

Forest Certification: Comparing Two Competing Schemes

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Forest Certification

- Goals of certification schemes
- Background of the FSC and SFI
- Comparison of the two competing schemes
- Strategy of the AF&PA
- Strategy of a land manager or forest product firm: why get certified?
- Future strategy for the FSC: how to encourage participation

Do you know the difference?



vs.



Sustainable Forestry
Initiative

Forest Stewardship
Council

Goals of forest certification and auditing

- to assure the public, in an open and transparent process, that a given landowner or manager has demonstrated a commitment to an ecologically healthy and economically viable forest;
- to provide landowners and managers an independent assessment of their current state of management and specific advice on how to achieve better performance in the future; and,
- to ensure that the rights and cultures of indigenous people and local communities are respected.

Forest Stewardship Council (FSC)

- Created after the 1992 Earth Summit in Rio, driven in part by the failure of the process to agree on a global forest compact
- developed by representatives from environmental, social, and forest management groups
- The system is based on ten ***principles***, each of which is followed by a list of ***criteria***; compliance with criteria is gauged by ***indicators***
- All principles and criteria used in FSC are mandatory and are administered by an independent third party authorized by FSC.
- Internationally recognized and implemented system.

Sustainable Forestry Initiative (SFI)

- Developed in 1994 in response to the FSC by the American Forest and Paper Association (AF&PA) for its company and trade association members.
- based upon five ***principles*** and eleven ***objectives***. Objectives are accounted for by a list of ***performance measures***, which may be tailored at the regional, state or site level.
- A landowner has the choice of a first-party audit (self-administered), second-party audit (administered by an associated party, ie industry trade group), or third-party audit (administered by an independent outside party).
- Under 1st and 2nd party audits, all indicators are voluntary and may be selected by the party being audited.
- Only used in North America.

Not all certification schemes are created equal

- FSC is based on *performance-based measurements*; SFI is largely focused on the *adoption of management systems* (may or may not lead to changes in performance);
- FSC has a set of detailed ecological indicators; most SFI indicators are general and optional;
- FSC sets stringent guidelines in many areas of environmental protection that SFI does not (maintenance of older forest areas; use of chemicals, GM species; and conversion to plantations);
- FSC has social criteria focusing on local communities and indigenous peoples; SFI does not;
- FSC has ***Chain-of-Custody Certification*** and product labeling system allowing processors, retailers, and consumers to confidently know that their wood comes from a well-managed forest; SFI does not

Not all certification schemes are created equal

	SFI	FSC
Clearcutting	<ul style="list-style-type: none"> “Develop and adopt appropriate policies for managing the size, shape, and placement of clearcut harvests. The average size of clearcut harvest areas shall not exceed 120 acres.” (PM 4.1.5.1.2.) 	<ul style="list-style-type: none"> Some clearcutting allowed, but “Silvicultural practices provide disturbances and generate stand conditions that result in a successional phase that would occur naturally on the site.” (I 6.3.a.3.) “Forest conversion to plantations or non-forest land uses shall not occur...” (C 6.10)
Biological Diversity (in general)	<ul style="list-style-type: none"> Each company develops its own policies, programs, and plans to contribute to the conservation of biological diversity and manage sites of ecological significance. 	<ul style="list-style-type: none"> Landowners are required to maintain, enhance, or restore the long-term integrity of natural habitats, ecological processes, soil, water, and stand development.
Rare, Threatened, and Endangered Species	<ul style="list-style-type: none"> Applicable only under 3rd-party audits: “Programs to protect federally-listed threatened and endangered species.” (Core Indicator #2 under PM 4.1.4.1.1.) 	<ul style="list-style-type: none"> “Safeguards shall exist which protect rare, threatened and endangered species and their habitats. Conservation zones and protection areas shall be established.” (C 6.2.)
Reserve Areas	<ul style="list-style-type: none"> No specific requirements 	<ul style="list-style-type: none"> “Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps.” (C 6.4)

Another big difference: FSC's Chain-of-Custody Certificate

- COC = path taken by raw materials from the forest to the consumer
 - Any FSC labeled product can be traced back to a certified source.
- including all successive stages of processing, transformation, manufacturing and distribution
 - Retailers are also required to be certified if they change the product's form or packaging in any way

Compare the COC to SFI's labeling system



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- The product was produced by a manufacturing unit that procures its raw material supply from third-party certified forests or through a third-party certified procurement system, or both.
- **This does not imply that any or all of the material originates from SFI-certified forests.**



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- The manufacturing unit procures a substantial amount of its materials from independently third-party certified sources (2/3rds minimum).
- **This does not imply that any or all of the material originates from an SFI-certified forest.**

Where they are today

- These (and many other) differences in the auditing schemes have created the situation faced today:
 - Because of the weaker approach, in the two years since SFI launched the “certification” component of its program, it has “certified” 50 million acres—i.e., almost the entire US industrial timber base.
 - This is about as much acreage (70 million) as FSC has certified to high standards in 54 countries in 9 years (greenpressinitiative.org, 2002).
- It is simply easier to get certified under SFI than under the FSC
 - Changes to management/operational practices are more substantial with FSC
 - Annual audit is required under FSC so practices must be sustained
- More US timber companies embrace the SFI
- Consumers rarely know the difference between the two schemes
 - Desire to buy certified wood has begun to grow slowly domestically
 - Information about the benefits of certification and the differences between schemes is not widely available = search costs for consumers who do care

Strategy of the AF & PA

- Saw threat to business practices
- Created a competing scheme with a similar label and equally appealing name but with much less stringent standards in response
 - Created alternative for the entire industry
- Betting on consumers' inability to distinguish between the two schemes or...
- Consumers' desire to purchase "sustainable forestry" but not really caring which certification they support. "SFI certification is probably good enough..."

Strategy of a firm: so why get FSC certified?

- International recognition
- New markets for FSC labeled products, acquiring market recognition for responsible forest management.
- The opportunity for interaction and cooperation among the various players involved in responsible forest management.
- The assurance for future generations that they will enjoy the benefits of the forest; a multitude of other ecological and social benefits; the desire to be a 'green' company
- The opportunity to use the FSC trademark on products.
- Control and entrance into downstream markets
 - Home Depot is phasing in a preference for FSC certified wood
 - Vertical restraint on retailers: must sell product as-is or get FSC certified as well

But is this enough?

- Many consumers and woodworkers alike know little about forest and wood certification
- Despite endorsement from large retailers, FSC is less prominent in the domestic market
 - Does not have enough companies and small landowners enrolled to become a choice for most consumers
- For certified wood to become familiar to the broader public
 - will not be preferred by consumers until it is better explained and choices are clearer
 - In many cases there is not even a realistic opportunity to knowingly choose certified wood
- All are deterrents to becoming FSC certified

Future strategy for the FSC: Differentiate and Disseminate!

- For FSC certification to be attractive/ worthwhile to firms the FSC needs to be distinguishable from competitors
 - Continue to evolve the certification scheme to remain up-to-date and ecologically sound
 - Disseminate information to consumers: **ADVERTISE!**
 - Help shape consumer preferences, inform them of opportunities and why they should support the more stringent scheme
 - Educate and utilize the retailer: have information on forest certification and specifically the FSC available when purchasing forest products
 - Create a barrier for other competing schemes to enter the market, and be the first of SFI/FSC to spread information

Buy FSC certified wood products!!



Acknowledgements

- **Rich Christianton, One on One: Unique Forest Surveys Pit FSC vs. SFI, W&WP July 2003, <http://www.iswonline.com/wwp/200307/1on10703.htm>**
- www.fscus.org
- <http://www.aboutsfi.org/core.asp>
- **Bill Barclay, Not All Wood Is Good: Industry SFI Program Falls Far Short of Independent FSC Certification Program, Greenpeace Forest Campaign, oct 16, 2004**
- **Forest Certification Programs: A Comparison of the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) of the American Forest & Paper Association (AF&PA), April 2002, [Greenpressinitiative.org](http://www.greenpressinitiative.org)**
- **A Comparison of the American Forest & Paper Association's Sustainable Forestry Initiative and the Forest Stewardship Council's Certification System, June 2001, National Wildlife Federation, Natural Resources Council of Maine**