

# Forest Certification

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## Abstract

Forest Certification is a voluntary, market based mechanism to promote sustainable forestry practices which promotes ethical consumerism. It Provides guarantee that wood products have been harvested sustainably. Certification assures the social, ecological and economic sustainability and multifunctional role of forest asset for human well-being. Among various certification schemes operating globally American Tree and Farm System, Sustainable Forestry Initiative, Forest Stewardship Council (FSC) and Programme for Endorsement of Forest Certification (PEFC) are the prominent one. More than 300 million hectares of forest area are managed under compliance with PEFC's internationally accepted benchmarks. Around two third of all certified forest globally is certified to PEFC. As on June, 2018 total area of 200 million hectares have been certified under FSC covering 85 countries. In India total of 521678 ha under the forest Management (FM) certification have been certified under FSC. The present study tries to evaluate various benefits and cost associated with forest certification. It also studies future of forest certification in India and various challenges associated with implementation of Forest certification.

**Keywords:** Forest certification, Certification schemes, Sustainable forestry practices, Ethical consumerism

## 1. Introduction

Forest Certification is a market based tool which involves standard setting, rigorous evaluation of Forest Management units against set criteria and indicators, performance evaluation, accreditation of auditing consultancies, implementation and labeling (FSC, 2010). Post Rio Summit and promulgation of Forest principles has raised the issue of rapid deforestation and threat to forest ecosystem especially in tropics. Wide media and political attention has led to mass awareness about ecological role and services provided by forests. People now demand and look for wood products which have been sustainably harvested from forest (European Commission, 2011). Forest certification provides green consumers guarantee through its labeling that wood products that a consumer is purchasing has been harvested, processed, transported and reached its retail outlet on principles of sustainability. Forest certification is win-win situation for consumers who contributes to forest conservation by purchasing certified products while forest management

enterprises benefits from premium price that it charge for its certified products (Hain, 2005). Forest certification is a step to achieve sustainable Forest Management i.e. Social, environmental and economic sustainability. It strives to ensure continued availability of raw material to industries, ensure that wood is legally harvested conforming to national, international treaties and conventions. It ensures that land tenure rights are recognized and respected (Yadav et al., 2007). The commercial extraction of timber should not violate human rights; the health and safety of workers are given prime importance. They are paid fair, timely wages and profit sharing mechanism is in place. Forest Certification ensures High conservation value Forest are set aside for conservation, Proper conservation, rehabilitation plan for Rare, Threatened, Endangered and endemic species are approved and implemented. Certification process mandates conducting Environmental Impact Assessment of forestry operations and prepare comprehensive Environmental Management Plan to deal with various environmental implications like forest fire, waste management, use of chemicals, soil degradation.. The forestry operation should be performed in such a manner waste generation; use of hazardous chemicals such as weedicides and fungicides, energy consumption is minimum (Yadav et al., 2007).

## 2. Indian Scenario

The forestry sector in India is among the first in the world to be managed on the lines of modern scientific management. In ancient India people had a sound knowledge of tress and medicinal plants for ex. Vishnu Purana gives description of 13 types of forest. Forest was classified in to Kunjar Van (dense forest), Kanta Van (Thorny scrub), Mahavan, Tapovan, Shrivan. During Mauryas and Gupta period classification of bamboo and tress, fixing of price of forest products was done, killing of animals was an offence, felling of trees was prohibited. Forest official were appointed known as kupadhaksha (Superintendent of forest) and Vanpal (Forest guard) to protect forest (Kumar, 2008). In Medieval India forestry was largely a neglected institution. Forest emerged as an important resource

during pre-independence Period. The need for scientific management was felt to meet the demand of industrial revolution and expansion of railways. Forestry thus was production oriented at that time. Post-independence basic change in perception was brought by National Forest Policy of 1952 from production forestry to focus on meeting objectives of maintaining ecological balance on one hand and meeting the needs of stakeholders in best possible manner on other hand. The 1988 National Forest policy focussed on environmental stability, conservation of natural heritage by preserving the natural forests and meeting the basic need of the people (Lele,2011). It encompassed ecological, economic and social aspect of forest management.

In the forestry sector there is paradigm shift from focus of sustained timber yield to sustainable forest management encompassing its environmental, economic and social dimensions. The criteria and indicator method has been widely accepted and become a potent tool for assessment, monitoring and reporting of sustainability of forest resources. Recently as a result of increased public awareness there is a movement towards accepting only those products which have originated from sustainability managed forests. Certification and ecolabelling are new such market based mechanism in support of sustainable forest management. Certification enhances forest product positioning for a premium price on one hand and ensuring better management on other (Tajbar et al.,2008).

## 2.1 Status of Forest Certification in India

Forest certification in India is in nascent stage. National Working Group on Forest certification was constituted by Ministry of Environment Forest and Climate Change (MoEF) in May,2005. Under working group three committees were set up namely Certification criteria, Certification process, Accreditation criteria and process. Later on National Forest Certification Committee (NFCC) was set up after merging these three committees. First meeting of NFCC was held in Dec, 2008. NFCC submitted its final report in September,2010 with recommendation to establish Indian Forest Certification Council (IFCC). IFCC is yet to be set up. Draft National Forest Policy 2018 have mentioned Forest Certification as a new thrust area in forest and tree cover management. Recently "International Conference on Forest Certification – Positioning India", was held at 16<sup>th</sup> March, 2015 co-hosted by NCCF (Network for Certification and Conservation of Forests) and PEFC International to initiate the process to develop India's certification system ([www.nccf.in](http://www.nccf.in)). In January, 2018 Network for Certification & Conservation of Forests (NCCF) in association with the Ministry of Environment, Forest & Climate Change and forest based stakeholders has developed and released India's country-specific and

internationally benchmarked Forest Management Certification Standard. The occasion also marked the launch of the National Certification Scheme for Sustainable Forest Management. Forest certification will be a paradigm shift towards ensuring responsible utilization of natural resources and trade of forest products. As on June,2018 in India 5.21 Lakh Hectare have been certified by Forest Steward Council (FSC) and granted 415. COC (Chain of Custody) certificates. As on June,2018 4.18 lakh hectares of forest belonging to Uttar Pradesh Forest Corporation comprising of 13 Forest Management Units (FMU) have been certified. Another notable example being 7087 hectare of rubber plantations belonging to Tripura Forest Development Corporation Limited certified in February,2015. Although forest certification can help achieve sustainable forest management as self regulating tool, Forest certification remains largely restricted to privately owned plantations and forests. The government owned and managed forests lacks manpower, financial and technical expertise to implement requirements of certification. Another reason why forest departments are reluctant to forest certification because in India out of total forest almost 95% of forest is government owned and critics believe that certification by an independent third party would not only flag up serious mismanagement prevailing in government owned forest but also incur significant financial cost in form of training, equipments, safety measures, increased social responsibilities, implementing environmental measures. This has led to very slow adoption of certification in government owned forest as compared to privately owned forests.

## 3. Need for Forest Certification

National forest policy envisages maintenance of 33% of total geographical area (TGA) to be preserved as Forest cover. According to State of India's Forest report-2013 forest cover occupies just 21.23% of TGA out of which only 2.54% is only dense forest. About 78% of our forest is affected by grazing which hinders regeneration. Forest productivity of our forest is just .7 Cubic meters/ha which is very low as compared to world average which is 2.1 Cubic meters/ha ([fsi.nic.in](http://fsi.nic.in)). The pressure of ever increasing population puts a heavy toll on forest resources in form of collection of fuelwood, NTFP'S (Non Timber Forest Products) collection, grazing, illegal hunting, timber harvesting, human wildlife conflict etc. Our timber demand and supply is highly skewed and imbalanced. Timber demand is set to rise from 74 million cubic meters in 2015 to 153 million cubic meters in 2020. At present only 2.5 million cubic meters is produced from government owned forests while 44 million cubic meters is produced from privately owned plantations while 6 million cubic meters is imported. About 104.3 million tribal

population of India which directly or indirectly depends on forests (2011 Census). The issue of Proper implementation of The Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act-2006 is another big challenge for Forest Department. There is urgent need to strike balance between meeting present needs, preservation and conservation of our forest resources for future generations. In light of above concerns Sustainable Forest Management is ray of hope for future. Forest certification is need of hour for conflict resolution and sustainably manages our forest. In a country like India where millions of tribal depend upon forest for their livelihood and thousands of forest based enterprises which give employment to large population, resolving the issue of extraction of forest resource and conservation of forest resources is major challenge for forest managers usually government. The forest certification though it's various criteria and principles ensures ownership of forest resources. It prohibits illegal logging, ensures fair wages, safety equipments, humane working conditions for workers. Certification ensures fair trade and benefits sharing mechanism among locals and forest department. Certification recognizes role and responsibilities of communities. Thus creates a sense of belongingness and ownership among locals. Forest certification is a instrument to promote ethical consumerism, it improves brand, market access and provide price premium. Thus we see that certification leads to social, economic and administrative benefits. It is win and win situation for all stakeholders mainly merchants, workers and forest managers.

#### 4. Forest certification process

Forest Management Unit FMUs interested in certification contact the FSC directly or through an FSC-accredited certifying body (Certifying Body CB, for ex. Scientific Certification Services (SCS) Global Services). After the Certifying Body (CB) reviews the management plans and other documents prepared by the FMU, a pre-assessment visit by an inter disciplinary team from the CB will visit the FMU and interview other relevant stakeholders. On this basis, the CB then recommends which practices need to be improved and the corresponding timeframe before a full assessment is warranted (i.e., Corrective Action Requests: CARs). If the FMU makes the necessary changes that were raised during preliminary audit and informs accrediting agency to again conduct audit, once audit has been done and FMU passes the requirement as laid down by FSC, certifying body recommends it for FSC certification Unless valid objections to the CB's recommendation emerge during the public comment period, FSC certification is granted for five years and yearly audit is conducted by the CB. These annual visits from CB representatives may reveal

further changes in management practices needed to comply with FSC Principles and Criteria. These changes in management strategy suggested is known as Corrective action Required CAR's .CAR's can be minor or major; failure to adequately address major CAR during the specified period results in immediate certificate suspension (<https://ic.fsc.org>).

#### 5. Forest Management Certification and COC (Chain of Custody)

Forest management certification is also called as areacertification, is the most common type of certification. Forest management certification evaluates the management of a specific piece of forestland against an agreed upon standard. Certification can be specific to a single tract even though the forest manager may own or manage other forests. The certificate will specify which forest is certified as meeting the standard (<https://ic.fsc.org>). An alternative to traditional forest management certification is Group certification. If individuals who are willing to get certification are unable to fulfill the requirement of certification because of financial or technical reasons. Then a group of individuals can club together and opt for group certification. It is designed to reduce the cost of certification to each individual owner by combining their forest management under one professional or one certificate holder. Certified groups have a common manager or management team who does not hold title or have any legal or management right to the property. The group manager is someone contracted by the landowners based on some commonality: proximity family ties, or a single forestry consultant (<https://ic.fsc.org>).

Certification provides a system for tracking wood from the forest to the finished product. Chain of custody certification is available to manufacturers, mills, distributors, and retailers who purchase, use, or sell certified wood. A chain of custody system, coupled with a product label identifying the certification system, assure the public that the wood product labelled "certified" was produced from a sustainably managed forest. The label is an important part of forest certification because it distinguishes the product at the store. The certification label helps both concerned consumers and responsible forest managers buy and sell products that come from well-managed forests (Yadav et al., 2007).

#### 6. Benefits of Forest Certification

Benefits can be direct or indirect, which may be reaped either by the FMU (Forest Management Unit)/enterprise or other Stakeholders (e.g. workers, community etc.). Direct benefits are financial benefits like price premium while indirect benefits include environmental and social benefits like enhance safety and wellbeing of workers or

improvement in biodiversity, soil, water conservation (Van et al.,2009). The direct benefits are monetary benefit which can be easily measured while social and ecological benefits are difficult to quantify as they come up with a time lag. Certification brings economic incentives in form of price premium and market expansion. Due to price premium merchants benefit from additional revenue generated while due market expansion additional sales result in economic benefit. Environmental benefits are derived from improved mitigation of environmental impacts in forest operations and enhanced measures of conservation of biodiversity, ecological functions of forests, as well as soil and water. There are several possible sources for indirect economic benefits from certification. The benefits can be classified into two main groups: cost reduction and avoidance of loss of sales revenue in the markets which have started to require certification (Simula, et al.,2004). The net economic impact of certification can be understood from table: 1

Table: 1 Economic implication matrix of FM Certification (Gupta, et al., 2013)

Benefits	Costs
Direct Benefits	Direct Costs
Higher Income from Price Premium that buyer may pay for certified timber and products	Certification cost(Audit cost, consultation fee) Preparation cost, Time, salary, accommodation , travelling,
Indirect Benefits Maintenance of existing market, improved access to new market, enhanced reputation, employee morale, competitive advantage	Indirect Costs Investment cost to bring forest management up to the standard required, training, purchase of safety equipment, preparation of more through management plan

The various stakeholders who are directly or indirectly associated with certification process and likely to get impacted are given in table:2

Table: 2Stakeholders and their stakes in forest certification

Stakeholder's Group	Relation to forest certification
Government (At all administration level)	Better management practice to meet global standards, credibility, reputation
Research and educational institute	Publications, awareness
Merchants	Price premium, competitive advantage, waste minimization, access to new markets
NGO'S	Awareness
Workers	Safety, fair wages, improved living conditions
Community	Enhanced participation in forest management

The stakeholders directly and indirectly involved in certification includes officials of forest department, auditors(third party evaluators), consulting firm(a renowned agency or institution which provide technical expertise to one who wants to get certified), research institutes, contractors, workers, community members, civil society organisation, merchants etc.

### 7. Constraints in evaluation of benefits of certification

Benefits derived from certification are generally more difficult to estimate than costs. First, they come forward with a time lag. Second, many of them cannot be quantified in monetary terms. Third, managers may not be aware of possible sources of benefits and they remain unaccounted.

There are multitudes of reasons which have prevented generation of adequate knowledge about benefits of certification which includes measurement problem (as generalization of result is difficult considering diversity of social, economic and environmental stakeholders), data problem (as very often government and merchants are unwilling to share sensitive data), methodological problem (as wide interest of stakeholders and complexity of the aspect that is needed to get evaluated), financial and time constraint as cost to obtain accurate results often very high (Naka et al.,2000).

### 8.Expected outcome of Forest certification

In a study conducted by author interview of forest officials of Uttar Pradesh Forest Corporation in capacity of Sales officer, Regional manager, Divisional forest officers, Sales and logging managers(N=13) revealed that due to certification monitoring and evaluation of forestry related activities have improve. Proper training facilities and implements are being provided to staff and workers of UPFC. Nurseries and plantations are managed without use of deleterious chemicals. The maintenance of COC and staking of wood is done strictly as per laid down procedure. The auction of timber is done both electronically and through open means in transparent manner. There are proper fire safety equipment and first aid box with prescribed medicines available at depot. There is also provision for insurance for workers in case of injury or death during logging activities. The certification will provide opportunity to timber merchants to expand their market and earn price premium.

### 9. Steps need to be taken

The Forest officials feel that the most of the timber merchants and furniture manufacturers are local suppliers. Since there is low level of awareness among public regarding certified wood products and



their beneficial environmental implications. People either don't demand certified wood products or they are reluctant to pay price premium. The staff believes that getting certification is expensive and it is complex and cumbersome process. There is need to create a massive awareness to educate general public about benefits of forest certification and how buying certified products will help them to contribute conserve for forest. The sensitization of frontline staff involved in forest management should be done regularly. There is need to cut down the audit cost which makes certified timber costlier which ultimately makes end consumer pay dearly. As revealed by the management staff, voluntary mechanism of forest certification ensures responsible management of forest and depots with all the amenities in place like safety measures, prohibition of deleterious chemicals, monitoring and evaluation, proper documentation and training of frontline staff. The benefits of certification are not realized immediately as they come up with a time lag, benefits will trickle down as awareness and sale of certified timber picks up in future.

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