the African Timber Organisation (ATO).

A key constraint to standard setting in Ghana has been **knowledge on the requirements** of sustainable forest management by the operatives in the industry. Until recently forest management has been the preserve of public officers in the forest sector institutions. Training of foresters was geared towards service in the public sector to the neglect of the private sector resulting in low skills of forest management personnel in the private sector. This has influenced the pace at which certification has progressed.

The National Working Group has had difficulty in bringing on board the private sector. There is inadequate local capacity for SFM and certification implementation in Ghana.

A second key constraint to the development of standards for forest certification in Ghana is the **different forest systems** and requirements for *"On reserve"* and *"Off reserve"* forests in certification (Appendix 1). The two areas require different approaches and it remains doubtful if "off reserve" forests can be managed sustainably. The Government policy has been to liquidate "off reserve" forest areas. The off reserve areas suffer from illegal chainsaw activities which produce sawn timber to serve the domestic market. An estimated 80% of domestic lumber supply is from chainsaw production.

Other problem areas in the development of the national standard in Ghana have been the following:

- Absence of direction on scheme to adopt and floating between national schemes, FSC and PAFC. The awareness of the PAFC scheme in Ghana among the private sector is limited. West Africa, in particular Ghana has not been engaged effectively in the PAFC scheme.
- Lack of clear direction on responsible institution to promote the development of standards for forest certification in Ghana by the Ministry of Lands Forestry and Mines and the Forestry Commission. Agencies under the Ministry were undergoing restructuring from 1999 and their focus on forest certification may have been lost.
- Poor communication and consultations on standards that have been developed. This has resulted in several revisions to the standards and Ghana now has Version 5 titled *"Ghana Forest Management Certification Standards and Checklist (FMCSC) Version 5"*, published in May 2005. This is reflected in the perceived lack of interest by the private sector, in particular given the increasing trade within the region.
- Lack of clear structures and procedures of the adoption of the national standard. The latest version of the Ghana standards has been developed in FSC format as the *"Ghana Forest Certification Standard (GFCS) in FSC Format"* published in July 2006 and reviewed at a national stakeholder workshop in April 2007.
- Financial constraints in supporting the NWG or lead consultants in the development of the standards and the implementation of national schemes. Support to NWG in countries has not been sustained. They have usually taken the form of projects and their sustainability has been questioned.

- Absence of a champion and institutional arrangement to drive the standards development process. If a national approach is pursed then it is important that a state agency drives the process. However, given that FSC appears to have been first in the market in Ghana, FSC should have created the champion through its support for the **National Working Group.**

Ghana lacks the structures to undertake and drive forest certification. According to Proforest (2004) there is a weakness in the policy as the Forestry Commission has been assigned to write management plans for the concessionaires. However, after its restructuring that resulted in staff reductions the FC no longer has the capacity to write management plans for the companies. Under the validation of legal timber programme, the FC is considering redesigning its business process and the writing of management plans is being considered for outsourcing.

The lack of support form the central government to the NWG tends to reflect weak political commitment of the government for advancing certification in Ghana. Teketay (2005) identifies poor communication and weak structures for disseminating information as a constraint to promoting forest certification. Over the years Ghana has not been able to effectively communicate to the market both at the local and international level on its standards and scheme it intends to put forward. This is partly due to the lack of clarity in the country's approach to certification.

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS

Under the national initiative there are no forests that have been certified or are in the process of gaining certification. The national standard has not been promoted among companies. Under the generic FSC standard companies have not been able to achieve forest certification for the following reasons:

- Inability of companies to convert their concession rights to Timber Utilization Contracts (TUC). Under the new TUC system companies will be required to pay a Timber Rights Fee (TRF). This is a requirement with the passing of the Timber Resources Management Act, Act 547. A number of companies that had acquired their concessions with the government companies that were divested of state interest prior to the coming into force of the Act are questioning the payment of the TRF's. This therefore makes such companies non – compliant.
- Some timber companies have also been allocated Timber Utilization Permits (TUP). Under the Timber Resource Management Regulations, 1998 (LI 1649), timber harvested with TUP'S shall be used only for social or community purposes and shall not be sold or exchanged. Hence the existing practice of allocating TUP's to processing firms brings into question the legality of timber sold by these companies. Such companies may therefore not qualify for SFM certification.
- Management plans which are written by the Forestry Department are in various stages of consultations (i.e. drafts).

Other major constraints encountered in the certification process include:

- Pre –assessment and scoping visits made are costly since they are undertaken by auditors who live in the northern hemisphere and hence the cost of flights and honoraria is high making engagement in the process a barrier. Furthermore, most of the auditors are not familiar with the social issues in the country which can lead to Corrective Action Requests (CAR) that are not realistic or do not reflect the real issues at stake. This can be addressed through the building of in-country capacity.
- Land tenure under the current legislation (Act 124 of 1962) continues to be a core issue. Land in Ghana is vested in the President. Bird et al. (2006), recognize the complexity of land and tree tenure in Ghana and report on the difficulty in gazetting the *Dede* Forest reserve. This forest was first proposed for gazetting in 1935 but was only gazetted twenty years later due to disputes of land tenure. The lack of effective consultations with communities is usually the source of conflicts and disputes. In the past consultations with land owners prior to forest reservations have not been extensive. Furthermore, under the Concessions Act, Act 124 of 1962, all timber lands were brought under the jurisdiction of the President.
- The lack of capacity in the private sector to implement SFM standards.

Typical examples of corrective action requests include:

- The inability of companies to produce their own management plans. As indicated above this is the responsibility and function of the Forest Service Division of the Forestry Commission. Hence there is the lack of management planning and documented management plans at the company level.
- Difficulties of companies to adhere to requirements in the FC Logging Manual. For instance, companies, particularly SMEs, are not able to abide by requirements for construction of roads or bridges over streams. This is a reflection of the weakness of the internal capacity of Ghanaian companies to meet requirements under the Manuals of Procedure (MOP) and the forest certification standards.
- Health and safety – The use of protective clothing poses a challenge to companies. Where protective clothing has been supplied, workers are reluctant to use them and tend to complain of warm conditions. Such equipment should conform to tropical requirements. On the other hand, health and safety equipment or protective clothing result in an added cost to timber companies.
- Lack of knowledge by companies on legal requirements both at the domestic and international levels. There is the need for training on the Logging Manual and disseminating its contents.
- Access rights for forest fringe communities by logging companies. In accordance with the law, forest fringe communities will require permits from the Forestry Commission to collect non–timber forest products.
- Delay in the conversion of leases into Timber Utilisation Contracts (TUC) in line with current laws and regulations. With the passing of Act 547, timber producers that owned concessions were required within six months to convert their concessions into TUCs. This has not been done hence all operators holding concession agreements and still operating are perceived to be operating illegally. This has been one of the areas of concern by NGOs and a source of disagreement between the Forestry Commission and industry, and a constraint to companies pursuing forest certification.
- Inability of firms to monitor materials flow and segregate material from known sources from others as a result of the lack of tracking systems in the country.
- The existing yield allocation model is not adequately adapted to forest conditions. Present yield allocation was established in the 1989 forest inventory. Since then the forest structure has changed due to increased utilization. However, the Forestry Commission continues to use the existing allocation model based on felling diameter limits. This will need to be reviewed.
- Uncontrolled use of exotic species such as teak and Cedrela for reforestation in forest reserves is a cause of concern.
- Lack of monitoring of forest growth to validate silvicultural assumptions and establishment and maintenance of a functional Permanent Sample Plot (PSP) network
- Social responsibility agreements are not meeting required formats and exclusion of settler communities in drafting and negotiation procedures. There is lack of consultations with the communities leading to poor relations with the forest authorities and industry.

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS

There is no existing certification scheme that is currently operational in Ghana. Nevertheless, the appropriateness of certification systems to the country's local conditions can be assessed in a preliminary way for the two types of forest, i.e., forest reserves and off-reserve forests (Appendix 1). Management systems in the two areas differ and the same standards, if used on both areas, are likely to create some difficulty. Table 6.1 summarizes the likely links between Ghana's local conditions and the FSC scheme. FSC was chosen because of its adoption by the key players in the timber industry and its general acceptance in the international markets. Ghana has also developed its standards in FSC format. What is required at present is to formally seek endorsement of the standards from FSC.

Under the Ghana Forest Certification Standard, certification in off–reserves will still pose a major problem and will not qualify due to the management system and the interplay of various land uses in the off reserves. However, in the reserved forests, the Ghana standards would be largely appropriate

given that it will take on board different stakeholder interests. The institutional difficulty raised in Table 6.1 will still apply under the national standard.

Table 6.1 Appropriateness of FSC Certification Scheme

Local conditions	Appropriateness*	Remarks
Reserved forests Off–reserve forest	Appropriate Not appropriate	 Forest management not planned on a sustainable basis. Managed for liquidation for other land uses. Such areas will not qualify under the FSC scheme without modifications[1)].
Economic	Appropriate	Structures to support the certification scheme should be locally based; e.g. certifying bodies (CB) should use local personnel to be cost competitive. There should also be differentiation to provide competitive advantage and a price premium for certified products. Applicable in reserved forests only.
Social	Appropriate	However, will require legal reforms to provide access rights to local communities/settler farmers.
Environmental	Appropriate	Require awareness raising, training and engagement by the Environmental Protection Agency in the forest sector. Capacity building in SME's will be critical.
Institutional	Not appropriate	Modification will be required to existing legislation to allow private sector undertake management planning. Review of legislation to separate Forestry Commission functions of management and regulation in production areas. Perception of non–transparency if FC is both manager and regulator of forests.

1) Unlikely
*) *Appropriateness is based on FSC certification*

In spite of the above limitations, the certification process could provide the following impacts:

- **Economic**: Short-term increases in costs due to investments to achieve certification and addressing CARs. However, in the medium to long term, the benefits of sustainable production and access to markets will probably exceed the cost. For the larger firms, certification could result in perceptions on their social responsibility and improve their image thereby providing access to investment finance and markets.
- **Social**: Certification could help empower the forest communities and increase the flow of benefits to the forest communities. It could also result in improved benefit sharing and provide job opportunities for the communities through the utilization of non-timber forest products. Relations between the community and the forest industry or loggers could also improve. There will also be increased involvement of the forest communities in managing the forest leading to a reduction in illegal activities.
- **Environmental**: Certification will ensure adherence to the manuals of procedure and lead to improvement in environmental management of the forests. Certification will also ensure that logging companies operate in an environmentally friendly manner.
- **Institutional**: Certification will encourage legal compliance by timber firms and reduce cost of regulation and monitoring by public organizations.

The absence of governments as stakeholders in the FSC process appears to be a constraint in the development of forest certification in Ghana. The Government of Ghana plays a key role in the management and ownership of forests.

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES

Currently there is no availability of recognized services for accreditation and certification for forest certification in Ghana. International bodies such as SGS have not marketed their services in forest certification to the private sector in Ghana. They currently offer pre-shipment inspection and destination inspection services for the Government of Ghana and the private sector in other industry sectors such as mining.

In the education sector there is a national Accreditation Board which indicates that sectoral arrangements are possible to organize. This situation does not, however, represent a problem if timber companies in Ghana will pursue the FSC scheme.

Through the ITTO workshops and training on auditing, capacity has been built in the country but mainly in the public sector. It is therefore critical that future training on Criteria and Indicators (C&I) and auditing in Ghana by ITTO should focus on the private sector. On-site training for the private sector could enhance their participation. The Government of Ghana must also create an enabling environment for personnel to shift from the public to the private sector to create locally based certification bodies. The Government could create demand for certified products by introducing a procurement policy to specify certified timber for its projects. The development of domestic demand could quicken the pace of SFM certification in Ghana.

Support from donors in encouraging certification bodies or schemes to establish offices and counterparts in tropical timber producer countries such as Ghana would be useful and could address the gaps to move certification forward at a reduced cost.

8. LEGAL ISSUES

Recent changes in forest utilization have not been related to forest certification but they have implications due to rationalization of forest concession holdings to allow for higher financial returns to the government and the communities through the introduction of legal reforms in the concession system. Changes have included the introduction of the Timber Resources Management Act (Act 547) of 1997 and the accompanying Timber Resources Management Regulations (LI 1649) of 1998. The reforms also created a unified Forestry Commission under the Forestry Commission Act, Act 571 of 1999. Amendments were made to the Timber Resource Management Act and Timber Resources Management Regulations in 2002 to exclude the granting of timber rights on land with private forest plantation or land with timber grown or owned by individuals or groups of individuals. The amendments of Timber Resource Management (Amendment) Act, 2002 (Act 617) and the Timber Resources Management Regulations, 2002 (LI 1715) introduced competitive bidding for timber rights.

The introduction of competitive bidding to timber rights has resulted in the transfer of timber harvesting rights to foreign owned companies (mainly of Middle Eastern origin) which are better positioned to use their financial strength to acquire the harvesting rights. The competitive bidding process has also redirected raw material ownership to timber processing firms.

Ghana's legal and policy framework as contained in the Forest and Wildlife Policy of 1994 seeks to promote SFM and hence forest certification. However, the problem lies more with enforcement of existing laws to support SFM and certification than the legal framework. Oduro and Gyan (2007) have studied the long-term history of non–compliance that exists in Ghana. For instance, special permits which are meant for non-commercial use and to support communities are abused as they are issued to processing industries for commercial purposes. Another problem is that the provisions that govern the criteria for defining timber legality are scattered in different acts and legislative instruments. This makes it difficult for the timber industry to comply with the law.

To date Ghana has not as yet gone through the consultative process to define legal timber. Determining legality is not always straight-forward because laws may contain ambiguous or conflicting provisions (Oduro & Gyan, 2007). Furthermore, it is necessary to define which set of laws should be included in the definition. It is expected that this should be clarified under the VLTP/VPA by the end of 2007.

In addition there are major concerns in respect of access rights, benefit sharing and ownership of the resource that remain unresolved in the existing legislation (Oduro & Gyan, 2007).These can be addressed with the definition of legal timber under the VPA. However, the process for defining legal timber must involve extensive consultations, in particular with the landowners, NGOs, the private sector and the certification bodies that have representation in Ghana. SmartWood have had a partnership with a Ghanaian expert to undertake their auditing of SFM (Osei, 2007). This will allow for some level of consistency in defining legality under the various initiatives. Several of NGOs such as, GFTN, Care International are working on defining legal timber under its work *"Moving Ghana to Legal Timber"* and the legality standards developed under the Ghana Certification Standard (Oduro & Gyan 2007).

9. ECONOMIC INCENTIVES AND IMPLICATIONS

Ghana is yet to sell any certified timber. Various interactions with buyers and distributors indicate certified timber could obtain a premium. For Ghana the issue of market access to its major market in the EU is critical. Ghana has experienced a decrease in its sales to this market.

There is currently no policy intervention to provide incentives for certification. However, it is envisaged that in the future companies that are certified could have exemptions in procedures for export of timber. At present, all timber exports from Ghana must obtain an export permit from the Timber Industry Development Division of the Forestry Commission. Since September 2006 the process has required companies to indicate their source of raw material. If companies are certified, they will not in the future be required to provide evidence of source of raw material. This can reduce the processing time of exports permits for such companies.

Compared to other African countries, Ghana exports a lot of processed wood products, but the level of value added processing is still low. Ghanaian companies are mainly exporters of commodity products that are price sensitive. Hence any increases in production costs lower their profitability and competitiveness. Although no studies have as yet quantified the additional cost of certification, it is obvious that, unless companies pursue value added processing, the additional cost of meeting certification requirements will be a constraint.

Companies that are embarking on certification through the GFTN and the KWC receive some external support for their certification related activities. However, these companies can run into financial difficulties when the support ends at the end of the project period. Abeney (2007) has indicated that the slow pace of certification is also attributed to the lack of a sustainable source of finance to support the work of the National Working Group on forest certification.

In Ghana lesser-used Species (LUS) have increased their share in production and export, but the increase has not been the result of forest certification but that of improved marketing and promotion by the Timber Industry Development Division (Forestry Commission of Ghana) and the private timber firms. Additionally the increased controls, regulation of harvesting of primary species and a variable royalty rate and export duties in favour of LUS are facilitating the growth and exports of LKS. Asian markets have speeded up the usage of LUS but their demand has been in log purchases. For instance, the demand for peeler species in the early 1990's saw the sale of a number of LUS in log form. This demand, however, placed a significant pressure on the resource and the capacity to control harvesting and production. As a result, the log export suspension was introduced in 1995. On the positive side, the trade relationship exposed the domestic processing industries to new possibilities offered by LUS which are now being utilized for processed timber. Certification could also open new markets for LUS in the EU.

10. PAN AFRICAN FOREST CERTIFICATION

A major constraint to the development of the Pan African Forest Certification (PAFC) Scheme in ATO member countries is the lack of financial resources of the ATO. ATO as the proponent is not effectively capable for promoting the scheme in either the international markets or in its member countries. ATO has a structural and leadership problem and over the last decade has had difficulties even in organizing its biannual meetings let alone promote the PAFC scheme in member countries. PAFC

appears to have made a head way in Gabon mainly because of strong donor support to develop the local national scheme.

The PAFC can be strong if ATO is committed to promoting it and can provide the necessary financial resources to support its member countries in developing national standards and the national institutional arrangements for PAFC. A key challenge would be the promotion of a regional scheme in the market.

A reorganized ATO could be able to attract the interest of members and that of the donor community to support its work in certification. It should be able to reactivate the interest of ITTO and donor countries supporting the ATO in its certification program.

11. RECOMMENDATIONS

- **Private Sector**

  1. There is the need to create further awareness on the certification process and the certification standards among the timber industry. As a first step, companies should be encouraged to adopt ISO 9000 and 14001 based management systems. Decision makers in the private companies should make themselves available for workshops and training on forest certification. SMEs will have to be supported to engage in this process[4].
  2. The private sector companies should be supported to develop their own management plans.
  3. An estimated 85% of timber firms in Ghana are SMEs. It will be necessary in developing the standard and schemes for certification to duly consider their needs.

- **Government**

  1. Political commitment is required to drive the certification process.
  2. The Government must provide clear leadership and direction with respect to the way forward for certification. In particular, it should be clarified whether Ghana is going to pursue a national scheme and seek its endorsement from PEFC, or whether it will be appropriate for Ghana develop its standards through an FSC-endorsed process, or whether both these non-exclusive options are desirable.
  3. The Government should create enabling environment to allow for the creation of CBs. The Forestry Commission should review the existing legal framework and administrative procedures to allow for management plans to be prepared by the private sector. This could create demand and lead to creation of a management planning service industry to support the forest sector. Furthermore, such companies could also be involved in training on the requirements of certification and SFM.
  4. The Government should introduce procurement policies in favour of legal/ certified timber. This would create a demand for certified timber and would quicken the pace of SFM certification.
  5. The process of defining legality and developing the Validation of Legal Timber Programme should not lose sight of the long-term objective of achieving SFM which can be certified.
  6. The Government should clarify the role and approach to managing forest in off-reserves to achieve SFM.
  7. Awareness should be created among local communities and the private sector on the requirements of forest certification to be followed by promotion of forest certification.
  8. The Forestry Commission should effectively use its London Office to promote Ghana's efforts at SFM and progress in forest certification on the international markets.

[4] The National Board for Small Scale Industries (NBSSI) define SMEs as companies that employ between 9 and 29 workers, has fixed assets excluding land and buildings that do not exceed US$100,000.

- **ATO**

  1. ATO should develop its arrangements for the PAFC scheme.
  2. ATO should encourage member countries to work together to promote the PAFC in their countries.
  3. ATO should seek external support in implementation of PAFC in its member countries.

- **ITTO**

  1. ITTO should work closely with the ATO to develop further certification in the African region. The earlier work on the ATO/ITTO C&I and national standard development should be scaled up. ITTO should work with ATO and its member countries to set up structures and seek resources to promote and support countries to develop and implement national standards that are consistent with the PAFC requirements.
  2. ITTO should continue with training of personnel in member counties on C&I and auditing of SFM. In future training, a conscious effort must be made to train personnel in the private sector.
  3. ITTO should support National Working Groups in its member countries to champion and drive the certification process.
  4. Both CSAG and TAG should be active in providing advice and support to their constituencies in member countries. CSAG and TAG should be used as vehicles to narrow differences in position of main certification initiatives and promote the harmonization and mutual recognition of schemes.

References

Abeney, E. 2007. Personal Communication., Lecturer, Institute of Renewable Natural Resources, Kwame Nkrumah University of Science and Technology, Kumasi. Ghana. (email; eaabeney@yahoo.com)

Adu, G, 2007. Personal Communication., Project Leader, Kumasi Wood Cluster, P.O. Box 3813, Kumasi, Ghana. (email: gustavadu@hotmail.com)

Beeko, C. 2007. LAS Development in Ghana. Presentation at the 8th Updating Meeting on Illegal Logging. Chatham House, London, July 2007.

Bird, N., Fomete, T., Birikorang, G. 2006. Ghana's Experience on Timber Verification System Design. VERIFOR Country Case Study. Overseas Development Institute, London.

Forestry Department. 1996. Problems and potentials of Applying Certification to Forest Management in Ghana. Workshop on Forest Certification and other market-based instruments in Ghana, FORIG, Fomesua, 12-13 June 1996.

MLFM. 1994. Forest and Wildlife Policy. Accra.

Osei, E. 2007. Personal communication. Manager, Subri Industrial Plantations Ltd., Subri, Ghana. (Also an auditor for SmartWood –Rainforest Alliance's Smartstep programme in Ghana)

ProForest. 2005. Review of the Kumasi Wood Cluster Partnership Project. ProForest. Oxford.

Teketay, D. 2005. Status of Forest Resources, Trends in Forest Certification an FSC in Africa. FSC Stakeholders Workshop. Elmina, Ghana.

www.globaltimber.org

Appendix 1

Requirements for On and Off Forest Reserves

Key certification requirements	Forest Reserves (FR)	Outside forest reserves (OFR)
Tenure	Land and trees owned by traditional Authorities, corporate and private persons. Land and forests are vested in the President on behalf of the landowners.	Land in private or traditional ownership, trees vested in the president. Rights to planted trees belong to the planter
Land use	Natural Forest	Agriculture (farms, fallows tree crops)
Policy	Sustained yield based on polycyclic selection logging and unnatural regeneration	Non – forest land uses take precedence. Liquidation as policy. No management plans in OFR.
Policy instruments	Strict regulation and control. Sanctions applied	Timber Utilisation permits granted. Short term 1-5 years
Planning	Management plans are the responsibility of the FSD. Operational plans prepared by contractor within confines of the TUC.	Operational plans provided by contractors and land owners No formal plans for unencumbered
Standards for logging	Compliance with logging manuals and obligations under TUC's	Compliance with logging manuals and TUC Interim measures that require the approval of farmers prior to exploitation.

Source: FD, 1996

ANNEX V

Country Case Study

INDONESIA

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS II

1. BACKGROUND 1

2. DRIVERS OF FOREST CERTIFICATION 1

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS 3

- 3.1 Milestones 3
- 3.2 LEI - FSC Cooperation 4
- 3.3 Implementation 5
- 3.4 International Recognition 5
- 3.5 Other initiatives 7
  - 3.5.1 Indonesian Forest Trade Network 7
  - 3.5.2 PAN ASEAN Timber Certification Initiative 7

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING 7

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS 8

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 9

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 9

8. LEGAL ISSUES 10

9. ECONOMIC INCENTIVES AND IMPLICATIONS 11

10. RECOMMENDATIONS 12

List of tables

Table 3.1 Key Milestones of Forest Certification Development in Indonesia 4
Table 3.2 Certified Forest and CoC Certified Industries 5
Table 6.1 Appropriateness of LEI Certification Scheme in Local Conditions 9

List of Figures

Figure 7.1 Institutional Structure of LEI Certification System 10

ABBREVIATIONS AND ACRONYMS

%	percent
AHP	Analytical Hierarchy Process
APHI	Association of Forest Concession Holders of Indonesia
BRIK	Forestry Industry Revitalisation Agency
BSN	National Standardization Body
CAR	Corrective Action Request
CB	Certification Body
CBFM	Community-based Forest Management
CoC	Chain of Custody
CRC	Certification Review Council
DfID	Department for International Development of UK
DKN	National Forestry Council (*Dewan Kehutanan Nasional*)
DRT	Diamond Raya Timber
DSN	National Standardization Council (*Dewan Standardisasi Nasional*)
EU	European Union
FCAG	Forest Certification Assessment Guide
FLEGT	Forest Law Enforcement Governance and Trade
FMU	Forest Management Unit
FSC	Forest Stewardship Council
GDP	Gross domestic Product
GFTN	Global Forest and Trade Network
ha	Hectare
HCVF	High Conservation Value Forest
HPH	Natural forest concession
ILO	International Labour Organisation
ISO	International Standard Organization
JCP	Joint Certification Programme
LEI	Indonesian Ecolabelling Institute (*Lembaga Ekolabel Institute*)
m^3	cubic meter
mill.	Million
MoF	Ministry of Forestry
MoU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
NGO	Non-governmental Organization
NSC	National Steering Committee
RCF	Regional Communication Forum
RIL	Reduced Impact Logging
SLJ	Sumalindo Lestari Jaya
SOP	Standard Operating Procedures
TFF	Tropical Forest Foundation
TNC	The Nature Conservancy
TPTI	Indonesian Selective Cutting and Replanting
UNCED	United Nations Conference on Environment and Development
VPA	Voluntary Partnership Agreement
WB	World Bank
WWF	World Wildlife Found

1. BACKGROUND

Total land area of the Republic of Indonesia is approximately 181.2 mill. ha with a population of 220 million (FAO 2006). The total forest land area in 2004 was 109.9 mill. ha which was designated to forest functions: (a) conservation forest; for biodiversity protection (23.2 mill. ha), (b) protection forest; with the primary function of the life-supporting system, such as providing potable water and preventing erosion and flooding (29.2 mill. ha), (c) permanent production forest (43.9 mill. ha), and (d) conversion forest; i.e. production forest that can be converted to non-forestry development (13.6 mill. ha). Forest is also home for about 48.8 mill. people living within or surrounding forests (MoF 2005).

Commercial utilization of the Indonesian forest started in 1967 and it has served as a backbone of national income during the early era of national development. There are two silvicultural systems applied in forest management: (a) the Indonesian Selective Cutting and Replanting (TPTI) system in natural forests, and (b) plantation forest. Forest management is carried out by state-owned companies and private companies under a concession system (HPH), or by communities under community-based forest management (CBFM).

Along with the strong growth of non-forestry sectors and due to problems encountered in forestry, the sector's contribution to the GDP has been declining. Timber products' economic contribution to the total national non-oil revenue declined from 16 % in 1995 to 12 % in 2005 (Setyarso 2007). The number of forest management units (HPH) has been declining since 1990 from 560 national to 270 units in 2002. The harvested volume in the 1999-2004 period only reached 24.3 mill. m^3 or 37% of the national target (65.6 mill. m^3). In this situation the government reduced annual harvest target from 23.8 mill. m^3 in 2002 to 6.8 mill. m^3 in 2003 and further to 5.8 mill. m^3 in 2004. This has radically affected the timber industry, including further processing (MoF 2005).

Forest fires, forest conversion, illegal logging and mismanagement are the main causes of deforestation and forest degradation in Indonesia. On the other hand, public awareness on the need for sustainable forest management has increased rapidly. To address the international pressure to promote environmental conservation in the business sector, several concerned parties, including governmental and non-governmental organizations, have taken initiatives for forest certification (LEI 1998; Muhtaman & Prasetyo 2006).

The development process to set up the Indonesian certification system (for natural forest), its institutional arrangement as well as other supporting systems took place in 1994-1998. The process has been lead by Pokja Lembaga Ekolabel Indonesia (working group of Indonesian Ecolabelling Institute), which in February, 1998 was formally established as Foundation of Indonesian Ecolabelling Institute (Lembaga Ekolabel Indonesia (LEI)). The first forest certificate under the LEI system was issued in December 1998. At present there are 11 forest management units (5 natural forests, 5 community forests, 1 plantation forest) certified under the LEI certification system covering 1.107 mill. ha.

2. DRIVERS OF FOREST CERTIFICATION

Both external and internal factors have been pushing the development of forest certification in Indonesia.

a. External factors:

1) The ITTO Target 2000; and the: *'ITTO Guidelines for the Sustainable Management of Natural Tropical Forest*" (1992), "*Criteria for the Measurement of Sustainable Tropical Forest Management*" (1992), and *'ITTO Guidelines on Conservation of Biological Diversity in Tropical Production Forest"* (1995). These commitments were adopted by Indonesia and have become a guidance to develop national level criteria and indicators for forest management assessment (LEI 1998).
2) Growing international environmental concerns. In the late 1980s the European NGOs campaigned to boycott Indonesian timber products. In 1992 the Austrian government launched "*Federal Act on Labeling of Tropical Timber and Tropical Products as well as the Creation of a Quality Mark for Timber and Timber Products from Sustainable Sources*". This made labelling of

tropical timber obligatory in Austria. Due to international pressure led by Indonesia and Malaysia, Austria revised the Act in 1993 and the obligatory timber labelling requirement was dropped in favour of voluntary labelling (Elliot 2002; LEI 2004).

3) Development of environmental standards and certification schemes at the international level. Various international processes stimulated Indonesia to develop its own certification system. These included (i) FSC certifications (1990-1993), (ii) the Montreal Process and its Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forest, in 1993, and (iii) the development of the ISO 9000 standard series on quality management systems in 1990 and the ISO 14000 series on environmental management systems in 1993.

b. Internal factors:

1) Business community support. The first response to the growing international pressure on certification of forest management was made by the Association of Forest Concession Holders of Indonesia (Asosiasi Pengusaha Hutan Indonesia - APHI). In 1993 the association commissioned an expert panel to develop a set of criteria and indicators based on the 1992 ITTO Guidelines for the Sustainable Management of Natural Tropical Forest to assess the forest management performance (LEI 1998). This standard reflected a business-side perspective on SFM.

2. Political support from the government. In September1993 in the national seminar on forest certification, the Minister of Forestry supported the idea of forest certification and suggested it be carried out by independent organisations to be internationally accepted (LEI 2004).

3. Support from academic community and non-governmental organization. They saw certification as a possible vehicle to make the business community to internalize environmental and social sustainability in forest management practices. This led to the establishment of LEI working group in which all of the 10 members have academic or NGO background (LEI 2004).

The development of the national certification system in Indonesia is demonstration of new approaches in forest policy development where four major stakeholders (the government, the business sector, NGOs and academic community) enthusiastically debated together on the certification issue. After a lengthy multi-stakeholder process (1994-1998), including discussions and workshops both at provincial and national levels, and field testing in 14 forest management units in six provinces, the certification standard for natural forest management was adopted in 1998. The development process was led by the LEI working group. In February 1998 the working group was formally established as Indonesian Ecolabelling Institute (LEI) Foundation. In 2004 LEI was transformed into constituent-based organization with four chambers of membership (a) the business sector, 30% of the voting power, (b) communities and indigenous people, 35%, (c) NGOs and academic community, 20%, and (d) eminent persons 15%. LEI has served as certification system developer and accreditation body, while the certification process has been conducted by LEI-accredited certification bodies. LEI has developed four specific certification systems; (i) certification system of natural forest management, (ii) certification of plantation forest, (iii) certification of community-based forest, and (iv) Chain of Custody certification.

The current issue related to certification is the timber legality verification that has been positively responded by Indonesian forestry stakeholders in the context of the Indonesia-EU Voluntary Partnership Agreement (VPA) under Forest Law Enforcement, Governance and Trade (FLEGT) programme. Various actions have been taken.

a. *Internal process*: From 2003 to 2005 the DfID-TNC collaboration. The Nature Conservancy led a multi-stakeholder process and field testing of a draft national definition of legal timber as well as a set of criteria and indicators for verification of legality of timber. According to the recommendations of the multi-stakeholder workshop in Bogor, June 2005, LEI has taken the lead in the follow-up process and established a working group with members representing a wide range of interested parties (Ministry of Forestry (MoF), APHI (Association of Forest Concession Holders of Indonesia), BRIK (Forestry Industry Revitalisation Agency), Faculty of Forestry of Bogor Agricultural University, Telapak (NGO), AMAN (Indigenous People NGO), LEI, Tropical Forest Foundation (TFF), Sucofindo (Certification body) and The Nature Conservancy (TNC)). In January 2007 the final draft of the Timber Legality Verification Standard was submitted to the Ministry of Forestry to be adopted as part of the national legal framework. To ensure political support by various stakeholders, the working group has been supported by a National Steering Committee (NSC) chaired by the Secretary General of Ministry of Forestry with members

representing the business sector, indigenous people's organizations, academicians and NGOs as well as experts. The on-going process is now developing an institutional framework for the standard implementation.

b. *Negotiation processes*. Indonesia and the EU agreed to enter formal negotiations when the Minister of Forestry of Indonesia met the European Commissioners responsible for Development and Environment in Brussels on January 8, 2007. The formal negotiation process of Indonesia-EU on a FLEGT-VPA started in Jakarta in March 2007 followed by the second meeting was held in Brussels. The EU has confirmed that the timber legality standard to be used in the Indonesia-EU VPA will be based on Indonesia's law. The European Commission will adopt a legal framework prohibiting illegal timber entering to the EU market and avoiding timber laundering through a third country. Both parties have agreed to further discuss issues on prohibition importing illegal timber, public procurement policies in EU countries, and market access.

A lot of efforts have been made in order to improve both the policy context and practical implementation of forest management in Indonesia. Three recent significant changes in the forestry policy on illegal logging, certification and governance are:

- The issuance of Presidential Instruction No. 4 of 2005, on combating illegal logging and trade of illegal timber in the Indonesian territory. Eighteen governmental agencies have been ordered to establish a coordination mechanism for this purpose.
- In order to promote the implementation of sustainable forest management, the government of Indonesia has issued a Ministry of Forestry decree # 4795/2002 on criteria and indicators of sustainable forest management of natural production forest at management unit level and decree # 208/2002 on its assessment procedure. The similar decrees for assessing plantation forest management were issued in 2003. Assessment is to be conducted by independent assessment body verified by the MoF. The policy which is also called a "mandatory certification" is aimed at enforcing effective implementation of all the technical regulations promoting sustainable forest management that have been issued by the government.
- The establishment of the National Forestry Council (Dewan Kehutanan Nasional - DKN) in the fourth Indonesian Forestry Congress in 2006. The Council was given the task of organizing future forestry congresses and will act as an advisory body to the Minister of Forestry. Voting is through four 'chambers' - government (three representatives), communities (3), companies (3), academicians (2) and NGOs (2). In addition, five members are nominated based on their competence, making the total number of DKN members to 18 (DTE 2006).

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS

3.1 Milestones

The development of certification system and establishment of LEI did not take place in a conducive situation for the implementation of forest certification. The most significant factor is strong domination of the government's role in managing forest resources, and therefore, a FMU is perceived in practice to be only a field-level technical implementer of the government regulations with no adequate role in deciding on the long term policy of its management (LEI, 1998). However under the strong leadership of Prof. Dr. Emil Salim, former Environment Minister, the three objectives of the working group were successfully achieved in 1998 (a) criteria and indicators of sustainable forest management, (b) design of a decision-making method for the forest certification process, and (c) institutional arrangements for the formal establishment of the Indonesian Ecolabelling Institute. The LEI development process involved a variety of interest groups including the APHI expert team, the National Standardization Council (Dewan Standardisasi Nasional-DSN), NGOs, and experts from universities.

It is worth noting that the negotiations involved a complex set of relationships between Indonesian actors working within well established, relatively closed power structures, as well as a few outside actors, primarily environmental organizations. Despite the controlled nature of many discussions, the draft standards incorporated a fairly broad set of viewpoints. Early discussions drew on both ITTO guidelines and the FSC Principles and Criteria. The LEI standards are performance rather than management-system oriented, and they are divided into three broad areas: (1) sustainability of production functions, including criteria for forest resource, forest products, and business sustainability;

(2) sustainability of ecological functions, including criteria for ecosystem stability and species survival; and (3) sustainability of social functions, including criteria for secure community-based tenure, community resilience and development, social and cultural integration, community health, and employee rights. All the standard criteria are somewhat more general than the FSC provisions, leaving considerable room for interpretation by certifiers, but they are also more comprehensive and far reaching than e.g. the SFI ones. (Meidinger, Elliott & Oesten, 2003). Key milestones of forest certification development in Indonesia are shown in Table 3.1.

Table 3.1 Key Milestones of Forest Certification Development in Indonesia

Date	Activities	Major Outcome
Nov 1993	Stakeholders discussions	Establishment of LEI working group
Feb 1994	First stakeholder workshop (150 participants)	Establishment of task group for development of criteria and indicators of natural forest management certification
June 1994	First field test in 3 FMUs	Recommendation for criteria and indicators
Sept 1994	International conference on Forest Product Certification Scheme (collaboration between LEI, CIFOR, FSC)	Guidance on basic principles for standard setting Requirements and institutional framework for certification implementation
July 1996	2nd field test in 11 FMUs	Refined criteria and indicators Designed decision making technique for certification using AHP (Analytical Hierarchy Process)
July 1997	Workshop on final draft of the certification system	The certification standard for natural production forest accepted by Government of Indonesia, APHI and LEI.
6 Feb 1998	Formal procedures to establish LEI Foundation	LEI becomes a formal body focusing on natural resource certification issues
Dec 1998	First implementation of LEI certification in 2 FMUs	1 FMU passed, 1 failed.
Sept 1999	Joint field test and workshop on certification standard between LEI - FSC	Joint certification program between LEI – FSC started
1997-2000	Development process of the CoC certification system	CoC certification system adopted
1999 - 2000	Development of Interim Accreditation Scheme	Set of standards for interim accreditation of certification bodies adopted 4 certification bodies accredited
1999-2003	Series of workshops and field tests on development of certification system of plantation forest	Certification system for plantation forest adopted
2000 - 2002	Development of certification system for community-based forest management	The community-based forest management (CBFM) certification system adopted
Oct 2004	1st LEI congress	Transformation of LEI into constituent-based organization.
June 2005	Finalization of LEI accreditation manual	LEI accreditation manual for certification body launched
2003 - 2007	Development of phased-approach to certification	Scheme for phased approach to certification launched in March 2007
2005-2007	Development of standard for timber legality	Set of standards of timber legality verification as a result of multi-stakeholder process formulated

3.2 LEI - FSC Cooperation

The MoU between LEI-FSC to collaborate and learn from each other's system in order to achieve a Mutual Recognition Agreement (MRA) was followed by formulation Joint Certification Protocol to conduct Joint Certification Programme (JCP). The natural forest certification under the JCP applied both LEI and FSC standards and the assessed FMU had to pass under both standards. From five FMUs assessed under JCP scheme, four FMU have already passed and one is still working on the recommended FSC corrective action requests (CAR). Following several meetings LEI and FSC agreed in December 2005: (i) to conclude the JCP, and (ii) to extend their collaboration beyond natural forest concessions to include community-based forest management, non-timber forest products and plantation forest, (iii) to work more closely together and develop further cooperation in the areas of

close communication and sharing of information and experience between LEI and FSC, recognition of national and international standards, collaboration on accreditation system and processes, development of modular/phased approach, and promotion of each other standards and systems. Both organizations agreed to undertake scheduled steps to achieve those objectives that were supposed to be started in the first quarter of year 2006. However, lack of financial support has delayed the implementation of those strategic steps of LEI to become more recognized globally.

3.3 Implementation

The implementation of timber certification in Indonesia actually started in November 1990 when *Perum Perhutani* (a state-owned company in Java) was certified by SmartWood (certification program of Rainforest Alliance) in November 1990. There was no reassessment until 1998 when FSC decided that the scale of assessment should be district (KPH) level (not the entire plantation area as it was in 1990). Perhutani's certificates were suspended in 2001; and in 2003 all the certificates were withdrawn because of non-compliance within the deadline for improvements. The withdrawal was based on the non-compliance of the SmartWood generic standards based on the FSC principles and criteria. The failure to deal with illegal logging and difficulties in community relationship were among the reasons for the suspension (Rainforest Alliance 2001 in Muhtaman and Prasetyo 2006).

In Indonesia there are currently two certification schemes operating independently: the LEI system and FSC. Certified forest management units and timber industries certified under LEI and FSC are shown in Table 3.2.

Table 3.2 Certified Forest and CoC Certified Industries

Certification type	LEI		FSC	
	Number of certificates	Area (ha)	Number of certificates	Area (ha)
Natural forest	5	942,423	5	749,823*
Plantation forest	1	159,500	-	
Community forest	5	5,223	1	152
CoC	1		35	
Total areas	12	1,107,146	41	749,579

* 4 of 5 FSC certified are also LEI certified under JCP
Source: LEI 2007, FSC 2007

Based on five years of implementation of the LEI certification system of natural production forest and in order to accommodate growing concerns on legality of timber, LEI has approved a Phased Approach to its Certification guideline in March 2007. Under this Guideline Series 77, the legality aspect of timber complies with the national standard for legality forms the first phase of the phased-approach certification program.

3.4 International Recognition

International recognition of the LEI certification system and certified products is unfortunately limited. Up to now only one company has been CoC certified under the LEI system, but there are eleven forest management units certified. Since Indonesia does not export logs, the LEI logo does not exist in the market. Due to lack of financial support has been a constraint for LEI to promote its certification system in the international market. In order to address these problems, new strategies have been planned to promote the system, including intensifying communication, promoting CoC certification, and cooperation with internationally recognized accreditation bodies, including pursuing associate membership of International Accreditation Forum (Alimi, 2007).

Recently a study was conducted using WB/WWF Forest Certification Assessment Guide (FCAG) as a tool to assess LEI. FCAG is structured into eleven criteria, analyzing forest certification schemes with regard to:

1) Compliance with international norms and standards;
2) Standards and the standard-setting process; and
3) Conformity of the certification and accreditation procedures.

The summary of FCAG analysis of the LEI and FSC systems against the FCAG criteria is given in Table 3.3.

Table 3.3 Assessment of LEI against FCAG Requirements and Comparison with FSC

FCAG Criterion	Findings on LEI system	Comparison with FSC
Compliance with international frameworks for certification, accreditation, and standard setting (Criterion 1)	The LEI system makes sufficient reference to international schemes and standards.	LEI and FSC both operate accreditation schemes and standard setting procedures which accommodate international requirements.
Compatible with globally applicable principles that balance economic, ecological, and equity dimensions of forest management and meet Global Forest Alliance requirements (Criterion 2)	LEI's 5000 standards were developed by considering the framework of Sustainable Forest Management (SFM), including the sustainability of the production, ecological and the social functions of forest.	Both schemes reflect most of the Alliance criteria regarding standard substance. Three standards for different forest/management unit types exist in the LEI scheme while the FSC covers all forest types with one standard.
Meaningful and equitable participation of all major stake-holder groups in governance and standard setting (Criterion 3)	During standard development, numerous workshops and meetings were conducted to openly discuss standard and system matters.	Meaningful participation in governance and standard setting of major stakeholder groups is a stronghold of both schemes, even though some requirements are currently not fully met by both schemes.
Avoidance of unnecessary obstacles to trade (Criterion 4)	No requirement exceeding Criterion 1 is specified in the FCAG. As a result, Criterion 4 was not analysed.	
Based on objective and measurable performance standards that are adapted to local conditions (Criterion 5)	The standard is written in measurable terms and geared to the FMU level. LEI's indicators and verifiers are performance orientated.	LEI's scheme and standard complexity make applying it somehow "scientific" and more difficult compared to the more straightforward approach of the FSC.
Certification decisions free of conflicts of interest from parties with vested interests (Criterion 6)	LEI is an independent organization and has regulated the independence of each actor in its scheme in great detail.	Both schemes explicitly regulate the avoidance of conflicts of interest and vested interests.
Transparency in decision making and public reporting (Criterion 7)	LEI documents of certification standard, accreditation, CoC, logo policy and control of claims publicly available on its website. Accreditation procedures, however, are not sufficiently public and not transparently voiced.	Compared to the FSC, LEI shows several deficiencies regarding transparency in accreditation and public reporting. The shortcomings are not fundamental, but significant.
Reliable and independent assessment of forest management performance and Chain of Custody (Criterion 8)	Field visits form the basis for certifications and surveillance of certified units. Complaint procedures and appeal mechanisms are sufficiently regulated The entire lifecycle of a certified product is not controlled by the CoC system and meaningful consultation regarding the final draft version of the logo policy was not conducted, both aspects leading to minor non-compliances with ISO 14020.	Neither LEI nor FSC fulfil the Alliance requirement regarding costs of claims related to accreditation. Neither system controls the entire life-cycle of a certified product, as this is generally not done by forest or organic agricultural certification schemes.
Delivers continual improvement in forest management (Criterion 9)	No certificate is issued under conditions; the certification decision is either "pass or fail" Surveillance intensity depends on the assessed certification scoring and the type of forest management.	LEI follows a stricter inspection approach in certification than the FSC and fulfils the general thinking of the Alliance under Criterion 9.
Accessible to and cost-effective for all parties (Criterion 10)	The scheme is based on the principle of non-discrimination. It offers a range of locally adapted procedures to ensure a cost-saving approach in qualified small units.	Both schemes fulfil the given requirements, though using different concepts to allow for access of small parties.
Voluntary participation (Criterion 11)	Criterion 11 is reflected in LEI's CBFM scheme, The general concept is fulfilled, but not sufficiently specified in LEI's CBFM system. This caused two minor non-compliances.	LEI does not fully meet the requirements related to FSC group certification However, in all three certifications in CBFM areas under LEI and FSC, the WWF/WB requirement on "commitment to adhere to the standards set by the scheme" was signed by the participating forest owners before the assessment.

Source: Hinrichs and Prasetyo 2006

The LEI scheme fulfils to a great extent the requirements of the WWF/World Bank Global Forest Alliance criteria as interpreted in the Forest Certification Assessment Guide. The identified non-conformities, particularly regarding Criterion 2, 7 and 8, are not fundamental, but in a few cases

significant (conversion policy, transparency of the accreditation process, and public reporting). Linking LEIs accreditation and certification scheme to internationally accepted monitoring concepts (e.g. ISEAL) as well as building closer links to national accreditation bodies operating under ISO rule (*KAN, BSN*) would promote independent oversight of LEI's system and standards. This could enhance stakeholders' recognition and boost LEI's credibility. Related adjustments to the LEI scheme are judged as reasonable, since most of the requirements are already fulfilled. (Hinrichs & Prasetyo 2006).

3.5 Other initiatives

3.5.1 Indonesian Forest Trade Network

The Indonesian Forest Trade Network, so called *Nusa Hijau* (Green Archipelago) launched in Jakarta, 16 October 2003, is the national Producer Group of the Global Forest and Trade Network (GFTN). The *Nusa Hijau* programme is aimed to facilitate achievement of more certified forests, producers and manufacturers in Indonesia by linking companies committed to achieving and supporting responsible forestry with an extensive network of buyers all over the world. GFTN is an initiative that promotes partnership between non-governmental organizations and companies to improve the quality of forest management. GFTN currently consists of 18 local Forest and Trade Networks in 30 countries, consisting of over 800 members, mainly in Europe and North America. By joining the network, members can enjoy several benefits such as information and training on certification, links to markets for certified forest products, small-scale and community forest enterprises, policy advocacy with government, and publicity for GFTN and their members. By July 2007 18 timber product manufacturers had joined the *Nusa Hijau* programme (WWF Indonesia, 2007) and its impact is still very marginal.

3.5.2 PAN ASEAN Timber Certification Initiative

Indonesia participates in the *PAN ASEAN Timber Certification Initiative* aimed at greater marketability of ASEAN timber products. The initiative is a forum for exchange of experience and it develops common strategies for achieving that objective[5].

4. PROBLEMS AND ISSUES ENCOUNTERED IN STANDARD SETTING

Problems encountered in the standard setting of the LEI certification system were mainly related to the establishment of the scientific basis for forest certification. Four main issues had to be clarified:

a. How to assess the complex forest management practices and establish a clear link between management activities and performance on the ground.
b. How to deal with the wide variety of geographical conditions related to ecological and social aspects of forest management.
c. How to design a decision-making procedure that can accommodate a large number of criteria and indicators of sustainable forest management on one hand, and credible, transparent and participative process for their development on the other hand.
d. How to set up an institutional framework which can demonstrate a transparent, participative and democratic process of forest certification.

To address these issues the LEI certification system was designed with the following features:

1) Adopting a hierarchical framework approach for the development of criteria and indicators for monitoring and assessment of forest management developed by Bloom and Van Bueren (1997).
2) Application of forest typology concept reflecting varying degrees of specificity as to biophysical conditions and social characteristics. The typology of forest management units determines the thresholds of certain indicators in the decision-making process.

[5] See the Country Report on Malaysia (Annex VI) for more details on the PAN ASEAN cooperation

3) Application of the Analytical Hierarchy Process (AHP), a multi-criteria decision-making method developed by T. Saaty (1971-1975) that enables handling of complex decision problems.
4) Developing supporting systems for the implementation of certification.

The procedure of LEI's certification standard development included: (i) need assessment on certification system, (ii) establishment of *ad hoc* working group with necessary expertise and stakeholder participation, (iii) research, (iv) public consultation with limited number of stakeholders, (v) drafting of standard, (vi) field tests, (vii) revising draft, (viii) at least two consultative national workshops, and (ix) finalisation and approval (LEI 2004).

5. PROBLEMS AND ISSUES ENCOUNTERED IN THE CERTIFICATION PROCESS

After more than ten years of operation in Indonesia, certification has been widely criticized by several parties. The most vociferous critics are NGOs led by WALHI and its international network (such as the Rainforest Foundation, Rainforest Action Network and Down to Earth). In March 2001 a workshop was organized by WALHI and attended by several NGOs and individuals on the subject of certification. At the end of the workshop participants signed a statement calling for a temporary halt to scoping, assessments and issuance of certificates to Indonesia's forest concessions - in effect, a forest certification moratorium. In its communication, WALHI does not oppose certification in principle but is opposed to certification in the current situation. Its position is that no certification of any logging concessions (HPH) can be credible as long as the concession system and legislation (particularly the Forestry Act No.41/99) fails to grant local communities rights to their land and resources. The whole concession system should be revised and the borders of indigenous peoples' lands clearly defined (Down to Earth 2001 in Muhtaman Prasetyo, 2006).

General problems faced by forest management units in certification can be identified based on typical corrective action requests of audit reports:

a. Forest concession boundary. The lack of fully demarcated forest concessions in Indonesia is the main problem leading to conflicts between forest management units and communities.
b. Establishment of conflict resolution mechanism. It is necessary to set up a multi-stakeholder conflict resolution mechanism agreed by local parties to address conflicts between the community and the FMU.
c. Establishment of a methodology for High Conservation Value Forest (HCVF) identification for FSC certification. Since HCVF is a recently introduced concept in forest management, there is lack of local capacity to deal with this issue.
d. Improvement of Reduced Impact Logging (RIL). The main problem is usually lack of revision of Standard Operating Procedures (SOP) of road construction to prevent significant damage to, and erosion of, steep areas.
e. Providing full access and required support for local community to utilize non-timber forest products within the concession area.
f. Consistent implementation of workers' health and safety regulations

After the JCP conclusion with FSC (since December 2005), there have been practically no new certification applications to neither FSC nor LEI certification bodies in the country. There are now several obstacles in implementing certification:

- There are not yet sufficient preconditions for long-term sustainable forest business due to lack clarity of policies which is the main obstacle. The uncertainty is largely due to lack of clarification of the roles of different levels of government as the decentralization process is not yet fully completed. In the field level there are still conflicting roles and responsibilities between the central government and provincial or district governments in managing the forest (Suparna 2007).

- The international market does not yet recognize the certified timber products under the national certification scheme. There is also a general negative perception on timber products coming from Indonesia, due to illegal logging problems in the country. Therefore, certification in Indonesia is will be highly demanding to gain international acceptance (Alimi, 2007).

- The price premium on certified timber products has been mainly gained by the secondary processing industry or the final processor while the forest management unit receives little, if any. There are therefore no significant economic incentives for forest management units to pursue certification (Adi, 2007)
- In order to be credible the certification process must be transparent and involve public participation. This has created excessive expectations by communities on FMU certification. They expect the certification can resolve all the problems in managing forest sustainably (Mujijat 2007)

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS

The LEI certification system was developed based on to the internationally agreed principles of sustainable forest management and local socio-political conditions and environmental characteristics. The system has been continually improved in order to make it broadly acceptable and technically robust. At present the certification system has been applied to 11 forest management units of natural forest, plantation forest and community-based forest. Table 6.1 shows the consultant's assessment of the appropriateness of the LEI certification scheme in local conditions.

Table 6.1 Appropriateness of LEI Certification Scheme in Local Conditions

Local condition	Appropriateness	Remarks
Different silvicultural systems (natural and plantation) and scales of FMU	Appropriate	The LEI system has two different standards for natural forest and plantation certification. LEI has specifically developed certification for community-based forest management which represents different silvicultural system and scale of management from concessions
Economic	Appropriate	Supporting structures for the implementation have been locally based.
Social	Appropriate	LEI system has local-specific conditions involving identification of social typology of FMUs that determines the social indicators' thresholds in certification decision making.
Environmental	Appropriate	Similar to the social aspects, the local environmental specific conditions have been identified in the FMU typology.
Institutional	Appropriate	There are several bodies with different roles supporting the implementation of LEI certification system (see chapter 7).

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES

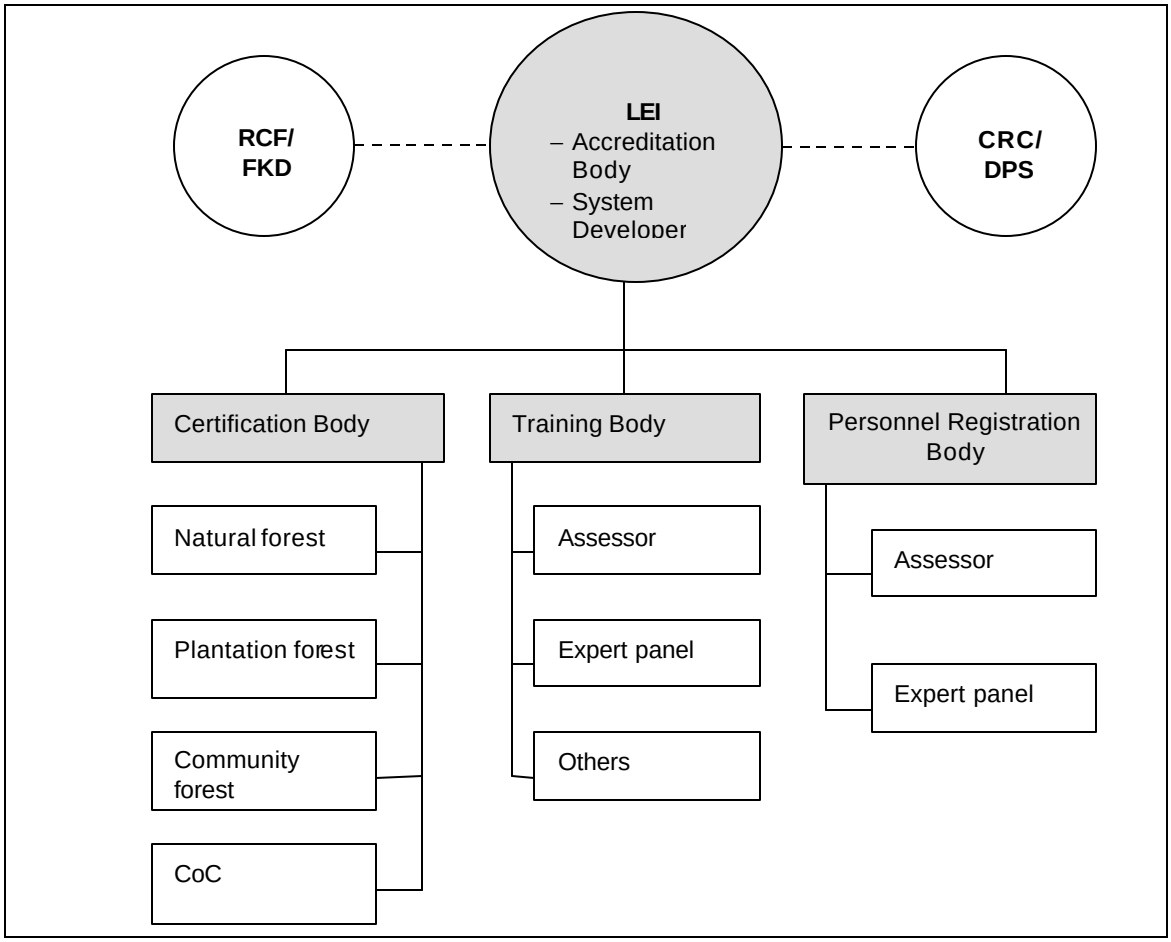
The institutional structure of LEI certification system was developed to provide a transparent, participative and democratic process of certification. The structure is shown in Figure 7.1.

The roles of each unit are:

a. Regional Communication Forum (RCF/Forum Komunikasi Daerah). A multi-stakeholder forum at regional level serves as a consultative forum on natural resource issues in the region. The establishment of RCF was initiated by LEI but it is not its organizational body. The membership is not permanent and it consists of NGOs, government and business sector. During the certification process the forum facilitates a public consultation meeting together with the certification body (CB) and proposes candidates for expert panel members in decision-making on CB certification. Currently there are 14 RCF established in 14 provinces.

b. Lembaga Ekolabel Indonesia (LEI). The executive body of LEI serves as a certification system governing and accreditation body that accredits certification bodies, training bodies and personnel registration body.

Figure 7.1 Institutional Structure of LEI Certification System



c. Certification Review Council (CRC/Dewan Pertimbangan Sertifikasi) is a body established to conduct dispute resolution on certification decisions. The members of CRC are elected by each chamber of LEI constituencies.

d. Certification Bodies. LEI's accredited independent bodies are eligible to provide certification services to forest management units and timber product manufacturers under the LEI certification system.

e. Training Body provides training services on forest certification, field assessment, decision-making process as well as CoC certification.

f. Personnel Registration Body carries out registration and updating of records on personnel whose competence and eligibility have been established to conduct certification.

8. LEGAL ISSUES

The legal basis of Indonesian forestry management is the Forestry Act 41 (1999). The principles of forest management include sustainability and benefits, nationality, fairness, participation, openness and synergy. The aim of forest management is to maximize the people's well-being that is fair and sustainable through the following measures:

a. ensuring the existence of forests with adequate areas and proportional distribution

b. optimizing the variety of forest functions including conservation, protection, production to generate environmental benefits, and to maintain social, cultural and economic functions in a balanced and sustainable manner

c. enhancing watershed carrying capacity

d. strengthening the capacity and empowerment of community participation in a fair and environmentally benign manner which can create social and economical resilience as well as to contain impacts of external changes, and

e. ensuring fair and sustainable benefit distribution.

To achieve sustainable forest management the government of the Republic of Indonesia has set up five priority policies: (i) curbing illegal logging, (ii) forest fire control, (iii) restructuring forest-based industries, (iv) establishment of forest plantations and reforestation, and (v) decentralizing forestry the sector. The government has also supported voluntary certification as a strategic action to achieve SFM by a Ministerial Decree on assessment of forest management unit performance by independent assessment body verified by the MoF. Even though this assessment is conducted in a mandatory way and it is focused on the fulfilment of government regulations it has given positive impacts for certification as well. Compliance with the government regulations is important in certification and there are advantages as legal compliance is assessed using an almost similar assessment tool to that of voluntary certification. Mandatory external assessment can be considered as a preparatory phase if the FMU wants to implement voluntary certification.

9. ECONOMIC INCENTIVES AND IMPLICATIONS

In pursuing certification, concessionaires experience significant additional costs associated with the improvements of their forest management practices. These costs vary depending on the complexity of measures to be improved. As an example, Diamond Raya Timber (DRT) has spent a large amount of money to secure the area from illegal logging activities. Another certified company PT Sumalindo Lestari Jaya (SLJ) reported that the additional cost was mainly due to harvesting activities which are difficult due to topography in its working area (Muhtaman & Prasetyo 2006).

In Indonesia, apart from community-based forest management, the certified FMUs are holding companies that are integrated with timber processing industry such as plywood, furniture, mouldings, finger-jointed timber and pulp and paper (especially from plantation forest). The revenue from selling logs to the same group's subsidiary company does not cover all the additional cost of certification. Hence the forest management units do not gain direct economic benefit from certification which is reaped by the processing industry (Mujijat 2007). In the case study of Diamond Raya Timber, Astana (2006) reported that there is actually no direct cash benefit of forest certification to FMU. The only direct benefit is the share of the increased product price and volume as a result of CoC certification of which only a part is distributed to the FMU to cover additional costs of SFM. Unfortunately, the FMU's share of the total revenue is always allocated with the principle of "zero balance" as otherwise the FMU would not be sustainable.

Benefits of certification come from government incentives. Astana (2006) reported that DRT is allowed to 'self-approve' their own annual plan, that normally has to be approved by the government. In addition the company is not affected by the national soft-landing policy, i.e. reduction in national log production (5.7 mill. m^3 in year 2004). However, Suparna (2007), argues that 'self approval' is not an incentive as it is the forest management unit's responsibility to manage their forest sustainably. In principle, an incentive should therefore be beyond the legal obligation.

Even though the economic incentives of certification are not yet reaped by community-based FMUs, there are significant positive impacts such as: (i) improved institutional status of community-based FMU, (ii) improved forest management techniques, (iii) improved local log trade supply chain, and (iv) high log price. Economic benefits are not, however, significant due to small quantity produced by community forest (Wijaya 2007).

10. RECOMMENDATIONS

In general, there are high expectations related to forest certification to make a significant contribution to improving forest management practice in Indonesia. Key recommendations to make certification more effective include:

1. Promotion of LEI. LEI should improve communication and promotion in the international market. Cooperation with internationally recognized organisations on certification, translation of LEI's documents and publications, and affiliation with recognized accreditation bodies are strategic steps to be taken.
2. Raising awareness among national stakeholders. There is an indication that the public has excessive expectations on certification and assumes all the forest-related problems can be solved by certification. This impedes forest managers to apply for certification and makes them hesitant to have external review of their management practice if it is going to be published.
3. Strengthening and monitoring of certification bodies. In spite of Indonesia having large and remote forest areas, it is important to have effective consistent monitoring to ensure that the certification process is properly conducted.'
4 National public procurement policy. Since the domestic market of timber is significant, it is necessary for government to set up a national-level public procurement policy promoting the use of certified timber. It would also help strengthen confidence in the forest business which in the recent decades has collapsed due to negative perception of unsustainable forest management.
5. Improved government incentives to certified forests. A large portion of the price premium of timber products goes to timber manufacturers, while the FMUs that have to bear additional cost receiving less. This imbalance should be improved by providing more incentives to forest management unit. Currently there is no different treatment on certified logs compared to non-certified logs.
6. Considering the strong response to FLEGT-VPA in Indonesia, which requires achievement of legal timber, it is necessary to have a strategic approach to push the verified FMUs forward to become SFM certified. The NGO network could contribute to the monitoring of legal compliance assessment. The achievement of SFM should continue to be based on certification for credible market communication

Reference

ASEAN, (2007). Report of The Sixth Meeting of The *Ad-Hoc* Working Group on A Pan Asean Timber Certification Initiative, ASEAN Secretariat, Jakarta.

Astana, Satria, (2006). Case Study on Indonesia, PT. Diamond Raya Timber.

DTE, (2006). Indonesia's Forestry Congress IV: hope and reality. Available at http://dte.gn.apc.org/71ifo.htm

Elliott, Christopher. 2000. "Forest Certification: A Policy Perspective." Bogor, Indonesia: CIFOR.

FAO, 2006. State of the World Forest (2005), Available http://www.fao.org/documents/

Hinrichs and Prasetyo, (2006). Forest Certification Credibility Assessment in Indonesia Applying the Forest Certification Assessment Guide on National Level. WB/WWF.

ITTO, 2006. Status of Tropical Forest Management 2005. ITTO. Yokohama. Japan

LEI, (1998). Naskah Akademik Sistem Sertifikasi PHPL (Academic Paper of SFM Certification System, LEI, Jakarta

LEI, (2004). Memoar Satu Dekade Pergulatan Sertifikasi di Indoesia, LEI, Bogor.

Meidinger, Elliott and Oesten (Eds.) 2003. The Fundamentals of Forest Certification, in *Social And Political Dimensions Of Forest Certification*.

MoF, (2005), Rencana Pembangunan Jangka Panjang Kehutanan, Jakarta

MoF, (2005). Pers Release No : S. 30 /II/PIK-1/2005

Muhtaman and Prasetyo, 2006. Forest Certification in Indonesia, in *Confronting Sustainability: Forest Certification in Developing and Transitioning Countries, Benjamin Cashore, et al. (eds), Yale School of Forestry and Environmental Studies.*

Setyarso, Agus, (2007). Telaahan Sistem Monitoring dan Penyempurnaan Internal Monitoring pada Unit Manajemen Hutan. MoF, Jakarta

WWF Indonesia, (2007). Nusa Hijau, available at http://www.wwf.or.id

Interviewed persons

a. Arus Mujijat, Director of PT. Diamond Raya Timber
b. Nana Suparna, Director of APHI (Association of Forest Concession Holders of Indonesia)
c. Nurcahyo Adi, Head of Nusa Hijau Programme of WWF Indonesia
d. Taryanto Wijaya, Deputy Director of PERSEPSI, an organization assisting community-based FMU in Central Java.
e. Taufiq Alimi, Director of Lembaga Ekolabel Indonesia

ANNEX VI

Country Case Study

MALAYSIA

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS II

1. INTRODUCTION 1

2. DRIVERS OF FOREST CERTIFICATION 2

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS 3

3.1 Milestones 3
3.2 Other initiatives 5
3.2.1 Malaysia Forest Trade Network 5
3.2.2 FSC National Initiative 5
3.2.3 PAN ASEAN Timber Certification Initiative 5

4. INTERNATIONAL RECOGNITION AND COOPERATION OF MTCC SCHEME 6

4.1 Recognition 6
4.2 MTCC's Cooperation with PEFC 7

5. PROBLEMS AND ISSUES ENCOUNTERED 7

5.1 Standard Setting 7
5.2 Certification Process 7

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS 8

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES 8

8. LEGAL ISSUES 9

9. ECONOMIC INCENTIVES AND IMPLICATIONS 10

10. RECOMMENDATIONS 10

List of Tables

Table 3.1 Key Milestones in Malaysian Forest Certification Development 4
Table 3.2 Certified Forests in Malaysia 4
Table 3.3 CoC Certified Timber Product Manufacturers 4
Table 3.4 Malaysian Forest Trade Network Participants 6
Table 6.1 Appropriateness of the MTCC Certification Scheme to Local Conditions 8

List of Figures

Figure 3.1 Export of MTCC Certified Products 5

ABBREVIATIONS AND A CRONYMS

BOT	Board of Trustees
CB	Certification Body
CPET	Central Point of Expertise on Timber
DEFRA	Department for Environment, Food and Rural Affairs
DSM	Department of Standards Malaysia
EU	European Union
FLEGT	Forest Law Enforcement Governance and Trade
FMP	Forest Management Plan
FMU	Forest Management Unit
FSC	Forest Stewardship Council
GDP	Gross Domestic Product
GFTN	Global Forest & Trade Network
GIS	Geographic Information System
ha	hectare
IPF/IFF	Intergovernmental Panel on Forests and Intergovernmental Forum on Forests
ITTO	International Tropical Timber Organization
JOANGOHutan	Indigenous Peoples and Non-Governmental Organisations on Forest Issues
JOAS	Jaringan Orang Asal SeMalaysia
Malaysia FTN	Malaysia Forest and Trade Network
MCAI	Mean Current Annual Increment
MTCC	Malaysian Timber Certification Council
NCR	native customary rights
NFP	National Forestry Policy
NGB	National Governing Body
NGO	Non-governmental organisations
NLC	National Land Council
NSC	National Steering Committee
NTCC	National Timber Certification Council, Malaysia
PFE	Permanent Forest Estate
PITC	Perak Integrated Timber Complex
RCOC	Requirements for Chain of Custody Certification
RIL	Reduced Impact Logging
SFM	Sustainable Forest Management
SFMLA	Sustainable Forest Management License Agreement
UNCED	United Nations Conference on Environment and Development (
USA	United States of America
VPA	Voluntary Partnership Agreement
WWF Malaysia	World Wide Fund for Nature Malaysia

1 INTRODUCTION[6]

The total land area of Malaysia is approximately 32.86 million hectares of which 20.89 million hectares (63.60 %) is forest land (FAO, 2007). The country comprises Peninsular and East Malaysia separated by the South China Sea. Peninsular Malaysia comprises eleven states and two Federal Territories, and East Malaysia consists of two large states; Sabah and Sarawak and one Federal Territory. From the total forest land area, 14.59 million hectares are designated as Permanent Forest Estate (PFE) or permanent reserved forest of which 11.38 million hectares are production forests and 3.21 million hectares are protected forests (ITTO 2006). All forestlands in Malaysia are owned by the government, except for a few thousand hectares of plantation forests which are privately owned. Although the management of all natural forests is under the purview of the respective state departments of forestry, state governments do award long-term concessions of various lengths to integrated timber companies (Shahwahid 2006).

Malaysia is a major tropical timber producer which exports its timber products to countries such as China, Japan and Korea, Europe and USA. In the light of shifting paradigms in forest management, post-United Nations Conference on Environment and Development (UNCED) 1992, that requires internalisation of environmental and social aspects in forest management through forest certification, customers mainly in developed countries have started to demand certified timber. Forest certification has become a new tool to promote sustainable forest management by linking market interest to the practice of forest management.

In October, 1998 the National Timber Certification Council, Malaysia (NTCC) was established following discussions held among representatives of, timber industry, non-governmental organizations (NGOs), academic/research and development institutions and government agencies. The NTCC was later renamed as the Malaysian Timber Certification Council (MTCC). In January 1999 work started to develop a forest management standard for the natural forest in Malaysia. MTCC is governed by a Board of Trustees (BOT). Its members are representatives of timber industry, academic/research institutions, non-governmental organisations (NGO) and government agencies. After the national-level consultations in October 1999 the forest certification standard was formulated as the *Malaysian Criteria, Indicators, Activities and Standards of Performance for Forest Management* (MC&I 2001) based on the 1998 ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests. Later on a new certification standard was formulated by a multistakeholder National Steering Committee (NSC) which was formed following the FSC-MTCC Workshop on Forest Certification held in December 2000. In October 2002, following national-level consultations, the new standard (MC&I 2002) was adopted. This new standard uses the FSC Principles and Criteria as its template. In August 2004 MTCC also issued the *Requirements for Chain of Custody Certification (RCOC)* as the standard for CoC certification.

At present, two certification schemes are operating in Malaysia; FSC and MTCC. The first FSC certificate was issued in September 1997 for Deramakot Forest Reserve, Sabah, and the company was recertified in 2003.

The MTCC scheme started its operation in October 2001 using a phased approach due to complexities encountered in the tropical forest management. Currently there are nine Forest Management Unit (FMU) certified covering 4.73 million hectares or 33 % of the total Permanent Forest Estate. There are also 104 timber product manufacturers or exporters holding CoC certificates under the MTCC scheme.

The following sections examine the issues related to the development and implementation of forest certification in Malaysia.

[6] The study involved conduction of literature review, stakeholders meeting in Kuala Lumpur on August 7, 2007 attended by 20 participants (list of participants attached), internet search and interviews on the subject matter.

2. DRIVERS OF FOREST CERTIFICATION

Forest certification has been driven by both external and internal factors.

a. External

Market demand: Malaysia's tropical timber sector generated about 5.3% of GDP in 1996 which declined to 4.4% in 2000 (ITTO 2006). Export market demand is the main external driver for certification (Young (2002) in Shahwahid (2006)) The Federal Government has taken serious efforts to address the need to manage the forest resources in a sustainable manner, including certification as a tool to provide assurance that the timber products have been manufactured using raw material from sustainable sources.

Another factor is market requirements related to illegal logging and good governance in the forestry sector, for example, under the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of the European Union. According to a joint statement issued in September 2006, the exploratory consultations with the European Commission on a EUFLEGT Voluntary Partnership Agreement (VPA) will be elevated to formal negotiations.

There is also pressure from NGO to address social and environmental issues related to forest management.

Financial institutions have also shown increasing interest in opportunities, but also concern about the issues related to by sustainable forest management.

b. Internal

Malaysia has reached a level of development where people search for more quality of life and consider environment an important factor in their choice of products.

Strong support from government Even though forest certification is voluntary and involves third party, the Malaysian government has been fully involved in development of forest certification. This has ensured: (i) consistency of criteria and indicators applied, (ii) balance in the views of the different parties involved, (iii) greater accountability to the public, and (iv) greater transparency in the scheme (Shahwahid, 2006).

In the case of Sabah, without political commitment from state leaders, the concept of Deramakot Forest Reserve could not have been expanded to other areas of the state, manifested in the long term Sustainable Forest Management License Agreement (SFMLA) policy launched in September 1997 (Lagan, et al. 2002).

Cooperation and support from timber industries which recognized certification as a means to demonstrate and inform consumers that their timber products come from well-managed forests, thereby ensuring their market access.

Products which have been certified so far are logs, sawntimber, mouldings, laminated finger-jointed timber and plywood. Some of these products are also covered in the EU FLEGT process and the VPA between the EU and partner countries.

Malaysian stakeholders feel that there are many challenges in the implementation of certification, e.g. changing the mindset of the operators on the ground, improving harvesting techniques to comply with certification standard, and costly measures to minimize damage in logging. In addition, not all FMUs are ready for certification. There are also financial and capacity constraints in carrying out forest assessments. Certification is perceived as a complex and costly process. Hence Malaysia is also committed to work on the FLEGT-VPA. The aim is to conclude the VPA by December 2007.

The network of Indigenous Peoples and Non-Governmental Organisations on Forest Issues [7] has identified the key principles to be considered in the Malaysia-EU-FLEGT-Voluntary Partnership Agreement. These emphasize consultation and engagement of stakeholders, reforms in forest governance and legislation, definition of legality, independent third-party assessment, strengthening of

[7] JOANGOHutan and the Indigenous Peoples' Network of Malaysia (Jaringan Orang Asal SeMalaysia JOAS

enforcement capacity. These principles may later on have implications for the development of certification in the country if they lead to adjustments in the certification standard when it is revised in due course. .

In the improvement of legality of logging, the verification issue has been in the VPA focus. Malaysian stakeholders have still differing views ranging from optimistic to sceptic. The optimistic view assumes that legality verification scheme will be positive since legality is the first step of forestry certification and a key element of SFM. On the other hand, the sceptic view is that the demand for legal logging reduces the certification standard and may also undermine the interest in certification. But legal timber has not yet been adequately defined which will influence on the impact of the VPA and its relationship with the national certification standard.

The Malaysian forestry certification standard development has been supported by all stakeholders including the government, timber industry, academic/research institutions, NGOs and donor countries. NGOs like WWF Malaysia consider certification a tool to demonstrate good forest management. Indigenous people organizations consider certification a means to gain recognition of their customary rights on forestland (Shahwahid 2006).

It is difficult to identify any policy changes in forest utilisation as a direct result of forest certification. However, Shahwahid (2006) observed that the advent of certification has obviously shaken the power dynamics within forestry circles. Forest policy, authority and decisions over forest practices have always been the domain of the governments and forestry departments. The onset of certification programmes necessitates a change in approach for forest management and development. Despite the focus and determination to improve forest management practices, the controversies on the MTCC scheme have demonstrated that NGOs have a strong influence on market endorsement. Some NGOs have questioned the credibility of MTCC's standards as an assurance of SFM. On the other hand, forest certification has had a positive impact on forest management at FMU level, mainly in forest harvesting techniques, changes of operators' mindset on the ground, and use of improved equipment, which can comply with the environmental requirements.

3. EVOLUTION OF FOREST CERTIFICATION AND CURRENT STATUS

3.1 Milestones

As described above, the development of the national forestry certification system in Malaysia began in 1998 with the formation of the NTCC. This initial phase of certification was mainly motivated by sustainable and economically viable timber production and environmental concerns. Social considerations at that early stage were given less emphasis. Hence, the MC&I were based on the ITTO's C&I (Shahwahid 2006). The issue of social aspects was given greater emphasis in the formulation of the new standard based on the FSC Principles and Criteria. Key milestones in forest certification development are depicted in Table 3.1.

The first forest certification, Deramakot Forest Reserve under the FSC scheme, was implemented within the Malaysian-German Sustainable Forest Management Project in 1997. The Reserve belongs to Sabah Forestry Department covering 55,083 ha.

The MTCC scheme implementation started in September 2001 using the MC&I(2001). Currently there are nine natural forest management units covering 4.73 million hectares certified under MTCC scheme (Table 3.1). MTCC has certified 104 manufacturers/exporters mostly sawmills, plywood mills and moulding plants (Table 3.3). As a result, the export of certified products from Malaysia has significantly increased since 2002 (Figure 3.1). Since October 2005, the certified FMUs have been assessed against the requirements of the MC&I 2002.

Table 3.1 Key Milestones in Malaysian Forest Certification Development

Date	Activities	Major outcomes
October 1999	National-level consultation	Formulating Malaysian Criteria, Indicators, Activities and Standards of performance for forest management certification (MC&I 2001)
December 2000	FSC-MTCC workshop on forest certification	- A statement of NGO Concerns' proposed by social-environmental NGO being clarified - Agreement to form a National Steering Committee (NSC) to discuss the terms and condition for further MTCC-FSC collaboration
April 2001	1st NSC meeting	Mainly on procedural aspect
October 2001	Operation of MTCC scheme	Forest management standard – MC&I 2001 (based on ITTO Criteria and Indicators) CoC standard – Requirements and Assessment Procedures for Chain-of-Custody Certification (RAP/COC)
April - July 2002 October 2002	Regional consultation (MC&I 2002) National-level consultation (MC&I 2002)	Identified appropriate verifiers for respective indicators for Sabah, Sarawak and Peninsular Malaysia Finalised the consolidated document for three region before adopted as MC&I 2002.
Feb – May 2004	Field test of the MC&I 2002 in Sabah, Peninsular, Sarawak	Since then the MC&I 2002 adopted and being used for certification of natural forest within Permanent Reserved Forest under the MTCC scheme
August 2004	National stakeholder consultations on new CoC standard	Formulation of new CoC standard, the Requirements for Chain-of-Custody Certification (RCOC)
April 2005	Use of RCOC	All CoC assessments based on RCOC
January 2006	Formation of Technical Working Group (TWG)	To draft standard for certification of forest plantations [MC&I (Forest Plantations)]
April-June 2007	National level consultation	Public comments on the draft MC&I (Forest Plantations)

Table 3.2 Certified Forests in Malaysia

FMU	Area (ha)	Certification scheme
Deramakot Reserved Forest (Sabah)	55,083	FSC
Pahang FMU	1,524,132	MTCC
Selangor FMU	233, 781	MTCC
Trengganu FMU	535,929	MTCC
Johor FMU	356,922	MTCC
Kedah FMU	344,530	MTCC
Perak FMU	884,205	MTCC
Negeri Sembilan FMU	165,639	MTCC
Kelantan FMU	629,687	MTCC
Selaan-Linau FMU (Sarawak)	55,949	MTCC
Total	4,785,857	

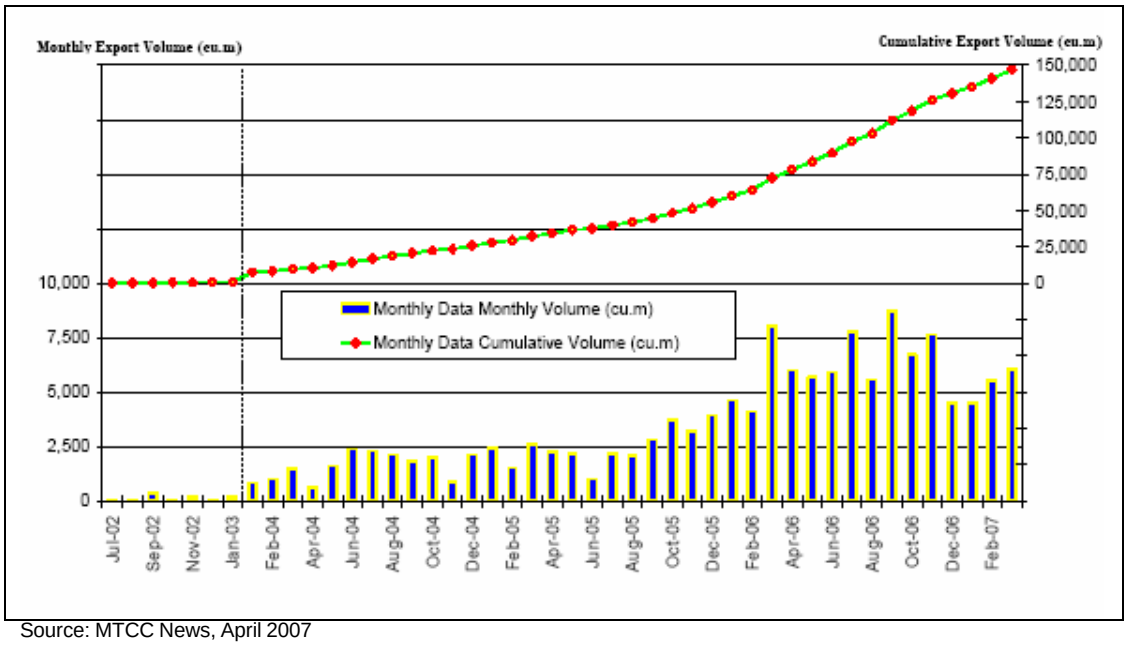
Source: MTCC Annual Report 2005 and Deramakot RF 2007

Table 3.3 CoC Certified Timber Product Manufacturers

Type of timber product	# of CoC holders
Sawn timber	70
Plywood	11
Logs	1
Dressed timber (S4S timber)	8
Solid wood moulding	20
Finger-jointed/laminated moulding	5
Finger-jointed timber	4
Furniture and furniture components	7
Picture frame	2
Flooring (including parquet)	5
Door and window components	7
Laminated veneer	2
Sliced laminated veneer	1
Veneer	1
Laminated timber	4
Builders' carpentry and joinery	1
Sawmill off-cuts	1

Note: some of CoC holders produce more than one product
Source: MTCC 2007

Figure 3.1 Export of MTCC Certified Products



Source: MTCC News, April 2007

3.2 Other initiatives

3.2.1 Malaysia Forest Trade Network

There are two main problems related to forest certification. In the case of some FMUs, the actual condition may be far from what is required by the standard and there may be a lack of capacity to improve forest management. WWF Malaysia has taken action to promote SFM through the Malaysia Forest and Trade Network (Malaysia FTN)[8], as part of WWF's Global Forest & Trade Network (GFTN) initiative. The mission is to promote responsible forestry and procurement of timber products and to facilitate market links between buyers and producers who are committed to responsible forestry through four activities: (a) identify and recruit forest managers, (b) identify and recruit trade participants, (c) capacity building of participants on responsible sou rcing and management, and (d) assistance to creation of market links. Currently there are seven timber product exporters and one forest management unit participating in the network (Table 3.4). There are also another two potential exporters and five FMUs intending to joint the network.

3.2.2 FSC National Initiative

Besides supporting national certification under MTCC, the multistakeholder NSC also facilitated the establishment of FSC Malaysian National Initiative. A private non-profit body has been established to take lead in this process. The intention is to obtain FSC endorsement of the national initiative and to adjust the current standard to become accredited by FSC.

3.2.3 PAN ASEAN Timber Certification Initiative

PAN ASEAN Timber Certification Initiative is an initiative to support the implementation of timber certification among the ASEAN countries. The ASEAN member countries realize the difficulties of implementing forestry certification because managing tropical forest is complex. Hence a phased approach in certification schemes has become an important issue in *PAN ASEAN Timber Certification Initiative* meetings. The participants have agreed on the following six principles for phased approach to certification:

[8] Formerly known as Kumpulan Khazanah Hijau or KKH.

- Clear goal: Full certification on SFM should be the ultimate goal of the phased approach to forest certification; all phases should lead to SFM.
- Clear standard: FMUs should use a standard for SFM certification based on widely accepted principles and definitions.
- Clear threshold: A minimum requirement should be adopted as a condition of eligibility to enter a phased approach process. Legal compliance must be the minimum requirement.
- Clear phasing (number of phases, milestones, schedules, action plans): Number of phases and a time table for each phase within the phase approach program should be determined for each FMU and implemented.
- Time limit: there should be a maximum time limit of five years for reaching full certification.
- Clear communication on consequences: Incentives, rules and measures should be determined and accordingly communicated. If milestones could or could not be accomplished as scheduled, the reasons should be communicated.

Table 3.4 Malaysian Forest Trade Network Participants

Participants	Date of participation
Exporters	
Raya Intan Sn. Bhd.	June 2007
Anco Furniture Sdn. Bhd.	April 2007
Cymaco Plywood Sdn. Bhd.	March 2007
Test Rite Pte.Ltd.	March 2007
World Zone (Malaysia) Sdn. Bhd.	March 2005
Borneo Tsang Furnishing Sdn. Bhd.	August 2004
Inspiration Furniture Sdn.Bhd	May 2004
FMU	
Sabah Forestry Dept. FMU 17 A (50,020 ha)	May 2007

Source: WWF Malaysia, 2007

4. INTERNATIONAL RECOGNITION AND COOPERATION OF MTCC SCHEME

4.1 Recognition

As a result of promotion and publicity programmes carried out, a number of authorities and organisations, particularly in the key markets of Malaysian timber products, have accepted of recognized the MTCC certified products (MTCC, 2007):

a) The Government of Denmark has included the MTCC scheme as one of the accepted schemes in its public procurement policy.

b) Seven certified FMUs and 26 MTCC CoC certificate holders have been accepted under Keurhout Protocol for Legal Origin in the Netherlands.

c) The United Kingdom, Central Point of Expertise on Timber (CPET), has concluded that the MTCC certificate provides the assurance of legally harvested timber.

d) The Royal Horticultural Society of UK has listed MTCC as one of the seven recognized certification schemes in its *Conservation and Environment Guidelines*.

e) The French Ministry of Environment and Sustainable Development and the Ministry of Agriculture, Food and Rural Affairs have listed MTCC as one of the acceptable certification schemes in the *French National Timber Procurement Policy*.

f) MTCC has been listed as one of the accepted certification schemes in the Guideline for Verification on Legality and Sustainability of Wood and Wood Products issued by the Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan.

4.2 MTCC's Cooperation with PEFC

MTCC is a member of Programme for Endorsement of Forest Certification schemes. Currently MTCC is making preparations to submit its scheme for endorsement and inclusion in the PEFC framework for mutual recognition of certification schemes.

5. PROBLEMS AND ISSUES ENCOUNTERED

5.1 Standard Setting

The multistakeholder consultation process on certification standard under MTCC is done at two levels (regional and national). However, the issue of social stakeholder group involvement has become an important issue for MTCC. In the consultation process on the draft standard in December 2000, the social NGOs expressed their dissatisfaction for not being consulted in decision making on collaboration with the FSC. In September 2001, some social NGOs withdrew from the involvement and endorsement of MTCC/MC&I process. The NGOs feel that a number of fundamental demands need to be addressed before any credible and effective certification scheme can be put in place. Many of these demands revolve around the decision-making process affecting the community's customary land and forest use rights. This issue is in the domain of state constitutions and beyond that of MTCC. (Shahwahid 2006). However, there have been several formal and informal communications by NSC to get these social NGOs to rejoin the process. The NSC has continued to keep them informed on the progress and in the NSC's work the door is open for them to rejoin the process (MTCC, 2007).

The other issue is different forestry regulations in states. The Malaysian government system is federal and forestry is under the jurisdiction of the respective state government. Each state is empowered to enact laws on forestry and to independently formulate forestry policies. Each state has its own forestry department and institutions to implement forestry policies. The executive authority of the federal government only extends to the provision of advice and technical assistance to the states, training, conduct of research and in maintenance of experimental and demonstration stations. As a consequence, the definition of verifiers of the MTCC standard is a complex task.

On the other hand, the important role of the National Forestry Council is acknowledged; it meets annually and is chaired by the Deputy Prime Minister, to coordinate policies, administration and management of forests, among the States.

Verifiers of MTCC certification standard are input oriented (e.g. existence of specific regulation or guidelines, existence of records of activities) and not focused on minimum performance as a result of those activities.

5.2 Certification Process

Typical major corrective action requests in certified forests under MTCC certification during implementation period of 2001-2004 include[9]:

- Lack or unclear estimates of the level of sustainable harvest for each main wood and non-wood forest product by forest type; lack of demonstration that the annual volume removed is less than the stated Mean Current Annual Increment (MCAI) or as described in the Forest Management Plan (FMP).
- Lack of evidence on implementation of forest management plan and forest harvesting plan. Generally, the lack is related to yield estimates which are the core elements of forest management plan. In addition, there have been cases of lack of detailed requirement in the forest management plan concerning Reduced Impact Logging.
- In some FMUs there has not been evidence of availability and implementation of guidelines for forest road planning, including drainage requirements and conservation of buffer strips along streams and rivers. Inadequate compliance has also been observed in road specification,

[9] Based on *Public summary audit reports, available at www.mtcc.com.my*

especially for camber, side drainage, erosion control, earthwork and slope protection as well as excessive blaming of skid trails.

– Availability and implementation of harvesting procedures to protect the soil from compaction by harvesting machinery and from erosion during harvesting operations. The construction of the skid trails has not always adhered to the specifications of RIL. The skid trails have sometimes exceeded the stipulated length of 1 km, with steep and high embankments.

Since 2004 improvements in the management system of FMUs have taken place to fully comply with the certification requirements.

6. APPROPRIATENESS OF CERTIFICATION SYSTEMS

The MTCC certification system has significantly improved forest management in Malaysia. The standard is widely applicable in the local context, including policy framework as well as social conditions, economic, environmental and institutional aspects. The MTCC certified area covers 33% of the total Permanent Forest Estate. Nevertheless, in the consultant's view, some aspects of the MTCC scheme implementation still need revision, e.g. transparency, governance and assessment procedures. According to stakeholders interviews, the transparency issue has several aspects: (a) how the certification decision is made by the MTCC committee based on the assessor's report, (b) how the community in the area of FMU or its surrounding gets information about the certification process of the FMU, (c) what mechanism was used to convey their concerns to be addressed in the assessment of forest management operation affecting them, and (d) how the disputes on the certification decision were handled. Concerning the assessment procedure, there is probably a need for guidance to auditors on how various indicators should be assessed to reduce the subjective element in evaluation. Table 6.1 shows the consultant's assessment of the appropriateness of the MTCC certification scheme to local conditions.

Table 6.1 Appropriateness of the MTCC Certification Scheme to Local Conditions

Local condition	Appropriateness	Remarks
Permanent Forest Estate (PFE)	Appropriate	Forest management in production forest of PFE planned on a sustainable basis. Forest management unit must develop Forest Management Plans (FMPs) approved by the respective state forestry departments
Economic	Appropriate	Supporting structures for the implementation have been locally based. The cost of certification is competitive because of the use of local certification bodies.
Social	Appropriate	Need for further intensive dialogues amongst stakeholders to resolve issues on indigenous customary rights preventing full confidence and support from social stakeholders.
Environmental	Appropriate	Need for revision of regulations on the scope of environmental impact assessment in forest management operations
Institutional	Appropriate	MTCC has designed a new institutional arrangement in which it will continue to serve as the National Governing Body, and the roles of accreditation and certification body will be taken over by the Department of Standards Malaysia and the independent assessors, respectively.

7. AVAILABILITY OF ACCREDITATION AND CERTIFICATION SERVICES

Implementation of the MTCC scheme is supported by the availability of 10 registered assessor companies for FMU certification and 12 for CoC certification. Six CoC certification bodies also carry out FMU certification. To be registered as an independent assessor body, companies or organisations have to comply with the Terms and Conditions for Registration of Assessors defined by the MTCC.

The registration procedures for certification bodies, or auditors under the MTCC scheme are as stipulated in the *Terms and Conditions for Registration of Assessors* as contained in the document entitled *Procedures in MTCC Timber Certification Scheme*. Under these procedures, the certification has to be carried by a certification/assessment institution using personnel who are independent and

have necessary qualifications. Verification of institutional competence covers provision of certification services independently, transparently, effectively and having an ability to handle complaints and keep records as well as to provide publicly accessible information on certification. It is necessary to ensure that control of certification holders can be done continuously by the certification body. Registration of competent auditors is also important to prevent inappropriate interpretations during assessment work.

To address these problems, MTCC has discussed the matter with the Department of Standards Malaysia (DSM), the national accreditation organization, with the purpose of developing an accreditation program for forest management and chain-of-custody certification to be run by DSM. This would enable MTCC to retain its role as the National Governing Body (NGB) for the scheme. MTCC's role as certification body (CB) would be taken over by the CBs accredited by DSM.

The enhancement of national capacity for certification implementation under the MTCC scheme was necessary for ensuring a smooth transition in the use of the *MC&I* (2002). In 2005, MTCC conducted various briefing sessions both for the FMU managers (staff of the regional Forestry Departments and timber concessionaires) as well as assessors and peer reviewers. In addition, MTCC also conducts training programmes periodically for individuals who wish to be registered as auditors under the MTCC scheme.

8. LEGAL ISSUES

The national forestry policy framework of Malaysia has been designed to achieve sustainable forest management. It was expressed in the National Forestry Policy (NFP) in 1978. The NFP was revised in 1992 to strengthen the management, administration and development of the forestry sector. The main objectives of the NFP are: (a) to conserve and manage the nation's forest based on the principles of sustainable management, (b) protect the environment, to conserve biological diversity, genetic resources and to enhance research and education. (Jaafar 2002). Hence, the forestry programs, projects and activities undertaken in Malaysia include:

- Formulation and implementation of forest management plans that take into account the negative impact of management activities on the environment and the forest ecosystem, and meet the changing societal needs. In this regard, a national forest inventory is carried out for all forest lands every 10 years to determine the status and composition of the resources to support more effective forest management planning.
- Implementation of the MC&I for SFM.
- Assessment of the implementation of the proposals for action of the Intergovernmental Panel on Forests and Intergovernmental Forum on Forests (IPF/IFF).
- A continuous forest inventory carried out on permanent and temporary sample plots on a yearly basis to supply and update the information collected in the national forest inventory that will also further enhance management planning.
- A pre-felling inventory carried out in all areas of the PFE earmarked for harvesting to determine the most effective forest management and silvicultural systems to be applied, and to prescribe priority pre-felling silvicultural operations for natural regeneration through the retention of adequate residual trees of advanced growth.
- Growth and yield studies for the refinement of the growth and mortality rates of forests that are harvested under the various cutting regimes.
- Forest mapping using GIS and remote sensing.
- Change detection using remote sensing techniques to monitor changes that occur within the forests and their surrounding areas, and to classify forest and vegetational strata.
- Resource capability classification to refine the existing forest classification for enhancing SFM practices; establishing forest plantations to alleviate the pressure to overharvest the natural forest.

The legal framework is compatible with voluntary certification although the instrument is not specifically referred to in the legislation.

9. ECONOMIC INCENTIVES AND IMPLICATIONS

Forest certification was established to improve forest management practices by providing economic market incentives. However, Malaysian exporters have not generally received a price premium. Experience from Deramakot Forest Reserve's which is FSC certified showed that there is no premium compared to export prices of logs or log prices in Peninsular Malaysia, with the exception of one species, Selangan Batu[10]. Ironically, the market that offers real premium is Vietnam, one of the poorest countries in the world (Lagan et al. 2002).

This inconsistency has emerged because the real driver of certification is actually NGOs and not the end consumers, so there is no market link with the sales price of certified timber. Importing countries are also ambiguous as they require certified timber from a certain country, while at the same time they also buy logs from another country which does not apply certification (Chew 2007). The Malaysian Wood Moulding & Joinery Council has stated that "it is good for you to be certified but do not expect to be paid more for being certified" (Ng 2007).

On the other hand, there is some evidence on price premium. Perak Integrated Timber Complex (PITC), which produces and exports sawn timber to niche markets requiring FSC labelled products, has received an average price premium of 37%. These higher prices were a result of direct ordering by international manufacturing firms by-passing the mark-up of trade intermediaries (Shahwahid 2006).

10. RECOMMENDATIONS

In a stakeholder meeting especially held to discuss this study, which was attended by 20 participants, the following recommendations were made for improving implementation of certification in Malaysia:

a) *Capacity building:* There is a need to enhance the national capacity for both certification specialists (assessors, auditors, peer reviewers) and forest managers (government forestry officers and forest concessionaires). Continuous training is needed about SFM practices, assessment techniques, global timber market and the government policy related to the forestry sector and certification.

b) *Develop options for rubber plantation certification*. Malaysia is a major rubberwood producer, and needs a mechanism of appropriate certification of well managed rubber plantations.

c) *Creating domestic demand for certified products*. The Government needs to establish policies to create a domestic market for certified timber. This would enhance the confidence in forest managers and manufacturers among domestic consumers.

d) *Create awareness of SFM and forest certification.* Public awareness on SFM and certification is still low and there is a need to take intensive action for raising public awareness, especially among the key stakeholders of forestry sector.

e) *Collaboration with donors in training on conflict resolution.* Lessons from both standard development and certification implementation suggest that there is a need to enhance capacity on conflict resolution. It is recommended to have collaboration with donor agencies to conduct training on conflict resolution.

f) *Academic institutions to include SFM issues in their curricula.* Issues on sustainable forest management and certification should not only be discussed by the forest practitioners but should be addressed in professional education and training. It is recommended that relevant universities adopt the current issues of sustainable forest management in their course programs.

g) *Government leadership.* There is need for Government to take the lead by actively facilitating necessary processes to implement the above recommendations.

Furthermore, forest product buyers should be prepared to pay a premium price for certified timber and the money should be recycled into management of the certified forest (Freezailah, pers. comm.).

[10] Also called balau (*Shorea spp*)

References:

Chew Lye Teng, (2007), during meeting on this study matter, August 7, 2007

FAO, 2006. State of the World Forest (2005), Available http://www.fao.org/documents/

Freezailah Che Yeom. (2007), Chairman of MTCC

ITTO, 2006. Status Of Tropical Forest Management 2005. ITTO. Yokohama. Japan

Jaafar. 2002. Recent Forest Policy Review in Peninsular Malaysia, available at www.fao.org/docrep/003/AB576E/AB576E16.htm

JOANGHutan and JOAS, 2007. Key Principles for The Malaysia-EU FLEGT Voluntary Partnership Agreement. Presentation to the EU FLEGT Delegation. Available at www.illegal-logging.info.Malaysia

Lagan et al. 2002. The Sabah Forestry Department Experience From Deramakot Forest Reserve: Five Years Of Practical Experience In Certified, available at www.deramakot.sabah.gov.my

MTCC, 2006. MTCC Annual Report 2005. available at www.mtcc.com.my

MTCC News, April 2007, available at www.mtcc.com.my

Ng Seng Kian, (2007), during meeting on this study matter, August 7, 2007

Shahwahid, Mohd, 2006. Forest Certification in Malaysia, in *Confronting Sustainability: Forest Certification in Developing and Transitioning Countries, Benjamin Cashore, et al. (eds), Yale School of Forestry and Environmental Studies.*

Salahudin Yaacob, (2007), during meeting on this study matter, August 7, 2007 and personal communication in August 2007

WWF-Malaysia, 2007. Malaysia Forest & Trade Network.