FOREST CERTIFICATION AND STAKEHOLDER PROCESSES

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Aim of the Presentation

- Briefly review some mega-trends facing forests, forest dependent people and the forest based industries that provide the background to issues such as forest certification
- Outline the approaches to forest certifications adopted by the WB-WWF Forest Alliance and the World Bank's Forests Strategy and Operational Policy on Forests
- Highlight some key considerations in relation to stakeholder processes in forest certification.

Some Key Forest Mega-Trends

- The reclamation of communal and tribal forest domains
- Growing demands for forest products, forest services and forest lands
- The end of the global forest frontier and the growing significance of plantations/planted forests
- Dramatic shifts in the centers of forest production and consumption
- Leadership in the transition to sustainability

External Perceptions: Sustainable Forest Management

The forest industry is positively perceived for both the sustainability of its management and for its minimal impact on the environment.

Globe Scan Experts

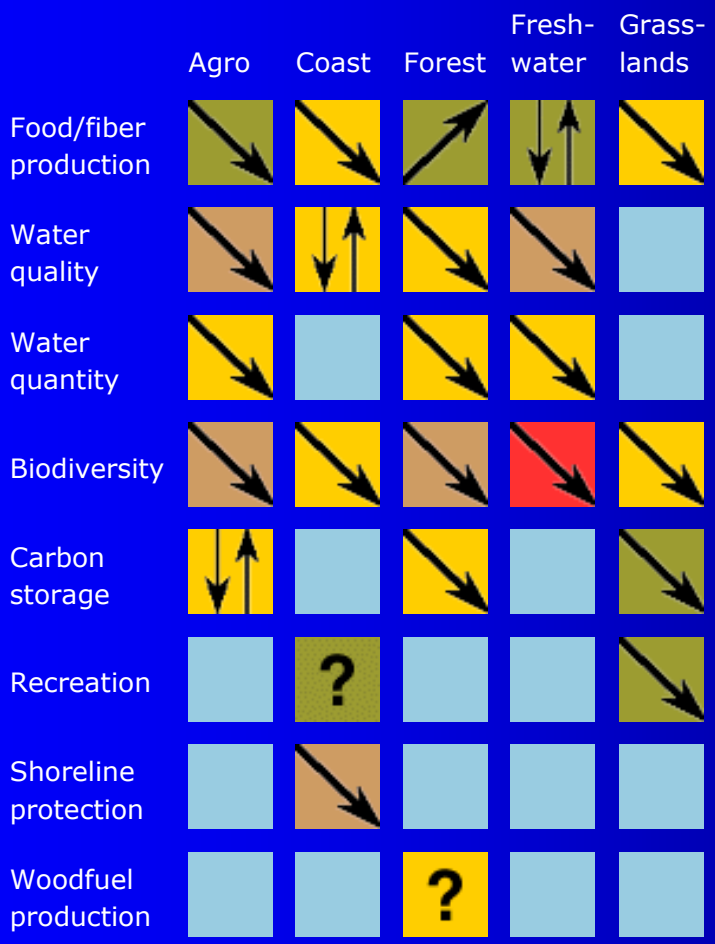
Experts continue to give the forest industry the best rating in managing its transition to Sustainable Development, well ahead of the chemicals, biotechnology, electronics, and auto industries. Despite this top rating, however, less than four in ten experts consider the forest industry to be doing a good job in this regard (Globe Scan, 01-2).

Public Opinion

In 2002, one-quarter of people surveyed across the world think that the forestry industry causes little or no damage. It is considered the third least damaging industry among eight possible choices behind the electricity and agriculture/food industries. People in the **South** believe that the forestry industry is significantly less damaging than do people in the **North**; respondents from Europe are least likely to indicate that this industry causes little or no damage (GIM, 02).

Intensive versus extensive land use: As a way to meet growing consumer demand for both paper products and food, most people favor increasing the use of biotechnology rather than using more natural areas; support is particularly strong in the **South**, especially in China, Indonesia, India, Mexico, and Thailand, but also in the US (IEM, 01).

Worsening Ecosystem Health as an Impediment of Growth and Quality of Life

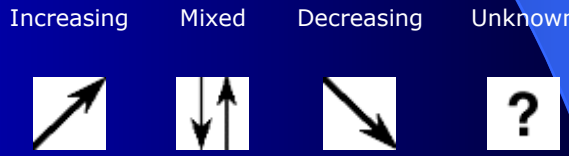


Source: World Resources 2000-2001: People and Ecosystems.

Key

Condition assesses the current output and quality of the ecosystem good or service compared with output and quality of 20-30 years ago.

Changing capacity assesses the underlying biological ability of the ecosystem to continue to provide the good or service.



Scores are expert judgments about each ecosystem good or service over time, without regard to changes in other ecosystems. Scores estimate the predominant global condition or capacity by balancing the relative strength and reliability of the various indicators described in the notes on data quality. When regional findings diverge, in the absence of global quality, weight is given to better-quality data, larger geographic coverage, and longer time series. Pronounced differences in global trends are scored as "mixed" if a net value cannot be determined. Serious inadequacy of current data is scored as "unknown."

WB-WWF Alliance Approach to Forest Certification

- Participation of all major stakeholders in defining FM forest management standards;
- Compatibility between FM standards and globally applicable principles that balance economic, ecological and equity dimensions of forest management; and
- Establishment of an independent and credible mechanism for verifying achievement of these standards and communicating the results to all major stakeholders.

Alliance Principles for Improved Forest Management

- Compliance with all relevant laws;
- Tenure and use rights clearly defined, documented and legally established;
- Indigenous peoples rights recognized and respected;
- Community relations and workers rights maintained and enhanced;
- Multiple forest benefits maintained
- Environmental impacts managed;
- Explicit management plans implemented and updated;
- Monitoring and assessment appropriate to scale and intensity of FM;
- Maintenance of HCVF;
- Consistent plantation management

Alliance Criteria for Certification Systems

- institutionally and politically adapted to local conditions
- goal-oriented and effective in reaching objectives;
- Acceptable to all parties;
- based on performance standards defined at the national level that compatible with accepted SFM principles;
- based on objective and measurable criteria;
- credible to major stakeholder groups;
- decisions free of conflicts of interest;
- cost effective;
- transparent; and
- equitable access to all countries

The World Bank's 2002 Forest Strategy and Policy

DISTINCTIVE FEATURES OF THE WORLD BANK'S 1991 POLICY

- Prohibition on WBG providing finance for commercial logging in "primary" tropical moist forest "*under any circumstances*"
- Philosophical underpinning by "*do no harm*" approach to institutional risk and traditional Protected Areas only model of conservation, and
- Clearly pro-conservation but perceived to be insensitive to development needs and aspirations of tropical countries

The Three Pillars of Re-Engagement

- **Harnessing the potential of forests to reduce poverty**
- **Integrating forests into sustainable economic development**
- **Protecting local and global forest values**

DISTINCTIVE FEATURES OF 2002 POLICY

- Proactive use of forests for poverty reduction and development through environmentally appropriate, socially beneficial and economically viable production systems
- Prohibition on financing plantation development and commercial harvesting in all *critical forest areas* in all forest types in all Bank client countries
- Investment support for industrial forestry restricted to operations that meet the requirements of *formal independent performance based certification* or time-bound action plans to meet these standards
- Investment support for community based forest utilization based on *local community-based standard setting and monitoring* consistent with the same principles and criteria used in the formal systems

Key Considerations in Developing the Standards

1. **The 1998 World Bank-WWF Alliance Guidance note for the Improved Forest Management and Certification and Target;**
2. **The international consensus on principles and criteria of sustainable forest management; and**
3. **Internal consistency with full suite of Bank safeguard policies**

A certification system must require (Paragraph 10):

a) **compliance with relevant laws;**

b) **recognition and respect for any legally documented or customary land tenure and use rights as well as the rights of indigenous people and workers;**

c) **measures to maintain or enhance sound and effective community relations;**

d) **conservation of biological diversity and ecological functions;**

e) **measures to maintain or enhance environmentally sound multiple benefits accruing form the forest;**

f) **prevention or minimization of adverse environmental impacts from forest use;**

g) **effective forest management planning;**

h) **active monitoring and assessment of relevant forest management areas; and**

i) **the maintenance of critical forest areas and other critical forest habitats affected by the operation.**

Other Certification System Requirements (Paragraph 11):

- **independent, cost effective and based on objectives and measurable performance standards, defined at the national level and consistent with internationally accepted principles and criteria of sustainable forest management;**
- **independent, third party assessment of forest management performance;**
- **standards developed with meaningful participation of local people and communities, indigenous peoples, NGOs representing consumer, producer and conservation interests and other members of civil society including the private sector;**
- **decision making procedures that are fair, transparent, independent and designed to avoid conflict of interests.**

Lessons Learned

- No system is likely to be fully acceptable to all stakeholders;
- Independence, transparency and meaningful participation by a broad range of stakeholders is essential for stakeholder and market credibility;
- Credible certification is a key reason for the perception of the forest sector as a leader in the transition to sustainability.