

Report of a South Pacific Regional Workshop on Forest Certification

Gizo, Solomon Islands

9th - 13th November 1998

Foundation of the Peoples of the South Pacific International

1998

Keywords: forests, forest certification, forest management, Forest Stewardship Council,

Table of contents

Executive summary

Background

Attendance and venue

Review of certification systems

The way forward

Acronyms

Acknowledgements

Introduction

Workshop objectives

Participants

Resource people

Workshop programme

Opening address

Certification - the basics

The ITTO's work towards SFM and the development of national standards

ITTO's mission and programme

Criteria and indicators

Forest certification

Adaptation of ITTO's principles and criteria to Malaysian C&I

The Forest Stewardship Council's certification system

How and when was FSC formed ?

The FSC's purpose

What the FSC does

What is a chain of custody?

Progress to date

Discussion

ISO 14000, an environmental management standard
Comparison of different approaches to certification
Field visit to SWIFT - certified small-scale timber production by local communities

- Development of SWIFT
- Certification of SWIFT
- Progress to date
- Field operations
- The impact of certification

Field visit to Kolombangara Forest Products Ltd. - a certified large commercial plantation

- KFPL - history, purpose and structure
- The current situation
- Motivation for certification
- Field operations
- Impact of certification

Motivations for certification and problems encountered

- Why become certified?
- When is it a good idea to become certified?
- It is not justified when
- Problems and constraints

Capacity building in forest certification
Current status of certification for the countries represented at the meeting
Analysis of individual country and regional certification needs
Recommendations for overcoming constraints
Statement from the meeting

- Background
- Preamble
- Conclusions and recommendations

Appendix 1: Regional workshop on forest certification - participant list
Appendix 2: Workshop programme
Appendix 3: FSC Principles and Criteria
Appendix 4: Capacity building in Forest Certification
Appendix 5: Some Observations from SmartWood
Appendix 6: Overcoming constraints to implementing certification in the Pacific region

Executive summary

Background

Certification of good forest management is a relatively new procedure, which is not well known in Pacific Island countries. However, it is becoming increasingly important for the marketing of forest products, in particular timber, in Europe and North America. There are signs that it will also become a useful marketing tool in Australia and New Zealand in the medium term. Timber producers in the South Pacific are attempting to diversify their markets in an attempt to reduce their dependence on East Asia, following the economic crisis of late 1997 and certification might contribute to this.

Until now, the main forces behind the growth of certification have been the market pull of consumers and companies in Europe and North America; and the push from environmental NGOs who want forest managers to demonstrate that they are good stewards of the forests in their care. Many of the stakeholders in the region, including many Government officials and community representatives, have not been made aware of the different approaches to certification, their relative merits and demerits, benefits and costs. This workshop was organised under the auspices of FSPI's EC funded South Pacific Community EcoForestry Project to bring as wide a group of stakeholders together as possible from within the region, in order to examine the different approaches to certification; evaluate the experience of two contrasting certified organisations; identify opportunities, constraints and problems with certification; and recommend future steps in the development of certification in the region.

Attendance and venue

A total of 35 people participated in the workshop were drawn from Government, NGOs, commercial companies, community organisations and intergovernmental organisations. The Pacific island countries represented were Fiji, Papua New Guinea, Samoa, Solomon Islands and Vanuatu. Other participants came from Australia, New Zealand and United Kingdom.

The workshop was held in Gizo, Western Province, Solomon Islands as there is considerable experience with certification in the Solomon Islands. The venue was relatively close to both Solomon Western Islands Fair Trade (SWIFT) and Kolombangara Forest Products Limited (KFPL) who hosted field visits. These showed how certification had been implemented in two very different organisations: a collective of community based timber producers managing natural forest and a large commercial plantation, respectively.

Review of certification systems

During the first day of the meeting the different approaches to certification were reviewed.

- a. ITTO does not become directly involved with certification, although it monitors developments in certification closely. In their *Year 2000 Objective* ITTO works with member Governments at national level aiming to strengthen their legislative framework, increase the capacity of the government to monitor and regulate forest industries and provide training to industry operatives. The *ITTO Guidelines for the Sustainable Management of Moist Tropical Forests* and the associated sets of criteria and indicators do not constitute a certification system. However they have been widely used as the basis for national or regional systems of criteria and indicators. If these are sufficiently detailed, and are linked to standards of performance and detailed management prescriptions, they can be used as the performance standards against which forest management is assessed for certification. An example of this process is the development of the Malaysian C&I which are being field tested and will be the basis of a national certification scheme.
- b. The FSC is a membership organisation, which individuals and organisations may join. Governments are excluded from membership. FSC has set up the generally best know certification system. The FSC system was deliberately designed to be market led and to be responsive to consumer demand. An important distinction from the other approaches to certification is that it grants certified timber producers the right to use the FSC logo on their products. A single mark is used worldwide. This is the main way in which the FSC imparts marketing advantages to forests certified under their system.

The FSC evaluates and accredits third parties (either commercial companies or not-for-profit organisations) to assess forests and their management systems for compliance with the P&C. The development of national standards, consistent with the P&C is encouraged. By November 1998, around 12.3 million ha of forest had been certified under the FSC system and there is a target of 200 million ha for the year 2020

- c. ISO 14001 does not lead to certification on the basis of good forest management, but certifies the Environmental Management System of an organisation. The award of a certificate does not require reaching any particular set of performance standards but on attaining goals set by the organisation itself in a repeated cycle of target setting, monitoring and review, leading to continuous improvement in environmental

performance. ISO 14000 can be applied to any industry, not just forestry.

ISO 14000 does not make any statement about the sustainability of forest management. However, efforts are underway to combine the ISO systems approach with the performance based elements of other forest certification systems. Achieving ISO 14000 certification should make it easier to attain other certificates of good forest management.

The field trips to SWIFT and KFPL allowed participants to see FSC certification in action. The experience of the 2 organisations had been generally positive and neither was contemplating letting their certificates lapse. The main observations resulting from the field trips were:

- Certification costs a lot. There are two elements to this. Firstly there is the cost of adaptation to meet the management systems requirements for certification. Secondly, there are increased running costs (particularly in monitoring and record keeping) once the new systems have been set up.
- For SWIFT and KFPL, these increased costs have been offset, at least to some extent, by a price premium for certified timber. There are also considerable economies of scale with certification, and for a large operation the cost per cubic meter of timber produced is very small.
- Certification has greatly increased the interest from buyers in industrialised countries, especially in Europe, and has successfully countered any publicity about generally poor standards of forest management in the region.
- As a result of the certification process, staff, landowners and others involved in forest management have re-evaluated what, how and why they do what they do, leading to a better understanding of sustainable forest management and, in some cases, innovations in the workplace.
- Certification is bureaucratic. It takes a long time to get final issuance of the certificate and there is perhaps too much paperwork and record keeping required of community based producers to whom this sort of work is unfamiliar.
- If a forest manager is following good practice and trying to achieve sustainable forest management, there will be relatively few changes to the way things are done on the ground.

The way forward

In discussions following the field visits a consensus that forest certification was worthwhile for timber producers in the region, as it would open new markets for their products, or reinforce their position in existing markets. Certification

is likely to become more important in the future. The workshop made specific recommendations for further action. These were set out in a statement from the workshop included at page 37 of this report.

However, a number of constraints to the further development of certification in the South Pacific were identified. These fell into three classes: the high cost of certification; a lack of information about certification leading to low levels of awareness amongst stakeholders; and a poor level of technical knowledge and training in forestry professional and technical staff. It was felt that these constraints could best be overcome by developing a regional capacity in certification, with the aim of establishing a regionally based, internationally accredited certification body to carry out assessments in the South Pacific. Initially this might be focused on the Solomon Islands, where there is already a significant body of experience with forest certification.

Acronyms

C&I	Criteria and indicators
CAR	Corrective Action Requests
CDC	Commonwealth Development Corporation
CITES	Convention on International Trade in Endangered Species
CSA	Canadian Standards Association
DFID	Department for International Development (UK)
EMS	Environmental Management Systems
FMU	Forest management unit
FPCD	Foundation for People and Community Development
FSC	Forest Stewardship Council
FSPI	Foundation of the Peoples of the South Pacific International
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
ICCO	Dutch Interchurch Organisation for Development Cooperation
ILO	International Labour Organisation
ISO	International Organisation for Standardisation
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organisation
KFPL	Kolombangara Forest Products Limited
MC&I	Malaysian criteria & indicators
NGO	Non-governmental organisation
NTCC	National Timber Certification Council of Malaysia
P&C	Principles and criteria
PIF&TSP	Pacific Islands Forest and Trees Support Programme
PNG	Papua New Guinea
SFM	Sustainable forest management
SPCEF	South Pacific Community EcoForestry Project
SWIFT	Solomon Western Islands Fair Trade
UNCED	United Nations Conference on Environment and Development

VSFUP Vanuatu Sustainable Forest Utilisation Project
WWF World Wide Fund for Nature

Acknowledgements

FSPI, as the organisers of the workshop, would like to thank the following people for their contribution, without which the workshop would not have been as successful as it was:

Solomon Western Islands Fair Trade, SWIFT and Kolombangara Forest Products Limited, KFPL for hosting the field visits which provided a focus for discussion and insight into the practical application of certification.

The team of resource people: Yati Bun, Dato' Baharuddin Haji Ghazali, and John Mayhew, who each brought their own perspective to the issues discussed.

The secretariat team of Adam Gerrand and Peter Siloko who provided invaluable technical and administrative support over the week.

The European Commission, who through the FSPI's SPCEF project provided the motivation for the workshop.

Report of a South Pacific Regional Workshop on Forest Certification

held in Gizo, Solomon Islands, 9th - 13th November 1998.

Introduction

The workshop was organised by the Foundation of the Peoples of the South Pacific International (FSPI) in recognition of the growing interest from forest owners and timber producers in the region in the role of forest certification in the marketing of forest products. Certification is also an independent endorsement of forest management practices in the area concerned. Several forest areas in Solomon Islands and Papua New Guinea have been certified under the Forest Stewardship Council (FSC) system, but significant problems, particularly high costs, may inhibit the wider adoption of certification. FSPI's interest in certification stems from its work in implementing the European Commission funded South Pacific Community EcoForestry Project (SPCEF) which supports community based eco-timber production in Solomon Islands, Vanuatu

and Fiji. Certification is a key strategy of SPCEF in marketing timber in overseas markets.

Financial support for the workshop was given by ICCO (the Dutch Interchurch Organisation for Development Cooperation), The Commonwealth Foundation, the Soil Association, the Pacific Islands Forest and Trees Support Programme (PIF&TSP) and the GTZ funded Pacific German Regional Forestry Project.

Workshop objectives

Forest certification is a relatively new activity world wide and has only recently attracted interest in the South Pacific. Therefore, the workshop was designed first to raise awareness of certification in the region; and secondly to consider ways in which certification can contribute to sustainable forest management (SFM) and the development of forest industries in the region. More specifically the objectives were:

- to inform participants about forest certification, how it developed and who the key stakeholders in the process are;
- to examine the different approaches to certification that have been developed by the International Tropical Timber Organisation (ITTO), Forest Stewardship Council (FSC) and International Organisation for Standardisation (ISO);

in order to

- evaluate the field experience of already certified forest management organisations;
- assess the potential contribution of certification to SFM in the region;
- consider constraints to the further development of forest certification in the region and ways these might be overcome; and, in particular
- discuss the development of a regional capacity for forest certification.

Participants

Participants were drawn from a wide range of organisations selected to include representatives of as many of the stakeholders in forest management as possible. A total of 35 participants came from 5 countries; Papua New Guinea, Solomon Islands, Vanuatu, Fiji, and Samoa, representing the following sectors:

Government & Intergovernmental 8

Commercial companies 4

NGOs 17

Community organisations 3

Others 3

The large number of NGO participants reflects the interest that has been shown by NGOs in using certification as an aid to marketing timber from community based timber production projects. It is regrettable that there were no representatives of large scale logging companies present as they have perhaps the largest impact on forests in the region.

A list of participants and their contact details is attached at Appendix 1.

Resource people

Dato' Baharrudin Haji Ghazali is the Executive Director of the Gaya Tunas forestry consulting company in Malaysia. He is the co-author (with Dr Markku Simula) of a comprehensive review of the status of forest certification for ITTO which was published in May 1998 which covered various international, regional and national initiatives for certification and labelling of forest products.

Yati Bun is the Executive Director of the Foundation for People and Community Development in PNG. A forester by training, he has wide experience in community based small scale timber production through his work with FPCD. He has also taken a keen interest in certification and has served on the International Board of the FSC. He currently chairs the PNG National Standards working group which has just completed a draft FSC standard for PNG.

John Mayhew who is based at the University of Edinburgh, has worked for the UK Soil Association as an assessor for forest certification in the Solomon Islands. He is currently involved with several research projects investigating different aspects of certification. He is also involved in a DFID funded project which aims to assist the development of forest certification capacity in several parts of the world.

Workshop programme

Gizo was chosen as a venue for the workshop because of its proximity to two contrasting certified forest management units which hosted field visits during the week. SWIFT (Solomon Western Islands Fair Trade) is a church based organisation working with communities in the sustainable production of timber from natural forests using chainsaw milling. SWIFT exports 800-1000m³ of timber each year to Europe. KFPL (Kolombangara Forest Products Limited) is a joint venture between CDC and the Solomon Islands Government managing 16,000 ha of plantation. Last year around 50,000m³ of logs were exported, mainly to Asian markets.

The first day of the workshop was taken up by an introduction to the basic concepts of certification and the different approaches to implementing certification that have been developed from work by ITTO, FSC and ISO. During the next two days field visits were made to SWIFT and KFPL. The final two days

of the workshop were devoted to analysis of the information gathered so far and consideration of what role certification had in region. Finally the workshop considered the best way to carry forward work on certification. The agenda for the workshop is given in Appendix 2.

The remainder of this report follows the structure of the workshop programme.

Opening address

The opening address was read by Sairusi Bulai, on behalf of the PIF&TSP project coordinator, Mr. Tang Hon Tat.

Message from PIF&TSP Coordinator

I would like to congratulate the Foundation of the Peoples of the South Pacific International (FSPI), and in particular Mr. Andrew Tolfts, their Regional Forestry Coordinator, for their initiative in organising this regional workshop on forest certification. The presence of some very eminent and authoritative resource persons from Malaysia and the UK reflects the great efforts that must have gone into organising the workshop.

The issue of forest certification is still relatively new and still undergoing much debate, not only in this region but also globally. Among the difficulties encountered are the relatively high cost of getting certified, lack of consensus on the methods, standards and rules to be used, and the lack of a significant premium for certified products. Despite these difficulties and differences, it is widely accepted that forest certification can be a useful tool to help us move towards more responsible and sustainable forest management.

In Pacific island countries, forest certification has so far been pursued mainly by some NGOs in PNG and Solomon Islands. This is reflected in the background, organisation and participation of this workshop. However, to be effective, we must involve all parties concerned in the process of moving towards forest certification in the region. Towards this end, it is encouraging that representatives from Forestry Departments (including Heads of Forestry) and the private sector are taking part in this workshop.

Also, the recently completed Pacific Island Heads of Forestry workshop in Nadi Fiji 21-25 September 1998 recommended among other things, that:

- the economics of certification be further studied
- the alternative certification systems should be assessed, and the most appropriate approach pursued by the Pacific region, and
- regional capacity for certification should be developed to reduce costs.

The Pacific Islands Forests and Trees Support Programme may be organising a regional workshop on reduced impact logging and certification in 1999, and we hope that the experience from the current FSPI workshop can be used in our workshop.

Finally, I would like to take this opportunity to wish all of you a successful and enjoyable workshop.

(TANG Hon Tat)

Programme Coordinator

Pacific Islands Forests and Trees Support Programme

Certification - the basics

Day 1 Session 1. Presented by Andrew Tolfts

What is a certificate?

A certificate is a written statement about something. They are commonly used in daily life, examples include a certificate of road-worthiness for cars, phytosanitary certificates that timber exported is free of diseases and pests, and certificates given on completion of study courses and workshops.

In forestry, certificates could give information about many aspects of the way the timber is grown, harvested, processed or marketed. Certificates of origin are sometimes issued by governments but in general "forest certification" refers to a certificate issued following inspection of forest management by the organisation issued with the certificate and claims that certain minimum standards of forest management have been attained.

The value of a certificate

The value of any certificate depends on:

- i. **What the certificate claims.** This could be vague and non-specific (such as "this timber was produced from natural forest") or, at the other extreme, be very precise and convey a great deal of information about what has been certified (for example, "the forest owned by XYZ Ltd. and indicated on the attached map, is managed in compliance with the Gizo guidelines for sustainable forest management"). In the latter case the certificate refers to a detailed set of performance standards.

- ii. **Who issues the certificate.** The person or organisation must be credible to those relying on the certificate. In forest certification these are the trade customers, consumers and environmental NGOs in timber importing countries, who tend to be sceptical of claims of SFM made under schemes set up by governments. This has meant that some national certification systems have not been successful in giving timber producers preferential access to markets in Europe.
- iii. **How the claim was verified.** This could be done in several ways, including:
 - o an audit of books and records;
 - o on-the-ground inspection;
 - o satellite imagery; or

a combination of these methods.

To improve the credibility of claims made in a certificate, it is important for the assessor to be independent of the organisation being assessed. 'Self-certification' by timber producers or their trade bodies have not been well accepted in the market place because of the lack of independent verification. Government run schemes have also been criticised since the governments are seen as having a vested interest in promoting their domestic timber industry.

- iv. **The use the certificate is put to.** Some certificates are required by law, e.g. phytosanitary certificates. In other cases the discipline of attaining the certificate improves the efficiency of an organisation and can lead to cost savings or improvements in quality of service to clients, e.g. the ISO 9000 series of certificates for management systems. Thirdly a certificate can provide information or guarantees to the purchaser of goods or services, either about the product itself or the way in which it was produced.

Certification of SFM falls into the last category. It seeks to inform purchasers of timber about the management of the forest from which the timber was produced. And that is all. It is a **non-product related, single issue** certificate. It does not make any claim about the fitness of the timber for a particular end use; after all, the physical qualities of the timber are the same whether the forest is managed sustainably or not.

Certification and labelling

Very often a certificate is of limited use unless it can be combined with a labelling scheme. A label or mark is a quick way to inform customers that the product meets certain standards. Examples from outside forestry include labels

for organic food and electrical safety. A mark or label can be used in marketing the product.

Forest Certification - where did it come from?

The concept of certification is not new and certification of forest management has been suggested since the early 1980s. There are several factors driving its development.

The first is widespread concern over deforestation and the degradation of large areas of forest in the last 30 years brought about through unsustainable logging practices and conversion of forest area for subsistence farming and commercial agricultural enterprises. This reduction in area and quality of forests is often accompanied by degradation of other aspects of the environment resulting in soil erosion, watershed destabilisation and changing micro-climates. Loss of biodiversity, cultural knowledge of local people, livelihood security and the contribution forest clearance makes to global climate change are additional concerns about forests which have favoured the development of certification.

The second is the concern expressed by consumers about the destructive harvesting practices, not only in the tropics but worldwide. The lack of information about tropical forest management led many public bodies and companies to reduce or eliminate their use of tropical timbers. Certification is a way to give credibility to claims made for good forest management and enable such users to purchase tropical timbers once again.

The third major factor behind the development of forest certification schemes are the various international and UN based initiatives to promote sustainable forest management, the maintenance of biodiversity, and conservation of endangered species and ecosystems. Prominent among these are the FAO led Tropical Forest Action Programme and the establishment of ITTO and its activities in member countries. But the biggest boost to certification was given in the UN Conference on Environment and Development (UNCED or the 'Earth Summit') held in Rio de Janeiro in 1992. This was a watershed because it acknowledged that forests were under threat and faced many similar problems worldwide, not just in the tropics. The (non-binding) *Forest Principles*, the *Agenda 21* action plan for sustainable development and the conventions on Biodiversity and Climate Change were the main outcomes of the meeting with relevance to forests. All of them clearly support moves towards SFM, and so provided a good incentive for the development of certification.

Who wants certification?

Certification is a voluntary process which managers of a specific area of forest enter into to demonstrate that the management of the forest reaches a certain standard. There are several reasons for certification but the most important is

to gain a marketing advantage. Some customers in Europe and North America are now requiring that their suppliers become certified. In this sense certification is a market led process and the groups wanting certification are:

- producers, for whom it offers a way to gain entry to new markets and establish a market niche for their particular products;
- the timber trade in developed countries, particularly large retailers who want to 'green' their image;
- consumers in developed countries, but are they prepared to pay the cost of certification through higher prices?
- environmental NGOs who see the independence of inspection as vital in ensuring adherence to SFM practices, particularly where the capacity of national forestry departments is low;
- governments, for whom certification may be complimentary to their efforts in monitoring and regulation of the forest industry and enforcement of legislation. However, some governments have in the past viewed certification as a threat to their authority in overseeing the timber industry.

Certification has been promoted as a tool in improving forest management, but so far this has not really been borne out in practice; rather the forests that are already well managed have been certified without much change to their practices. Once the market for and availability of certified timber expands there may be more incentive for other, less good forest managers to change their forest management so they can achieve certification.

Two briefing notes about the development and process of certification from the Soil Association are attached in Appendix 3.

Summary

- Certification of good forest management involves
- the assessment of forest management practices against
- a set of predetermined standards by
- impartial, independent assessors, leading to
- issue of a certificate of good forest management and in some cases the right to use a label or mark, which
- confers marketing advantages on the timber produced from the certified forest.

Discussion

In discussion after the presentation the following points were made:

- That certification had created a new market segment and that at present there was insufficient certified timber to fulfil the demand. This had led to the development of a small price premium. A 5% premium for certified Swedish timber was quoted and a small premium was reported for certified pine from 2 New Zealand plantations used to manufacture toilet seats for the European market. However, the main benefit was in market access with certified timber suppliers able to sell all they could produce at the moment.
- The volume of certified timber traded at the moment is too small to significantly affect world trade. Even when greater volumes of certified timber are traded no problems are anticipated from the World Trade Organisation since under the World Trade Agreement technical barriers to trade are acceptable if they protect consumer interests, the environment or plant health. Distortions of trade will not occur since certification does not discriminate against particular countries or forest types and is a-political.
- The great economies of scale of forest certification were noted as was the possible need for special provisions to enable developing nations to take up forest certification.
- It is too early to assess the contribution that certification can make to SFM. Forest certification is a "soft policy tool" in that it is voluntary and may contribute to better forest management; but although it is compatible with SFM, it does not guarantee it. It complements other initiatives for SFM.

The ITTO's work towards SFM and the development of national standards

Day 1 Session 2. Presented by Baharuddin Ghazali.

ITTO's mission and programme

ITTO has funded over 350 projects since it started operations in 1987, all aimed at putting into practice policies to promote conservation and sustainable management of tropical forests. ITTO's newly revised action plan - the Libreville Action Plan 1998-2000 - provides a structure for ITTO's future activities and direction for each of each of its main operational divisions. These are;

- Economic Information and Market Intelligence
- Reforestation and Forest Management, and
- Forest Industry

ITTO's mission statement says that it should:

"....facilitate discussion, consultation and international cooperation on issues relating to the international trade and utilisation of tropical timber and the sustainable management of its resource base."

Among its many activities is the formulation and testing of guidelines, criteria, indicators and verifiers related to ITTO's work in the field of sustainable forest management and other appropriate areas. ITTO's definition of SFM is that it is:

"...the process of managing forest to achieve one or more clearly specified objectives of management with regard to the continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on its physical and social environment."

Criteria and indicators

ITTO was a pioneer in developing criteria and indicators as tools for assessing trends in forest conditions and forest management. The ITTO programme started in 1992 and led to a proliferation of other processes, all seeking to characterise SFM on the basis of a range of benefits derived from forests. Seven regional processes and several other national initiatives have been established. ITTO and others view forests as complex and dynamic ecosystems, not simply as a source of timber but of an array of environmental and socio-economic benefits to society.

A criterion describes a state or situation of a forest which should be met to comply with sustainable forest management. A change or trend in indicators would give information both necessary and significant in assessing progress towards SFM.

Criteria and indicators (C&I) themselves cannot establish whether or not management is sustainable until supplemented by standards of performance and detailed management prescriptions which can only be determined by the countries themselves and within countries may often be specific to particular regions or forest types, each with its own social and cultural conditions.

The essential elements of SFM encompassed in ITTO's recently revised set of C&I are:

- Legal, policy and institutional frame work;
- Extent of forest resource;
- Biological diversity;
- Forest health and vitality;
- Production functions of forests;
- Protective functions of forests (e.g. soil and water conservation); and
- socio-economic benefits and needs.

However, the use of C&I as a tool for measuring progress towards SFM is still in its infancy and still developing. Interpretation of data, especially that dealing with biodiversity, is still largely subjective and it will take time before a sufficient body of experience has built up to make the estimation of effects on biodiversity fully operational. C&I need to be supplemented with performance standards and measures. Collectively (not by the use of a single indicator or criterion) they can provide a picture of the state of the forest and trends towards (or away from) SFM.

Forest certification

1. Universally recognised as a good thing to apply but is subject to various constraints. Still too early to assess impact on forest.
2. Basically to provide verification that forest is under process of sustainable management which at present state of development is adjudged to be "well managed". Indirectly certification contributes to transparency and accountability. It implies improved performance and provides marketing edge.
3. A soft policy tool which, when voluntarily instituted brings benefits in two ways

- Encourages (while not guaranteeing) improvement in forest management,
- Assists in market access and improving of market share,

Specific benefits, depending on the prevailing situation, are:

- Better price (green premium),
- Justifies producer's access to forests, resources and capital,
- Reduces producer's environmental and social risk,

- Improves awareness, skills, and morale of staff and shareholders.

1. Pre-requisites to good certification

- Compatible with SFM and its instruments,
- Credible to stakeholders and market place,
- Does not create trade distortions.

1. What do producers need to implement certification?

- Incentives - improved pricing for certified timber
 - formal assistance in developing workable system and capacity
- Workable and credible "chain of custody" system from source to market,
- Internationally agreed "tool-box" of C&I and natural recognition of different certification programmes based on valid principles and criteria.

Adaptation of ITTO's principles and criteria to Malaysian C&I

1. Adopting ITTO's 5 criteria and 27 indicators on SFM (now revised to 7 criteria and 113 indicators) Malaysia has formulated 92 activities (due to be revised to reflect the changes in the ITTO C&I) at national level. They are collectively known as Malaysia Criteria and Indicators (MC&I). 206 management specific actions or standards of performance (benchmarks) have been formulated, all at national level with some more at FMU level.
2. Estimated cost earmarked for implementation to 2000 is RM 1.3 billion (US\$ 346 million).
3. Testing of MC & I on a phased basis started in late 1996, again in 1998 and will be completed at targeted year of achievement, 1999.
4. Testing by forest auditing works similarly to other assessments for certification purposes. All aspects i.e. resource security, continuity of timber production, conservation of flora and fauna, etc. are included. In the first testing assessment social economic benefits and planning and adjustment to experience all passed easily. The only aspect which did not reach a satisfactory level was for environmental practices. This aspect needs to be addressed immediately in order to meet 1999 compliance.

5. Chain of custody system was similarly developed for export as sawn timber and wood mouldings into Dutch market. Tested timber was well received.
6. In tandem with establishment of MC & I, the NTCC (National Timber Certification Council) was set up and is expected to be operational in 1999.
7. NTCC will function as certifying agency and organise assessment of forest management for purposes of certification.

In discussion following the presentation it was noted that:

- Implementing SFM is expensive. Malaysia estimates that it will cost US\$435 million by the year 2000 to make the changes needed to implement the ITTO guidelines, approximately a 30% increase in management costs, much of it for strengthened training.
- The Australian government was pursuing SFM but as yet had only met around 25% of the environmental indicators.
- That C&I are the tools used to assess forest management in certification.
- That the recent vision of ITTO's guidelines had strengthened the provisions to protect the rights of indigenous peoples and other forest dwellers.

The Forest Stewardship Council's certification system

Day 1 Session 3. Presented by Yati Bun.

Much of the material for this section of the report was taken from the FSC website on 23rd November 1998. The website (<http://www.fscoax.org>) has more background information about the FSC and guidelines for joining, preparing for certification, group certification etc.

The FSC is a membership organisation, having 293 members in 47 countries as at 1st October 1998. Members are drawn from environmental and social groups, the timber trade and the forestry profession, indigenous people's organisations, community forestry groups and forest product certification organisations from around the world. Membership is open to all who are involved in forestry or forest products and share its aims and objectives. For the purpose of voting, the membership consists of three chambers: an Economic Chamber, a Social and an Environmental Chamber. These chambers are further divided into

"north" and "south" elements in an attempt to ensure that all stakeholders can influence the decision making process.

- The Economic Chamber includes organisations and individuals with an interest in the commercial production of forest goods and services.
- The Social Chamber is meant for indigenous organisations and social movements which have an active interest in environmentally viable forest stewardship.
- The Environmental Chamber is limited to: non-profit, non-governmental organisations with a demonstrated commitment to environmentally appropriate, socially beneficial and economically viable forest stewardship.

Governments are not eligible to join FSC. Their principal means of involvement is through national working groups that develop national standards against which forest management can be certified.

How and when was FSC formed ?

A group of timber users, traders and representatives of environmental and human-rights organisations met in California (USA) in 1990 to discuss how they could combine their interests in improving forest conservation and reducing reforestation. Their meeting confirmed the need for an honest and credible system for identifying well managed forests as acceptable sources of forest products. It was from these beginnings that FSC has developed.

In September 1993 in Toronto (Canada) 130 representatives from around the world came together to hold the Founding Assembly of the Forest Stewardship Council. In October 1993 an agreement was reached to launch FSC, and by August 1994 a definitive set of Principles and Criteria, together with the Statutes for the Council were agreed and approved by the votes of the Founding Members.

The FSC's purpose

The FSC was established to provide the public (timber consumers) with reliable information about the source of the timber that they buy. One aim of the FSC is to introduce transparency into the process of verifying claims of SFM and labelling of forest products. In 1994 a survey by WWF found over 600 labels on timber making environmental claims, but only 4 could trace the timber to its source. Therefore, the FSC designed its own system based around 10 Principles and Criteria (P&C) for good forest management (see Appendix 3). These P&C are sufficiently general to apply to all tropical, temperate and boreal forests.

What the FSC does

The Forest Stewardship Council has developed procedures and standards to evaluate whether organisations (certification bodies) can provide an independent and competent forest certification service. This process is known as 'accreditation'. FSC accredited certification bodies are required to evaluate all forests aiming for certification according to the FSC P&C for Forest Stewardship. All accredited certification bodies may operate internationally and may carry out evaluations in any forest type. Certified forests are visited on a regular basis, to ensure they continue to comply with the Principles and Criteria. The performance of the certification bodies is closely monitored by FSC.

The P&C by themselves are not designed to be used as the basis for certification in the field. Their purpose is to provide a consistent framework for the development of locally-defined forest management standards. In order to ensure the consistency and integrity of standards in different regions around the world, the FSC formally endorses those standards which clearly meet all FSC requirements, including the process leading to their development. Such requirements include consistency with the P&C, and a satisfactory consultative process with other stakeholders. Guidelines for the establishment of national working groups recognised by FSC are available. Within the region, only PNG has set up an FSC endorsed national standards working group. This has produced the first draft of a national standard. Once a set of national or regional standards has been endorsed by the FSC, all local and international certifiers must, at a minimum, use those standards in their certification processes.

What is a chain of custody?

Products originating from forests certified by FSC-accredited certification bodies are eligible to carry the FSC logo, if the chain-of-custody (tracking of the timber from the forest to the shop) has been checked. Chain of custody is the process by which the source of a timber product is verified. In order for products originating from certified sources to be eligible to carry the FSC Trademark, the timber has to be tracked from the forest through all the steps of the production process until it reaches the end user.

The process of attaining certification for a forest manager is described in the Soil Association information note in Appendix 2.

Progress to date

The FSC website reported that as of 13th November 1998 a total of 12,334,552 ha of forest had been certified worldwide. There is the potential to produce over 5 million cubic meters of FSC certified timber each year. The size of the

certified forests ranges from 8 ha (in the Solomon Islands) to 1,273,700 ha (in Zambia). However, the listing seems to lag behind the progress in certification, as KFPL was not listed on the website, despite having received approval for its certification before this date, and the data for SWIFT does not include the areas that have been certified by SWIFT under its group certificate ('green umbrella').

A recent joint World Bank/WWF initiative aims to have 200 million hectares of forest (100 m ha each in tropical and temperate/boreal) certified by 2020.

Discussion

Additional points made in discussion were:

The application of the P&C and any indicators based on them is made according to the scale and intensity of the operation inspected. Thus the standards demanded of a low intensity, small scale operation will be less exacting than for a large, well resourced commercial organisation. All must meet the basic requirements of the P&C.

There is a choice of accredited certifiers, each of whom has developed their own systems for inspection and ensuring compliance with the P&C. Although there is variation in emphasis and methods between the accredited certifiers, which means that one may suit the situation of a particular forest manager better than another, all are subject to inspection and checking by FSC who ensure equivalence in standards applied by the different certifiers. The outcome would be the same whichever of the certifiers made the inspection. The FSC is accountable to its members.

ISO 14000, an environmental management standard

Day 1 Session 4. Presented by Baharuddin Ghazali.

1. ISO started defining Environmental Management Standards following Rio Earth Summit in 1992 based on the same approach as its most successful ISO 9000 series of standards. This EMS series known as ISO 14000 still under development. The first standard, ISO 14001 on Environmental Management Systems (EMS) specifications was published 1996.
2. NOT performance based but designed to meet individual needs of organisation in development of its EMS - identification of its environmental impact, development of systems controls, priorities and action plans, monitoring system, etc.
3. System based process aimed at assisting organisation's continual improvement programmes and in communicating with customers and interested parties through use of a cost effective framework of actions.

4. Applied to forestry operation, helps to seek consistency with various sets of SFM P&C as a forestry organisation develops its own policies, objectives and targets. Targets are internally determined, so may not be equivalent to national performance standards.
5. ISO 14001 is concerned with company's management system, not the condition of the forest it deals with, nor the technical quality of forest management, nor the quality of forest product. A certificate is issued for application of an ISO 14001 compliant environmental management system. No labelling of products is allowed.
6. The scope of a company's EMS for forestry related management typically includes forest management and wood procurement, and relationships with suppliers, contractors and other stakeholders.
7. A typical EMS programme has the following elements:
 - o policy setting
 - o planning (identification of environmental aspects, legal and other requirements, establishing and meeting environmental objectives and targets)
 - o implementation and operations
 - o monitoring and control
 - o auditing of EMS
 - o management review
8. All of these are aiming for, and subject to, a process of continual improvement and are applicable to small and big companies alike.
9. Specific environmental policy, objectives and targets set may well follow details documented in the companies forest management plan.
10. ISO 14000 does not run counter to national environmental legislation. It provides management tools for organisations that aim to control their environmental impact and improve their environmental performance.
11. Efforts are being made to combine ISO 14001 with SFM elements (performance standards). See figures on next 2 pages.
12. Examples of the application of the ISO 14000 standards include the Canadian standard on Environmental Management Systems (CSA 2809), two in Brazil, and one each in Finland, Sweden and Indonesia.

In discussion the following points were made:

ISO 14001 does not make any statement about the sustainability of forest management, although ISO have released a guideline document on forest management systems.

Even where a country does not belong to ISO, as is the case with most Pacific Island Countries, a certifier in another country (e.g. Australia) can do the assessment and issue a certificate recognised around the world.

ISO 14001 is not specific to forestry and wood using industries, but can equally well be applied to any commercial activity.

If a forestry organisation has an ISO 14001 certificate it will be easier to obtain certification, as many of the management information systems necessary for certification will already be in place. One of the accredited FSC certifiers (SGS) offers a joint FSC/ISO 14001 inspection.

Pages 15 & 16 are for diagrams accompanying the text about the ISO system which will be sent by post. They have not been scanned and included in the report as this would make it rather large and might cause difficulties for some recipients if sent by email.

Comparison of different approaches to certification

Day 1 Session 5. Group work facilitated by BG, YB and AT.

In the final session of Day 1 the meeting split into groups to compare the way in which the systems set up by the 3 organisations can lead to certification. The table below summarises the reports from the working groups. It is a record of the impressions of those attending the workshop and thus may not be quite accurate or totally complete.

	ITTO	FSC	ISO
Strengths	<ul style="list-style-type: none"> technical assistance provided to members guidelines for full members (countries) shares information world-wide producer and consumer forum intergovernmental organisation 	<p>growing track record</p> <p>benefits consumers and producers</p> <p>world-wide coverage</p> <p>strong consideration of environment and indigenous peoples</p> <p>NGO supported</p> <p>potentially recognised system</p> <p>participatory</p> <p>provides label</p> <p>all forest types</p>	<p>world-wide</p> <p>all industries</p> <p>guidelines offered</p> <p>continuous improvement</p> <p>all forest types</p> <p>systematic approach</p>
Weaknesses	<ul style="list-style-type: none"> expensive to become a member involves only 	<p>not favoured by industry</p> <p>not much</p>	<p>not all stakeholders participate</p>

	<p>governments and not other stakeholders directly</p> <ul style="list-style-type: none"> • seen as bureaucratic by some 	<p>assistance high cost low government involvement</p> <p>variable interpretation of principles and criteria</p>	<p>high cost no performance standards less well known seen by some as too industry friendly not a certification system specifically for forestry limited NGO involvement (at national level)</p>
Common features	<ul style="list-style-type: none"> • All aim to improve forest management • All involve extra work and money from forest owners & managers • All can be independently assessed • All require compliance with national legislation 		
Unique features	<ul style="list-style-type: none"> • tropical forests • mandatory only for member countries • share information • originators of Principles and Criteria • Country/nation level • Government's moral obligation • trade based 	<p>established stamp of approval/label transparency consultative comprehensive system</p> <p>market driven credibility with consumers can apply to umbrella groups</p>	<ul style="list-style-type: none"> • no base performance standards • continuous improvement • no claim to promote sustainability • a management "system" • not performance based - self chosen targets • not limited to forestry • can work with other systems to certify • flexible
Who it applies to best	<ul style="list-style-type: none"> • governments who are ITTO members • whole country 	<p>NGO's socially aware organisations all forest types</p>	<p>tend to suit bigger companies and industry large producers or</p>

		<p>can apply at large and small scales can apply to forest manager or Forest Management Unit</p>	<p>gov'ts application open organisations that can cope with the paperwork and administration load</p>
--	--	---	--

Field visit to SWIFT - certified small-scale timber production by local communities

Day 2. Led by Silas Teu, Head Forester and Karen ???, Forest Inventory Trainer

Development of SWIFT

SWIFT (Solomon Western Islands Fair Trade) is the commercial arm of the United Church in the western Solomon Islands. SWIFT's forestry project started in 1994 with the aim of helping landowners to say 'No' to the large logging companies. Before this it had assisted some local communities to start small scale timber production but without any strong programme of technical or marketing support. Its strong church base sets it apart from the other ecotimber projects in the Solomon's such as SIDT's EcoForestry Unit, Isabel Sustainable Forestry Management Project and Soltrust, despite using similar techniques for forest management and timber production.

Since the early days SWIFT has developed rapidly and now operates throughout Western and Choiseul Provinces. Families and communities are offered training in forest management, timber production and grading in return for a guarantee to commit their forests to sustainable management for at least 10 years. They also promise to sell timber only to SWIFT. SWIFT gives a guarantee to buy the timber, providing it meets the quality required, and has set up a timber yard in Munda to receive it. SWIFT also own and operate a ship, the *LC SWIFT*, which collects timber from producers in outlying islands. Payment to producers is made on receipt of the timber into the yard or ship. Timber is dried for at least 3 months to attain 'shipping dry' moisture content before being packed into containers and shipped to the Netherlands. After a few initial problems, there have been no difficulties in meeting the quality standards required by European buyers. Until recently, an associated company, SWIFT Hout bv, operated a timber yard in the Netherlands and sold the timber on behalf of SWIFT. While this arrangement was useful in promotion and publicity, it was expensive and the yard has recently been sold. SWIFT now deal directly with their customers in The Netherlands.

The timber producers are supported and monitored by a team of 8 foresters based around the western Solomon Islands. The foresters are led by a Head Forester, Silas Teu, and a team of forestry technical specialists. There are also a number of staff in the timber yard, grading, packing and dispatching the timber. At present, all timber is exported rough sawn, although there are plans to resaw and partly process timber in a second phase of donor support for SWIFT.

Certification of SWIFT

SWIFT decision to seek FSC certification was brought about largely by marketplace pressure. By 1994 SWIFT had helped a few groups to start timber production, who liked the project, and had already sold a little timber into Europe, at a good price. Then the opportunity came to supply timber for a prestige project in Rotterdam, but only if the timber was certified under the FSC system.

At this time certification was still developing and when SWIFT started the process the group certificate, or 'green umbrella' was not available. Therefore in the first stage, following a pre-assessment visit, some producers were individually assessed and recommended for certification by SGS Forestry. This occurred at the end of 1995, with the certificates being received in early 1996. Later in 1996, a further inspection of SWIFT, its management structure and operational procedures took place which led to the issue of a group certificate to SWIFT, giving them the right to inspect producers and award them certified status when they meet the required standards of forest management. These standards are a much simplified version of what is expected of SWIFT as the umbrella organisation, consisting of a declaration of intent to manage the forest in a sustainable way for the long term, together with the methodology and rules that the producer must observe in forest management and marketing. These conditions having been accepted as adequate by SGS during the assessment of SWIFT.

The direct cost of certification was about SI\$ 40,000 (US\$8,250) for the initial inspection which resulted in the granting of the certificate. Monitoring visits are made by SGS twice a year. Each visit costs SI\$ 20,000 (US\$ 4,125). Certification is not cheap! There are also indirect costs associated with certification, due to more elaborate record keeping needed to maintain audit trails and the training needed to help producers cope with this. So far, all the costs of certification have been met through donor support.

Progress to date

The success of SWIFT's programme can be seen in the number of producers who have signed up and the area of forest that has been committed to the

programme. There are now 38 certified producers who manage around 50,000 ha of forest. A further 21 groups are working towards certification.

Producers have some strong incentives to opt for certification. Once certified they have a ready market for the timber they cut, the timber is collected from a location near their production site and they receive continuing support from SWIFT's foresters. The higher price SWIFT receives for certified timber is passed on to producers, on average 25% more being paid by SWIFT for certified timber. Prices vary with the species and piece size cut. For longer lengths of dimension cut certified timber prices range from SI\$900 - 1200 per m³ (US\$185 - 250 per m³) and SI\$500 - 750 per m³ (US\$100 - 150 per m³) for short lengths. The same price is paid wherever the timber is graded and accepted by SWIFT, either at the timber yard or onto the *LC SWIFT*.

The price SWIFT receives for the timber is higher than that paid to producers (average around SI\$1900). The difference pays for timber collection from the producers, seasoning, regrading, packing and export, as well as contributing to the general running costs of SWIFT, including certification. The aim is that eventually SWIFT will be financially self supporting.

The quantity produced by each group in each year varies widely, but in general timber production is not intensive, being done as and when cash income is needed. The total production is around 800-900 m³ each year. The direct cost of certification (the inspection visits twice each year) adds about US\$10.00 per m³ to the cost at current production levels. Economies of scale are readily available as the cost of inspections would not rise much, if at all, if the number of producers and the amount of timber sold doubled or tripled.

Field operations

The first step in becoming a timber producer under SWIFT is to verify details of land ownership for the area in question. Then a series of documents are completed between the landowners and SWIFT which set out the commitments both sides make to each other and to SFM and the responsibilities of each party in the timber production enterprise. The documents include:

- an authority to enter into negotiation with SWIFT;
- the Mutual Trust Agreement between SWIFT and the community; and
- an Environmental Pledge.

SWIFT uses a similar forest management methodology as other community timber production projects in the Solomon Islands. It is based on dividing the area into 1 hectare square blocks of which a complete inventory is made and tree size and positions recorded on a standard form. The trees to be felled are then selected according to a table which, based on a conservatively estimated growth rate of 1 m³/ha/yr, indicates a variable number of trees that may be

felled dependent on the number of trees >60cm dbh present on the hectare block. The maximum number of stems that may be felled is 4/ha. SWIFT reported that even this seems too many to a number of the producers, who restrict the felling to 1 or 2 stems per hectare. After training the community producer must inventory and mark 5 one hectare blocks to demonstrate their competence before becoming certified.

A system of "Corrective Action Requests" (CAR) is used to warn producers that some aspect of their operations fails to meet the required standard for certification and give time for corrective action to be taken. A major CAR (a 'shark') requires that corrective action be taken within three months, and a minor CAR (a 'snake') allows six months to fix the problem. Failure to resolve the problem will lead to the loss of certified status and consequent loss of sales to SWIFT.

In almost all cases timber production is done using chainsaws with guide bar attachments. Only 2 of the communities working with SWIFT have purchased portable rail mills. The site visit showed that good quality material was being produced (aided by the excellent quality logs available), but there was a high degree of wastage with many flitches and short log lengths left behind which could potentially produce saleable material. When asked about this SWIFT said that this is a longstanding problem, but there was little they could do about it as the producers were independent of SWIFT itself and the abundance of the resource did not encourage improving the efficiency of conversion. In addition small-landowners are generally risk-averse and are not willing to take a chance on wasting petrol money cutting wood they are not sure will be saleable.

An almost complete lack of safety equipment at the site was noted. Just one or two of the workers were wearing boots, with no helmets or ear protection to be seen. The explanation given was that people found the protective equipment uncomfortable to wear in the hot, humid environment in which they were working and also found that it hindered their freedom of movement when working. SWIFT told us that they could not compel people to use safety gear since all the producers were independent. However, they were given training in the use of safety equipment and stocks of protective clothing were available for the producers to purchase, although few had done so. It was noted that, to date, there had been no serious accidents during the felling and production of timber. The level of training and availability of safety equipment was accepted by the certifiers as being "appropriate to the scale of the operations".

At present timber is carried by community members to the nearest accessible beach or roadside for collection by SWIFT. The need for alternative means of extraction in the future, when people are working further away from access points, was recognised by SWIFT.

Once work in a block is completed the area is inspected by a SWIFT forester and the block formally closed for another 5 years.

The impact of certification

There have been both positive and negative impacts of certification for SWIFT. The beneficial effects identified during the visit are:

- The market advantage that certification brings. The FSC label has real appeal in European markets with enquiries being received by SWIFT from the Netherlands, Germany and Spain for much more timber than they are able to supply.
- Higher sale prices enable SWIFT to increase the price paid to producers over alternative local markets, which has encouraged more people to work with SWIFT.
- The process of certification has caused people within SWIFT, and in the timber producing communities, to consider more carefully just what they are doing. This re-evaluation has focussed their thoughts on their responsibilities for stewardship of the resource and also made them aware of their ability to direct the development of their forests.

The negative impacts are:

- Too much paperwork required to maintain the audit trail. The complicated bureaucratic nature of the system required by certification discouraged some people from joining SWIFT and added significantly to the training and running costs of the organisation. The problem was particularly acute with landowners who could not read or write with confidence.
- The high cost, particularly in establishing the systems required for certification. Without external support it would not have been possible to gain certification without a much greater volume of timber sold.
- The slow pace of expansion of the programme, due to the heavy training load needed to ensure conformity with standards set under certification. The mobility and speed with which overseas logging companies can set up new concession agreements is a frustrating contrast to this.

An observation was made that only the very highest quality timber was being accepted for export. It was suggested that changing the grade of timber offered for sale to the equivalent of 'select and better' would enable a greater volume to be sold enhancing both the efficiency of the conversion (less fuel etc. used per cubic meter of timber produced) and percentage recovered and sold from each log, thus increasing the income per hectare to the producers. However there would be additional costs in this, such as extraction to roadside, seasoning and packing for export, and perhaps a further evaluation is needed of the costs and benefits for both the producers and SWIFT.

Field visit to Kolombangara Forest Products Ltd. - a certified large commercial plantation

Day 3. Led by Richard Pauku, Paul Speed and Rob Jones

KFPL - history, purpose and structure

There is a long history of logging on Kolombangara island. The KFPL venture is the first attempt at sustainable management of the forest resource after nearly 70 years of exploitation. Key dates in the history of logging on Kolombangara before KFPL are:

early 1900s Levers Pacific Timbers was granted a 1000 year "Certificate of Occupancy" over around $\frac{3}{4}$ of the island.

1920s onwards Logging commences by taking the best trees, building a ring road around the island as they go, with spur roads up ridges allowing logging up to about 400 metres above sea level. Levers returned a number of times to the same areas taking progressively smaller trees.

1970s A market for "super small" logs is developed and Levers are able to log the areas once more.

1978 Forestry Department starts planting on logged areas, mostly *Eucalyptus deglupta*, but with several minor species and fairly extensive research trials, including cattle under trees.

1986 The accessible parts of the island are finally logged out with very few large trees remaining.

1988 Planting by the Forestry Department ceases after approximately 8000 ha have been established.

1988 CDC and the SI Govt. negotiate a joint venture agreement to take over the Levers area (excluding the plantation area) on a 75 year lease with the aim of developing a plantation resource. Levers gives up the Certificate of Occupancy.

1992 KFPL restructured to include the Forestry Department plantations as part of the SI Govt's contribution to the joint venture

Please see the next 2 pages for further information about KFPL and a map showing the extent of the plantations.

The current situation

Planting of previously areas logged by Levers will be completed in the next couple of years. The aim is to have 16,000ha of plantation, around 10,000 of this *Gmelina arborea*. The minor species will be *Eucalyptus deglupta*, teak (*Tectona grandis*), rosewood (*Pterocarpus indicus*), mahogany (*Swietenia macrophylla*) and balsa (*Orchroma lagopus*). There is a small outgrowers scheme under which local people have established around 200ha of plantation, almost all *G. arborea*. KFPL are seeking to expand this.

Harvesting of the ex-Forestry plantations is well underway with around 50,000 m³ being exported as logs in each of the last 2 years, and plans to increase that to 80,000 m³ in 1999. Felled areas are re-established within 3 months.

There has been small scale cutting of timber using a mobile sawmill, producing a small amount of material for test marketing. A pilot sawmill is under construction now which will enable KFPL to test markets for sawn material more effectively and train staff in swaddling techniques, which are new to the island. Plans for a much larger sawmill (50,000 m³ per year input) are being finalised.

Motivation for certification

There were 2 major reasons or KFPL to pursue certification:

i) The ethical consideration of wanting to do everything possible to ensure the sustainable management of the plantation. Certification is complementary to company policies in a number of areas, environment, consultation and involvement of local people, health and safety, and recognition of government laws and regulations. Certification was a way to get recognition for these policies that were already in place, both inside the Solomon Islands and overseas.

ii) Commercial. Certification would enable KFPL to diversify their markets, particularly into Europe and the USA, so reducing the risks associated with over-dependence on one region. Also it had the potential for them to secure a higher price for their product. This became especially urgent with the collapse of the Asian economies in 1997. Since KFPL were already committed to using best practice in their forestry operations the extra cost of certification was very little more than the direct cost of inspection. There were some additional costs for water quality monitoring and research currently being funded through an ACIAR donor project. KFPL management believe that the increased prices obtained in a generally depressed market mean that certification will at least pay for itself.

It also fits in well with the KFPL strategy of moving towards processing the logs on Kolombangara.

Field operations

Harvesting:

- long term yield forecasts are done on contract each year by a NZ company using the computer based growth modelling FOLPI system. 20 year old *E. deglupta* from the ex-Govt plantations yields around 450m³/ha. Expected yield from *G. arborea* at 12 years is 300m³/ha
- harvesting plans are prepared based on 1:5000 contour maps and submitted to the SI Govt at the start of the year. Roads and skid trails are planned and shown on the plan which must be approved by the Ministry before operations start. The plan is to use them again at the end of the next rotation.
- pre-harvest inventory is done using the NZ MARVL system which gives a prediction of log assortment and quality as well as volume.
- roads, landings and major skid trails are constructed with a Caterpillar D6 2 months ahead of felling.
- undergrowth is cleared ahead of felling for safety - improved visibility and elimination of climbers.
- trees are directionally felled away from skid trails. Wherever possible brush is left on the skid trail to reduce soil disturbance.
- extraction is done using skidders equipped with 30-40m cables. Driving off the skid tracks is banned and the end of the skid track is clearly marked. Production is around 180m³ per day for each of 2 machines. For steeper areas, a skyline cableway has been used which causes minimal ground disturbance. It is now broken down but had achieved consistent extraction rates of 80m³ per day.
- logs are cut to length in the bush and to final specification at the roadside landing.
- excavator based machines are used for loading logs onto trucks and have a better production than wheeled loaders.
- training of operators is a high priority in harvesting as in all other operations at KFPL. There is a commitment to employ local people wherever possible
- health and safety is another priority. Use of safety equipment (boots, safety trousers, helmets and ear muffs) is mandatory for all employers and contractors on the felling site. There are penalties for not using safety gear, including dismissal.

Map of Kolombangara showing extent of plantations etc. This was not included in the main report in order to keep the file to a reasonable size. It can be sent as a separate attachment if required and will be sent by post.

Kolombangara Forest Products Limited

- Kolombangara Forest Products Limited (KFPL) was established in 1989 as a joint venture between the Commonwealth Development Corporation (CDC) and the Investment Corporation of the Solomon Islands (ICSI), with the aim of creating and sustaining a 16,000 ha forest industry on land previously logged by Levers Pacific Timbers.
- KFPL was awarded FSC certification in October 1998 both as a producer and processor of logs.
- KFPL concentrates on the following species of hardwood tree in its plantations:

Short rotation species	% area of total plantation	Long rotation species	% area of total plantation
<i>Gmelina arborea</i>	50.0	<i>Tectona grandis</i>	5.48
<i>Eucalyptus deglupta</i>	13.2	<i>Swietenia macrophylla</i>	5.67
<i>Acacia aulacocarpa</i>	0.21	<i>Cedrela odorata</i>	1.29
<i>Orchroma lagopus</i>	0.02	other species	29.1

(*) 'Other species' refers to those planted by the Forestry Division on land inherited by KFPL. The dominant stands comprise; *Campospermum brevipetiolata*, *Terminalia brassii*, and *Terminalia calamansenii*.

- KFPL has a specialized *Gmelina* and *Eucalyptus* research and breeding programme, which is one of the most advanced in the world.
- At full production, the plantations will have a timber cut of 300,000m³/yr., generating \$75m/yr. from round log exports alone.
- KFPL has plans to establish a processing industry. Phase I is underway, with the construction of a pilot sawmill at Poitete. A feasibility study for

Phase 2 (the construction of a 50,000m³ / yr. sawmill, which will generate \$100m/yr. in exports, and the redevelopment of port facilities, at Ringgi) will be presented to the CDC Board of Investors in 1998. Construction is expected to commence in 1999.

- KFPL has an Environmental Policy approved by the Ministry of Forests, Environment and Conservation. Research collaborations with ACIAR and ICLARM provide for a comprehensive monitoring programme.
- KFPL employs 350 directly, and contracts work to a further 450. 4 CDC staff are also employed. Free housing, water and electricity is provided to all employees living in Ringgi and Poitete townships, and all infrastructure is maintained. Clinics and schools are heavily subsidized.
- KFPL is committed to the localization of its workforce, and has a wide ranging training programme designed to facilitate this.
- KFPL encourages extension forestry by local landowners, providing technical support and market outlets through its outgrower scheme.

Information provided by KFPL about the plantation and the company

-
- production is matched to market demand which may result in working in 4 or 5 compartments to achieve the required mix of diameter classes. A compartment may take up to 6 months to clear.

Environmental protection and conservation:

- the total lease area is around 36,000 ha but only 16,000 ha will be planted. Much of the rest is above the altitude limit for forest operations or on areas that are too steep for development. Much of this area has been formally designated as reserve (see map). The reserve area include 3 strips by major streams that extend down to sea level.
- there are buffer strips next to all active watercourses, in line with the SI code of logging practice. These are left undisturbed even where they are composed of plantation species.
- Environmental monitoring focuses on climate (a weather station at Ringgi Cove); soils, monitoring nutrient levels on replanted sites; and water yield and quality in streams near, and downstream from logging areas. Assistance in water quality assessment has come from ACIAR.

- the use of chemicals is minimised. Roundup (gramoxone) is used where weed growth is particularly troublesome but chemical fertilisers are not used, thus avoiding possible leaching problems

Nursery:

Rooted cuttings of *G. arborea* are produced in 4-5 weeks at the Poitete nursery. Cutting hedges have been established adjacent to the nursery of selected stock. Cuttings are dipped in 8% IBA powder and inserted into a coir based rooting medium. This is very free draining and leeches nutrients rapidly so a slow release fertiliser is included in the mix. Individual clones are not kept separate when taken for planting in the field. Eucalyptus is grown from seed in the traditional manner.

The tree breeding programme deals almost exclusively with these two species.

Planting & replanting:

- Two major species are used. Wherever it will grow *G. arborea* is planted, but it is sensitive to soil compaction and degraded sites so on old log landings and skid trails *E. deglupta* is planted instead. Previously, some acacia species (e.g. *A. mangium*) had been tried but they proved very vulnerable to wind damage and are no longer planted.
- following harvesting or clearing on new planting areas the area is marked into blocks and planting lines marked 4 meters apart. Trees are planted at 2.5m spacing in the rows to give 1000 sph.
- After marking, debris is put into windrows and larger material in the planting rows cross cut to allow access. Burning is not used to clear the site as this would result in the loss of nutrients from the system. The planting line is cleared of vegetation. Herbicide is used where grass is a particular problem.
- Replanting is done within 3 months of the end of harvesting.
- Weeding is done twice a month for the first few months because of rampant creeper growth (*Merremia peltata*, *Mikania micrantha*), and a singling/form pruning is done 4 months after planting.
- Early growth is very rapid and thinning and pruning is carried out to a pre-determined schedule. Separate schedules are used for *Gmelina* and *E. deglupta*.

Impact of certification

KFPL were expected to meet much more stringent standards than SWIFT, reflecting the their size and the human and technical resources available to the company. However, because KFPL was already trying to work according to best practice there were only minor changes needed to reach the standard required for certification. Among the actions needed were:

- improved monitoring of water quality and soil water levels in logged areas;
- moving of the log pond further away from the shore;
- an increase in the number of turnout drains on the roads;
- a continuing programme to install culverts and bridges at river crossings;
- improved liaison with landowners, especially greater consultation about new developments;
- copies of all relevant laws and regulations available and updates kept in the office;
- research into the effect of nutrient removal in harvesting on subsequent growth and yield;
- compilation of a list of known flora and fauna for conservation planning; and
- monitoring of regeneration of indigenous species in buffer strips currently planted with exotic species followed by enrichment planting where required.

The positive effects of certification identified during the visit were:

- the ability to sell products in a greater range of markets, rather than Japan, South Korea and the far east. Many enquiries are being received as a result of certification;
- the increased price for the produce;
- the good image that certification creates for KFPL - and the joint venture partners of CDC and SI Government; and
- the way in which the certification process had led to staff re-evaluating what they did and thinking through why they did it in the way they did in order to achieve a desired outcome. This has generated ideas for alternatives and new initiatives

The principal drawbacks were:

- the cost of the certification exercise; and
- the time it took from starting the process to the final approval of the certificate.

Motivations for certification and problems encountered

Day 4. Session 2. (In Session 1 the field trips to SWIFT and KFPL were discussed, the results have been included in the report of the field visits, above).

Following the field trips and discussion of them the participants were asked to consider the following 3 questions:

1. Why become certified?

2. Under what circumstances is certification a good idea, and when is it not justified?

3. What problems and constraints are there to certification?

The responses of the working groups, which were selected at random are summarised below:

Why become certified?

- to increase market accessibility;
- to obtain higher prices, and so increase returns;
- distrust of Government claims about forest management makes independent 3rd party assessment valuable;
- ethics/morals: the desire to be seen as good corporate citizens both nationally and internationally
- to access technical assistance;
- to improve forest management;
- to ensure environmental protection.

In addition certification requires training that results in:

- improved understanding of the work at all levels;
- improved standards of health and safety;
- makes proper planning essential (e.g. designation of conservation areas, compilation of full management plans) thus making continued good forest management more likely;
- may improve efficiency of the organisations management (through review process).

It was also noted that although certification is a market driven procedure, entered into voluntarily by timber producers, governments have a role in providing an enabling environment for certification, e.g. in the development of national standards

When is it a good idea to become certified?

- when you want to avoid irresponsible logging;
- as an additional safeguard when working in environmentally sensitive areas;
- where resource owners have significant participation in the forest management;
- when it is justified by a market benefit such as a price premium or better access;
- as an additional way of improving forest management (through independent inspection and corrective action requests);

- where consumers have the perception that forest management is poor. Certification gives independent endorsement of forest management.

It is not justified when

- timber is sold locally or exported to a market which does not require certification;
- where costs outweigh advantages (likely where small scale enterprises try for individual certification);
- where local community needs conflict with certification (e.g. where the area required for agriculture is expanding into the forest).

Problems and constraints

- high cost;
- bureaucratic procedure and length of time from first contact to issue of certificate;
- time and effort required to raise awareness among stakeholders (including local communities);
- difficult to obtain the long term commitment to sustainable forest management required for certification from forest owners (may wish to keep future options open);
- marginal price difference between certified and uncertified material;
- uncertainty about future developments in certification;
- poor availability of people to help in preparing for certification;
- lack of national standards against which to be assessed;
- lack of technical knowledge of forest managers about certification. Little training available;
- buyers (of certified timber) insist on top grades only;
- monitoring of chain of custody to the final selling point can be problematic.

Capacity building in forest certification

Day 4. Session 3. Proposal for project development funding from DFID to the UK Soil Association. Presented by John Mayhew.

John Mayhew, standing in for Jim Sandom, Director of the Soil Association's *Woodmark* scheme gave a presentation about the assistance that could be available to countries in Melanesia in the development of a regional certification capacity. The main points of the presentation were summarised for overhead projector presentation and are reproduced as Appendix 4.

The workshop also received a paper from another FSC accredited certifier who has expressed interest in developing a regional certification capacity, the Rainforest Alliance *Smartwood* programme. This is reproduced as Appendix 5.

In discussion following the presentation two reasons emerged as a clear motivation for developing a local certification capacity:

1. Reducing the costs. Current certifiers charge between £350 (Woodmark) and £450 (SGS) per day for their consultants' time, in addition to all travel, accommodation and incidental expenses. The recent assessment of KFPL took 2 weeks of fieldwork; and
2. The need to give local credibility to the certification process without compromising the reputation of any certification scheme in the marketplace. There are sufficient qualified and experienced people in the region to carry out inspections who have the advantage of better understanding the cultural context they are working in, being physically closer to the forests to be assessed and not requiring the level of fees common in USA, Europe and other industrialised nations.

In addition, a locally based certifier would be able to support smaller producer groups; take the lead in building local awareness of certification and play a complementary role in other regional SFM initiatives.

Current status of certification for the countries represented at the meeting

Day 4. Session 4. Country working groups facilitated by AT, BG, JM.

The workshop split up into country working groups to review the status of certification in each country. The results of the review are summarised below:

Country	Fiji	Papua New Guinea	Solomon Islands	Vanuatu
Number of organisations / forest management units certified	None	2, but 1 has lapsed	4 (1 lapsed)	None

Area covered by certificates	Nil	20,000 ha (approx.)	96,000 ha (approx)	Nil
Approximate certified volume produced per year	Nil	360 m ³	51,000 m ³ (due to increase to 81,000 m ³ in 1999)	Nil
Percentage of total country production	0% (total production 500,000 m ³ pa)	less than 1%	7% (approx. 700,000 m ³ produced annually)	0% (total production around 35,000 m ³ pa)
List the main points made by those certified as to why they did it:	n/a	<ul style="list-style-type: none"> • market access • recognition of good forest management • cost met by donors • external technical support 	<p>market access buyer demand desire for SFM ethical stand</p>	n/a
If no certified forest please give	For Fiji Pine sales are mostly to Japan as chips. Indigenous spp.	n/a	n/a	<ul style="list-style-type: none"> • SFM still in the learning

<p>possible reasons for this.</p>	<p>Are sold mainly to Australia and New Zealand. None of these markets require certification. Harvesting of the mahogany plantations is about to start. Europe & USA markets may require certification.</p>			<ul style="list-style-type: none"> • stage • few people at the grassroots know about certification • no national standards • no formal government position on cert. • timber industry does not see any advantage with present markets
<p>If there are</p>		<ul style="list-style-type: none"> • not mandator 	<p>high cost no (or low)</p>	

<p>certified areas why have other timber producers not become certified?</p>		<ul style="list-style-type: none"> • y an NGO initiative, so companies not interested • new idea and most logging projects would not qualify 	<p>awareness of certification many areas are under short term concession to logging companies land disputes</p>	
<p>Country</p>	<p>Fiji</p>	<p>Papua New Guinea</p>	<p>Solomon Islands</p>	<p>Vanuatu</p>
<p>List briefly key points of other work towards sustainable forest management in your country.</p>	<ol style="list-style-type: none"> 1. Reduced impact logging trials to be implemented nationwide following GTZ trials. 2. National Code of Logging Practice implemented from 1998 3. Logging monitoring and evaluation 	<ol style="list-style-type: none"> 1. Provision in Constitution for sustainable management of natural resources 2. Code of Logging Practice prepared 3. National Forestry Act, Policy and Plan 4. Environment Act 5. Conservation Act 6. Water Resource 	<ol style="list-style-type: none"> 1. Government regulations and controls (including the revived Timber Control Unit) 2. Code of logging practice 3. National Standards working group 4. NGO initiatives for community based work 5. Pre- 	<ol style="list-style-type: none"> 1. National Forest Inventory finished in 1992 2. Code of logging practice now with legal force 3. National Forest Policy adopted

	<p>system operating.</p> <p>4. Logging training school for operators.</p> <p>5. Reinventory of forest resources in 1995.</p> <p>6. Ban on circular saws to increase sawmill efficiency</p>	<p>Act</p> <p>7. National FSC Standards in draft.</p>	<p>harvest inventory in natural forest</p>	<p>ed by Government</p> <p>4. NGO initiatives</p> <p>5. Donor to Govt project such as VSFU P GTZ, , NZ</p>
<p>Level of interest in certification</p>	<p>Govt. is supportive, sees certification as complementary to ITTO commitments. Some interest & enquiries from private sector and mahogany plantations.</p>	<p>Interest in certification has developed from the initial activities and is now gaining momentum.</p>	<p>Growing in all sectors.....</p>	<p>Unknown among local communities, landowners and politicians . Small but growing among NGOs and Govt.</p>
<p>Stakeholder interest levels:</p>				
<p>General public (including)</p>	<p>medium</p>	<p>medium to high</p>	<p>high</p>	<p>none</p>

landowners)				
Government (technical staff)	high	medium	medium	low
Politicians	low	medium	medium	none
Large timber companies	high	low	low	low
Small timber companies	low	high	low	low
NGOs	high	high	high	medium

Note: Samoa reported that there was very little, if any, interest in certification in Samoa, since all timber produced was used within the country. There is however, great pressure on the small forest resource remaining.

After the presentations the reasons for the failure of the Bainings project in PNG to maintain its certificate were discussed. The workshop was told that the original reason for certification - getting an export market to the UK - changed once the project became more established. Domestic markets had developed, particularly following the destruction of Rabaul in a volcanic eruption, and the export markets in Australia and Japan did not worry if the timber was certified or not. The cost was a constant drain on resources and the standards required by the certifiers were raised, making compliance more difficult. The project is still following the same procedures that enabled them to achieve certification in the first place, and continue to review the benefits and costs of certification.

Analysis of individual country and regional certification needs

Day 4. Session 5. Country working groups facilitated by AT, BG, JM.

This session was give over to the consideration of the questions about "What next?" posed by John Mayhew during the presentation of the Soil Association capacity building project (see Appendix 5). A summary of the feedback given by the country groups of participants is given below. These are the views of those attending the meeting and do not represent any official position.

	<i>Fiji</i>	<i>Papua New Guinea</i>	<i>Solomon Islands</i>	<i>Vanuatu</i>
Is certification relevant?	Yes, if USA and Europe are future markets	Yes	Yes - as a response to the long term problems of over-exploitation	Useful but not strictly necessary now
Is a national or regional system needed?	Does not matter so long as it is reliable, cost effective, and widely accepted	National system good	Should develop national capacity	A regional set of standards is required
Does your country want to be involved in the proposed project?	Yes, for international recognition	Yes	Yes	Yes, as part of a regional capacity building project
FSC or another system?	Fiji is ITTO member and any system must be consistent with ITTO standards	FSC since draft standards are available	FSC for market strength	Any appropriate scheme
Regional or national focus?	Does not matter	National process underway, but need for a regional	National at first, then regional	Regional focus only (economies of scale etc)

		initiative		
Certification body to be private, Govt., or NGO?	Private or NGO as certification is market driven. Government should have involvement e.g. in monitoring	All parties involved. Neutral body representative of all stakeholders	Private body to ensure independence and impartiality	Private or NGO with Government participation
Who wants/should be involved?	Government, NGOs, Commercial timber producers, landowners, Environment Department	All stakeholders: Govt, communities, logging industry, NGOs, processors etc.	Inclusive of all with interest in SFM: Govt., churches, NGOs, commercial forestry concerns, communities etc.	Need wide consultation to decide who should be involved
How should they be involved?	Throughout the development of the initiative. From first planning to monitoring of implementation.	Through involvement and consultation	In the formulation and implementation of any initiative to maintain transparency	Support and training for those affected by any certification initiative

Note: The participant from Samoa reiterated that, at this stage, certification was probably not appropriate for Samoa.

Recommendations for overcoming constraints

Day 5. Session 1. Country working groups facilitated by AT, BG, JM.

The problems and constraints that had been identified during the workshop were summarised (see Appendix 6) and the country groups of participants were asked to rank the 5 most important constraints to its implementation and suggest measures that could be used to overcome them. A summary of the rankings from the different countries is given below:

Country	Fiji	Papua New Guinea	Solomon Islands	Vanuatu	Samoa
Rank					
1	High cost (lack of price premium)	Low awareness	High cost	Low awareness	Land disputes
2	Resource owner commitment (short term licences)	Lack of national standards	Land disputes	No technical knowledge and training	Future uncertainty (forest conversion)
3	No perceived market advantage	No market advantage for industry	Lack of knowledge and training	High costs	Existing concessions
4	No Government policy	Lack of knowledge and training	Resource owners not committed	Resource owners not committed	SFM not developed
5	Time required for certification	High cost	Existing concessions	No perceived market advantage by industry	No national standards

Thus, a total of 12 factors were identified as key impediments to the development of certification. The four Melanesian countries, who have worked fairly closely together in regional programmes to move towards SFM had fairly similar perceptions about the problems to be overcome. Samoa, which does not have the same history of development of regulatory instruments such as a code of logging practice had quite distinct perceptions of the obstacles to the development of certification. A simple scoring of the ranks given by the different countries gave an overall priority list for the region, which is shown below with the suggested ways in which the constraints could be overcome.

<i>Rank</i>	<i>Identified problem or constraint to certification</i>	<i>Possible approaches to solutions</i>
-------------	--	---

1	High costs involved	<ul style="list-style-type: none"> • Develop regional assessment capacity • Adapt certification to regional conditions • group certification
2	Low awareness of certification	<ul style="list-style-type: none"> • Hold workshops with all stakeholders • Nationwide awareness campaign • Develop publicity materials, pamphlets etc.
3	Land disputes	<ul style="list-style-type: none"> • Legislation e.g. Native Land Trust Board in Fiji, or proposed Land Recording Bill (Solomon Is.) • Local land conferences • Mediation by traditional authorities (Council of Chiefs) • Get MOU signed by Chiefs representing disputing parties • Church participation
4	Lack of technical knowledge and training	<ul style="list-style-type: none"> • Technical assistance • Intensive training at all levels from regional, national, provincial and local
5	Poor commitment from resource owners for good forest management	<ul style="list-style-type: none"> • Awareness program on sustainable certification and environmental issues • Financial incentives through timber sales and project assistance • Form co-operatives to operate as a unit on a long-term basis
6	Major timber industries do not see market advantage in certified products (e.g. SE Asia, Aust.)	<ul style="list-style-type: none"> • Change in future markets may change attitudes to certification - e.g. Fiji's mahogany markets may be to US and Europe and this may increase the need for certification • Improved market and outlook information is needed and may lead to higher interest in certification • Research and dissemination of information on higher prices for certified products
7	Lack of national standards	<ul style="list-style-type: none"> • Work in multi-party national standards committees to draft and finalise national standards as certification

develops

8	Many areas under existing logging concession	<ul style="list-style-type: none">• Increase standards for forest management required under present legislation and regulations to ensure forest left at end of present concession• Apply Code of Logging Practice• Intensify reforestation efforts• Charge a levy on logging companies for reforestation
9	Uncertainty in future	<ul style="list-style-type: none">• Awareness programmes to inform people about the value of the forest• Strengthen Extension Services to provide seedlings to communities• Develop sustainable forest-based income generation activities
10	No formal Government position on certification	<ul style="list-style-type: none">• Government to review position and input to facilitate certification in line with changing markets
11	SFM techniques not well developed	<ul style="list-style-type: none">• Review regulatory approaches and restrict harvesting to a sustainable level• Apply code of logging practice
12	Time needed to complete certification process	<ul style="list-style-type: none">• In the long run, develop local capacity for certification. This would also reduce high costs

In the overall ranking "high cost" was clearly the most frequent concern, being listed by 4 of the 5 countries. Information issues (lack of technical knowledge, poor resource owner awareness, and poor appreciation of possible market advantages) were also of general concern, all being mentioned by 3 countries. The first 7 ranking constraints were mentioned by more than one country.

However, this ranking is crude and accords equal weight to each country, including Samoa which, as discussed above, has a different set of priorities from the Melanesian countries. If Samoa is taken out of the table and the ranks

weighted by volume of timber production the number of constraints is reduced to 9 and the overall priorities are:

1. Low awareness of certification
2. No national standards
3. High cost
4. No market advantage perceived by timber producers
5. Lack of technical knowledge and training
6. Poor resource owner commitment
7. Land disputes
8. No stated Government position on certification
9. Existing concessions

Weighting by log production (or forest area) might also be misleading as the views expressed by the PNG participants have a great influence in the overall ranking since PNG has by far the largest timber industry and forest area. However, there is sufficient agreement between the two sets of rankings to give a good idea of the issues that are likely to be important in any regional certification initiative.

Statement from the meeting

Day 5. Session 2. Discussion and agreement on a statement from the workshop.

The workshop agreed unanimously to the following statement about the current status and future direction of certification in the region:

Issues and opportunities for Forest Certification in the South Pacific region

- a statement from the workshop held in Gizo Solomon Islands 9-13 Nov 1998

Background

1. The recently completed Pacific Island Heads of Forestry workshop in Nadi Fiji 21-25 September 1998 recommended among other things, that:
 - o the economics of certification be further studied
 - o the alternative certification systems should be assessed, and the most appropriate approach pursued by the Pacific region, and
 - o regional capacity for certification should be developed to reduce costs.

1. In line with these recommendations, a 5 day workshop was held in Gizo, Solomon Islands from 9-13 November 1998 to discuss issues and opportunities for Forest Certification.
2. The workshop was attended by over 30 experienced people working in forestry throughout the South Pacific region with representatives from five countries (Fiji, PNG, Solomon Is., Vanuatu, Samoa). An observer from Australia, and experts in forest certification from UK and Malaysia also attended. The group included representatives from government forest departments, social and environmental NGO's, community forestry groups, and company representatives.
3. The workshop included field inspections of two sites where certification has been achieved Kolombangara Forest Products Limited (KFPL) and Solomon Western Islands Fair Trade (SWIFT). KFPL is a large industrial plantation based company managing 36,000 hectares including 16,000 hectares of mainly exotic species plantations on Kolombangara Island. SWIFT is a small church-based NGO group that has developed a successful approach to forest management and harvesting by local landowners using small sawmills and chainsaw mini-mills.
4. The results of the workshops will be prepared as a report to the supporting donors, participants and other interested parties. This statement is a summary of the main observations, outcomes and conclusions of the workshop.

Preamble

6. Certification of forest management is an established and recognised procedure leading to the issue of a certificate based on an independent (third party) assessment of satisfactory compliance with a set of predetermined standards. Certification can also be applied to processors who use certified forest products.
1. The process of forest certification is still relatively new and still being developed. There are significant issues and problems that have been raised and not yet fully overcome. Difficulties include the relatively high cost of certification, variation in standards and methods, and uncertainty over market and price benefits. However, the workshop accepted that Forest Certification has a role to play in monitoring and providing an incentive to improve forest management.
 2. The workshop recognised that there are currently a number of internationally accepted approaches to certification.
 3. The workshop accepted that certification is a voluntary market-driven approach in which governments can play a supporting and facilitating role.
 4. Certification is not a necessary condition for good forest management. That is, we can have forests that are well managed that do not necessarily have certification. However, where a forest has been

- certified it is a clear signal to consumers, many of whom may be otherwise unfamiliar with the forest management at the source of the timber, that the forest management meets certain standards.
5. The workshop felt that Certification should be seen as part of a wider set of strategies that need to be used together to work towards sustainable forest management and gain the many benefits that can come from wise use of our natural resources.
 6. There was a wide range of countries and stakeholders represented at the workshop and there was not always consensus on conclusions and best approaches depending on the respective circumstances and philosophies of the organisations. This summary aims to represent the views that were agreed to by the workshop.
 7. Customary land ownership in many South Pacific countries is unique and complex. This creates special conditions that mean that certification approaches developed elsewhere may not be directly applicable. However, the models developed here to include community groups may have relevance in other regions.
 8. Most countries in the region are small and in many cases their situations and pressures on forests are similar. There are clear benefits from developing regional approaches in reducing costs and sharing information and experiences.
 9. It is important to recognise the social context of forest management, in particular low levels of understanding about good forest management. Literacy and numeracy are limiting factors to introducing complex new systems quickly.
 10. Certification is seen as essentially a market driven activity. A regional certification body has the potential to be self funding once the methodology and capacity is established. Its establishment requires financial and technical assistance.
 11. No single agency can effectively drive this process. Several countries are making progress independently with some notable small successes. There is possibly some duplication in this work that could be avoided by efficient co-ordination and sharing of information, systems, and knowledge. This is a more efficient use of skilled people and scarce resources in a region that is clearly short of both.

Conclusions and recommendations

18. The workshop concluded that Forest Certification has a role to play in monitoring and improving forest management in the region.
1. The certification process in the region is hampered by a lack of technical capacity and financial resources to initiate activities that could become self-sustaining.
2. Each of the current certification approaches has its own strengths and weaknesses. The workshop was unable to determine a single preferred

- regional approach. The workshop anticipates that more than one approach may be adopted.
3. The workshop agreed that further work was needed to evaluate the forest certification method most appropriate to the Pacific region. The workshop noted that a regional approach has been demonstrated to work well with other difficult or complex topics such as the development of a regional code of logging practice and more recently with genetic research through the SPRIG project.
 4. One of the main needs is to evaluate and quantify the **costs and benefits** of the various approaches to certification. Given that the costs of certification are widely considered to be high and are often additional costs that organisations are unwilling or unable to pay without some clear benefit, it is vital that work be done to reduce the cost of certification for it to become more widely used.
 5. One way to reduce the costs may be to develop a regional capacity for undertaking certification by people from within the region without having to call on expensive outside assessors.
 6. Development and sharing of systems to facilitate certification including *inter alia*:
 - simple and efficient inventory and management systems suited to the regions forests;
 - chain of custody systems (e.g. numbering, computer tracking system);
 - networking - newsletters, workshops, e-mail, country focal points;
 - group certification;
 - marketing.
 1. The workshop included a session on problems and constraints of certification in the region aiming to rank the issues in order of importance and scope some possible strategies for developing solutions that may help guide further work. A summary of outcomes of this session showing the top six issues is given below with complete results in the full workshop report.

Table 1: Overcoming constraints to implementing certification in the Pacific region

<i>Rank</i>	<i>Identified problem or constraint to certification</i>	<i>Possible approaches to solutions</i>
1	High costs involved	<ul style="list-style-type: none"> • Develop regional assessment capacity • Adapt certification to regional conditions

		<ul style="list-style-type: none"> • group certification
2	Low awareness of certification	<ul style="list-style-type: none"> • Hold workshops with all stakeholders • Nationwide awareness campaign • Develop publicity materials, pamphlets etc.
3	Land disputes	<ul style="list-style-type: none"> • Legislation e.g. Native Land Trust Board in Fiji, or proposed Land Recording Bill (Solomon Is.) • Local land conferences • Mediation by traditional authorities (Council of Chiefs) • Get MOU signed by Chiefs representing disputing parties • Church participation
4	Lack of technical knowledge and training	<ul style="list-style-type: none"> • Technical assistance • Intensive training at all levels from regional, national, provincial and local
5	Commitment from resource owner for good forest management	<ul style="list-style-type: none"> • Awareness program on sustainable certification and environmental issues • Financial incentives through timber sales and project assistance • Form co-operatives to operate as a unit on a long-term basis
6	Major timber industries do not see market advantage in certified products (e.g. SE Asia Aust.)	<ul style="list-style-type: none"> • Change in future markets may change attitudes to certification - e.g. Fiji's mahogany markets may be to US and Europe and this may increase the need for certification • Improved market and outlook information is needed and may lead to higher interest in certification • Research and dissemination of information on higher prices for certified products

Notes: 1. This is a partial list of problems and possible solutions for brevity - more detail in full report.

2. The issue of land disputes was listed highest by Samoa which has little forest but the ranking system used gave equal weight to each country. This may not reflect the true regional significance of this issue by forest resource.

Appendix 1: Regional workshop on forest certification - participant list

Mr Ram Swarup
Conservator of Forests
Department of Forestry
PO Box 2218
Suva Tel: +679 302 740
FIJI Fax: +679 301 595

Mr Hakiso So-omba
PNG Forest Authority
PO Box 5055 Tel: +675 3277 924
Boroko Fax: +675 3277 930
PAPUA NEW GUINEA Email: pngfa@datec.com.pg

Mr Aukuso Leavasa
Forestry Division
PO Box 1874 Tel: +685 23811
Apia Fax: +685 22565
SAMOA Email: forsam@samoa.net

Mr Kevin Alu
Forestry Department
Ministry of Forests, Environment & Conservation
PO Box G24
Honiara Tel: +677 25848
SOLOMON ISLANDS Fax: +677 21245

Mr Hannington Tate
& Mr Adam Gerrand
Department of Forests
Private Mail Bag 064 Tel: +678 23171
Port Vila Fax: +678 25051
VANUATU Email: forestry@vanuatu.gov.vu

Mr Drani Kolinisau

Fiji Hardwood Corporation Ltd.
PO Box 2218 Tel: +679 315 848
Suva Fax: +679 301 595
FIJI Email: fijian@is.com.fj

Mr Wesley Watt
& Ms Paula Bariamu
Pacific Heritage Foundation
PO Box 546 Tel: +675 982 1294
Rabaul Fax: +675 982 1381
PAPUA NEW GUINEA Email: phf@global.net.pg

Mr Steven Yandima
Village Development Trust
PO Box 2397
Lae Tel: +675 472 1666
Morobe Province Fax: +675 472 4824
PAPUA NEW GUINEA Email: vdt@global.net.pg

Mr Japheth Hidson
Anejom Timba Project
Analgauhat
Aneityum Tel: (radio link) +678 22759
Tafea Province Fax: c/o Forestry Department +678 25051
VANUATU or c/o FSPI +678 24510

Mr Yati Bun
Executive Director
FPCD
PO Box 1119 Tel: +675 325 8470
Boroko, NCD Fax: +675 325 2670
PAPUA NEW GUINEA Email: yabun@datec.com.pg

Mr Stanley Womack
& Mr Steven Russell
SPCEF
FSP Vanuatu
PO Box 320
Luganville Tel: +678 36055
Santo Fax: +678 36294
VANUATU Email: fspsanto@vanuatu.com.vu

Mr Joe Mateboto
& Mr Floyd Robinson
FSP/Fiji
PO Box 451 Tel: +679 662 535
Lautoka Fax: +679 663 313
FIJI Email: kanaproject@is.com.fj

Mr. Francis Alfred
& Mr. Benol Ngiloaia
EcoForestry Unit
Solomon Islands Development Trust
PO Box 147 Tel: +677 21130
Honiara Fax: +677 21131
SOLOMON ISLANDS Email:
sidtcid@welkam.solomon.com.sb

Mr Moses Rouhana
Programme Manager
Soltrust
PO Box 748 Tel: +677 30948
Honiara Fax: +677 30468
SOLOMON ISLANDS Email: soltrust@welkam.solomon.com.sb

Mr John Mayhew
Soil Association representative
Bristol House
40-56 Victoria Street Tel: +44 117 929 0661
Bristol Fax: +44 117 929 2405
UK Email: jmayhew@srv0.bio.ed.ac.uk

Dato' Baharuddin Haji Ghazali
Executive Chairman
Gaya Tunas Sdn Bhd
82-1 & 82-2, Wixma PK1
Jalan Loke Yew Tel: +60 3 223 0751/0744
55200 Kuala Lumpur Fax: +60 3 223 0746
Malaysia Email: tunas@po.jaring.my

Mr Richard Pauku
& Mr Rob Jones

KFPL Tel: +677 60230
PO Box 382 Fax: +677 60020
Honiara Email: office@kfpl.com.sb
SOLOMON ISLANDS

Mr Authur Unusu
Mr Wilko Bosma
Mr Toon Helmink
& Mr Marlon Kuve
SWIFT
PO Box 82 Tel: +677 61265
Munda Fax: +677 61265
SOLOMON ISLANDS Email: uc_swift@welkam.solomon.com.sb

Mr Steve Watt
c/o WWF
Solomon Islands Project Tel: +677 60191
Gizo Fax: +677 60294
SOLOMON ISLANDS Email: wwf@welkam.solomon.com.sb

Mr Grant Rosoman
Forests Campaigner
Greenpeace Pacific
Private Bag 92507
Wellesley Street Tel: +64 9 630 6317
Auckland 1 Fax: +64 9 630 7121
NEW ZEALAND Email: Grant.Rosoman@dialb.greenpeace.org

Mr Sairusi Bulai
PIF&TSP
UNDP
PMB Tel: +679 300 432
Suva Fax: +679 305 212
FIJI Email: SairusiB@spc.org.fj

Mr Brian O'Neill
Assistant Director
International Forests Section
Environment Australia
GPO Box 787 Tel: +61 2 6274 1294

Canberra Fax: +61 2 6274 1322
AUSTRALIA Email: brian.o'neill@ea.gov.au

Mr Wilson Pita
Trust Board Member
Lauru Land Conference Tribal Community (LLTC)
PO Box 34
Taro
Choiseul Province
SOLOMON ISLANDS

Mr Benard Ghiro
Linsen Company
PO Box 1433 Tel: +677 39488
Honiara Fax: +677 39488
SOLOMON ISLANDS

Mr Peter Siloko
Friends of Tetepari
c/o Save the Children Australia
PO Box 1149 Tel: +677 26834
Honiara Fax: +677 25920
SOLOMON ISLANDS Email: savchild@welkam.solomon.com.sb

Mr Andrew Tolfts
Regional Forestry Coordinator
FSPI
PO Box 951 Tel: +678 22915
Port Vila Fax: +678 24510
VANUATU Email: atolfts@vanuatu.com.vu

Appendix 2: Workshop programme

Monday 9th November

08.30 Registration

09.00 Opening remarks, Sairusi Bulai, PIF&TSP

09.20 Administrative arrangements, selection of rapporteurs,
introduction to the weeks

programme and objectives for the workshop

09.45 Tea break

10.00 Introduction - What is forest certification and what does it offer?

Andrew Tolfts, Regional Forestry Coordinator, FSPI (motivations: market, forest management, environmental lobby, the basic process of validation, potential benefits and disbenefits)

10.40 The ITTO's work towards sustainable forest management. Development of national standards for the assessment of sustainable forest management. Dato' Baharuddin Haji Ghazali, Gaya Tunas Forestry Consultants, Malaysia.

12.00 Lunch

13.30 The Forest Stewardship Council's certification system, development and current status.

Yati Bun, Executive Director, Foundation for People and Community Development, Papua New Guinea.

14.45 ISO 14000, an environmental management standard.

Dato' Baharuddin Haji Ghazali

16.00 Convergence and divergence between the different approaches. Group exercise facilitated by BG, YB and AT.

1. End of day 1.

Tuesday 10th November

Field visit to SWIFT, led by Silas Teu, Head Forester, and Karen, Inventory Training Officer. SWIFT's programme is designed to help community producers in the production and sale of timber in export markets, in particular Europe. They were granted a group certificate under the FSC system over 18

months ago so have one of the longest experiences of certification in the region.

The visit will include both the headquarters and a field visit to a community based producer. It will highlight the impact that certification has had on forest management practices, the impact on SWIFT's management systems and its effect on relationships with the communities

Travel to Munda will be by chartered plane on the following approximate schedule:

Departure Arrival

Gizo - Munda

Trip 1 08.45 09.05

Trip 2 09.30 09.50

Munda - Gizo

Trip 1 15.05 15.25

Trip 2 16.05 16.25

Wednesday 11th November

Field visit to Kolombangara Forest Products Limited, led by Richard Pauku. KFPL was recently granted an FSC certificate and the field visit will look at similar topics to the SWIFT visit, but in the context of a larger scale enterprise. Topics include:

- Why the decision to pursue certification was made;
- The processes involved in certification; and
- How it affected the KFPL's attitudes towards forest management, its management systems, operational practices, relationships with other stakeholders, benefits for marketing.

Travel to Kolombangara will be by chartered plane on the following schedule:

Departure Arrival

Gizo - Ringgi

Trip 1 08.45 09.00

Trip 2 09.15 09.30

Ringgi - Gizo

Trip 1 15.30 15.45

Trip 2 16.05 16.20

Thursday 12th November

08.30 Analysis of field trip and other data through group exercise and open discussion. Facilitated by BG, AT and John Mayhew.

- why become certified? Under what circumstances is certification a good idea?

- identification of problems and constraints to certification.

- what are the strengths and weaknesses when applied in the Pacific of the different systems introduced on Monday?

10.30 Tea break

10.45 Options and alternatives for regional and national certification initiatives. John Mayhew of Soil Association will introduce concept of regional certification capacity and assistance that might be provided through new DFID UK funded project.

13.30 Status report on forest certification for the countries represented. Developed by participants from each country in country groups. Report back on if there is certified forest, if so how much; if not,

why not. Prospects for the next few years. Other initiatives towards SFM.

15.00 Analysis of individual country and regional certification needs.

The workshop will split into groups to examine the options for each country and the region as a whole. This is a brainstorming session to identify different possibilities and constraints country by country.

14.30 Report back to the meeting from each group (6 x 20 minutes)

16.30 Summary and synthesis of results of discussion

During the evening a drafting committee will develop a text outlining plans for the future development of certification in the region, based on the earlier discussions. This will be presented for consideration on the final day of the workshop.

Friday 13th November

09.00 Discussion of the next steps in the development of certification in the region, using the draft prepared the previous evening.

10.45 Continuation of discussions.

12.00 Lunch and amendments to text of recommendations of the meeting.

13.30 Continuation of discussions followed by approval of statement from the meeting.

16.00 Workshop closes

Saturday 14th Nov. and Sunday 15th Nov. Participants return to Honiara and disperse.

Appendix 3: FSC Principles and Criteria

INTRODUCTION

It is widely accepted that forest resources and associated lands should be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. Furthermore, growing public awareness of forest destruction and degradation has led consumers to demand that their purchases of wood and other forest products will not contribute to this destruction but rather help to secure forest resources for the future. In response to these demands, certification and self-certification programs of wood products have proliferated in the marketplace.

The Forest Stewardship Council (FSC) is an international body which accredits certification organisations in order to guarantee the authenticity of their claims. In all cases the process of certification will be initiated voluntarily by forest owners and managers who request the services of a certification organisation. The goal of FSC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests, by establishing a worldwide standard of recognised and respected Principles of Forest Stewardship.

The FSC's Principles and Criteria (P&C) apply to all tropical, temperate and boreal forests, as addressed in Principle #9 and the accompanying glossary. Many of these P&C apply also to plantations and partially replanted forests. More detailed standards for these and other vegetation types may be prepared at national and local levels. The P&C are to be incorporated into the evaluation systems and standards of all certification organisations seeking accreditation by FSC. While the P&C are mainly designed for forests managed for the production of wood products, they are also relevant, to varying degrees, to forests managed for non-timber products and other services. The P&C are a complete package to be considered as a whole, and their sequence does not represent an ordering of priority.

FSC and FSC-accredited certification organisations will not insist on perfection in satisfying the P&C. However, major failures in any individual Principles will normally disqualify a candidate from certification, or will lead to decertification. These decisions will be taken by individual certifiers, and guided by the extent to which each Criterion is satisfied, and by the importance and consequences of failures. Some flexibility will be allowed to cope with local circumstances.

The scale and intensity of forest management operations, the uniqueness of the affected resources, and the relative ecological fragility of the forest will be considered in all certification assessments. Differences and difficulties of interpretation of the P&C will be addressed in national and local forest stewardship standards. These standards are to be developed in each country or region involved, and will be evaluated for purposes of certification, by

certifiers and other involved and affected parties on a case by case basis. If necessary, FSC dispute resolution mechanisms may also be called upon during the course of assessment. More information and guidance about the certification and accreditation process is included in the FSC Statutes, Accreditation Procedures, and Guidelines for Certifiers.

The FSC P&C should be used in conjunction with national and international laws and regulations. FSC intends to complement, not supplant, other initiatives that support responsible forest management worldwide. The FSC will conduct educational activities to increase public awareness of the importance of the following:

- *improving forest management;
- *incorporating the full costs of management and production into the price of forest products;
- *promoting the highest and best use of forest resources;
- *reducing damage and waste; and
- *avoiding over-consumption and over-harvesting.

FSC will also provide guidance to policy makers on these issues, including improving forest management legislation and policies.

PRINCIPLE #1: COMPLIANCE WITH LAWS AND FSC PRINCIPLES

Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

1.1 Forest management shall respect all national and local laws and administrative requirements.

1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.

1.3 In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.

1.4 Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.

1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorised activities.

1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.

PRINCIPLE #2: TENURE AND USE RIGHTS AND RESPONSIBILITIES

Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.

2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.

2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.

PRINCIPLE #3: INDIGENOUS PEOPLES' RIGHTS

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.

3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.

3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.

3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognised and protected by forest managers.

3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.

PRINCIPLE #4: COMMUNITY RELATIONS AND WORKER'S RIGHTS

Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.

4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.

4.3 The rights of workers to organise and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).

4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.

4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.

PRINCIPLE # 5: BENEFITS FROM THE FOREST

Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.

5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.

5.3 Forest management should minimise waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.

5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.

5.5 Forest management operations shall recognise, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.

5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.

PRINCIPLE #6: ENVIRONMENTAL IMPACT

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

6.1 Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.

6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.

6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including:

a) Forest regeneration and succession.

b) Genetic, species, and ecosystem diversity.

c) Natural cycles that affect the productivity of the forest ecosystem.

6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.

6.5 Written guidelines shall be prepared and implemented to: control erosion; minimise forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.

6.6 Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organisation Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimise health and environmental risks.

6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.

6.8 Use of biological control agents shall be documented, minimised, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.

6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.

PRINCIPLE #7: MANAGEMENT PLAN

A management plan -- appropriate to the scale and intensity of the operations -
- shall be written, implemented, and kept up to date. The long term objectives
of management, and the means of achieving them, shall be clearly stated.

7.1 The management plan and supporting documents shall provide:

- a) Management objectives.
- b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.
- c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.
- d) Rationale for rate of annual harvest and species selection.
- e) Provisions for monitoring of forest growth and dynamics.
- f) Environmental safeguards based on environmental assessments.
- g) Plans for the identification and protection of rare, threatened and endangered species.
- h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.
- i) Description and justification of harvesting techniques and equipment to be used.

7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.

7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.

PRINCIPLE #8: MONITORING AND ASSESSMENT

Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.

8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:

- a) Yield of all forest products harvested.
- b) Growth rates, regeneration and condition of the forest.
- c) Composition and observed changes in the flora and fauna.
- d) Environmental and social impacts of harvesting and other operations.
- e) Costs, productivity, and efficiency of forest management.

8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organisations to trace each forest product from its origin, a process known as the "chain of custody."

8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan.

8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.

PRINCIPLE # 9: MAINTENANCE OF NATURAL FORESTS

Primary forests, well-developed secondary forests and sites of major environmental, social or cultural significance shall be conserved. Such areas shall not be replaced by tree plantations or other land uses.

9.1 Trees planted in natural forests may supplement natural regeneration, fill gaps or contribute to the conservation of genetic resources. Such plantings shall not replace or significantly alter the natural ecosystem.

9.2 The use of replanting as a technique for regenerating stands of certain natural forest types may be appropriate under certain circumstances. Guidelines on the acceptable intensity and spatial extent of tree planting will be addressed in national and regional forest stewardship standards to be approved by FSC. In the absence of such national or regional standards, guidelines developed by the certifier and approved by FSC will prevail.

PRINCIPLE # 10: PLANTATIONS

Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

10.1 The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.

10.2 The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods, shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.

10.3 Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.

10.4 The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall

be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.

10.5 A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.

10.6 Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.

10.7 Measures shall be taken to prevent and minimise outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilisers. Plantation management should make every effort to move away from chemical pesticides and fertilisers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.

10.8 Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.

Principles 1-9 were ratified by the FSC Founding Members and Board of Directors in September 1994. Principle 10 was ratified by the FSC Members and Board of Directors in February 1996.

GLOSSARY

Words in this document are used as defined in most standard English language dictionaries. The precise meaning and local interpretation of certain phrases (such as local communities) should be decided in the local context by forest

managers and certifiers. In this document, the words below are understood as follows:

Biological diversity: The variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (see Convention on Biological Diversity, 1992)

Biological diversity values: The intrinsic, ecological, genetic, social, economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components. (see Convention on Biological Diversity, 1992)

Biological control agents: Living organisms used to eliminate or regulate the population of other living organisms.

Chain of custody: The channel through which products are distributed from their origin in the forest to their end-use.

Chemicals: The range of fertilisers, insecticides, fungicides, and hormones which are used in forest management.

Criterion (pl. Criteria): A means of judging whether or not a Principle (of forest stewardship) has been fulfilled.

Customary rights: Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit.

Ecosystem: A community of all plants and animals and their physical environment, functioning together as an interdependent unit.

Endangered species: Any species which is in danger of extinction throughout all or a significant portion of its range.

Exotic species: An introduced species not native or endemic to the area in question.

Forest integrity: The composition, dynamics, functions and structural attributes of a natural forest.

Forest management/manager: The people responsible for the operational management of the forest resource and of the enterprise, as well as the management system and structure, and the planning and field operations.

Genetically modified organisms: Biological organisms which have been induced by various means to consist of genetic structural changes.

Indigenous lands and territories: The total environment of the lands, air, water, sea, sea-ice, flora and fauna, and other resources which indigenous peoples have traditionally owned or otherwise occupied or used. (Draft Declaration of the Rights of Indigenous Peoples: Part VI)

Indigenous peoples: "The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social, economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant." (Working definition adopted by the UN Working Group on Indigenous Peoples).

Landscape: A geographical mosaic composed of interacting ecosystems resulting from the influence of geological, topographical, soil, climatic, biotic and human interactions in a given area.

Local laws: Includes all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms.

Long term: The time-scale of the forest owner or manager as manifested by the objectives of the management plan, the rate of harvesting, and the commitment to maintain permanent forest cover. The length of time involved will vary according to the context and ecological conditions, and will be a function of how long it takes a given ecosystem to recover its natural structure

and composition following harvesting or disturbance, or to produce mature or primary conditions.

Native species: A species that occurs naturally in the region; endemic to the area.

Natural cycles: Nutrient and mineral cycling as a result of interactions between soils, water, plants, and animals in forest environments that affect the ecological productivity of a given site.

Natural forest: Forest areas where most of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present, as defined by FSC- approved national and regional standards of forest stewardship.

Non-timber forest products: All forest products except timber, including other materials obtained from trees such as resins and leaves, as well as any other plant and animal products.

Other forest types: Forest areas that do not fit the criteria for plantation or natural forests and which are defined more specifically by FSC-approved national and regional standards of forest stewardship.

Plantation: Forest areas lacking most of the principal characteristics and key elements of native ecosystems as defined by FSC-approved national and regional standards of forest stewardship, which result from the human activities of either planting, sowing or intensive silvicultural treatments.

Primary forest: An ecosystem characterised by an abundance of mature trees, relatively undisturbed by human activity. Human impacts in such forest areas have normally been limited to low levels of hunting, fishing and harvesting of forest products, and, in some cases, to low density, shifting agriculture with prolonged fallow periods. Such ecosystems are also referred to as "mature," "old-growth" or "virgin" forests. (further details will be addressed by FSC-approved national and regional standards of forest stewardship)

Principle: An essential rule or element; in FSC's case, of forest stewardship.

Secondary forest: The ecosystems that regenerate from a substantial disturbance (flood, fire, land clearing or extensive and intensive logging) characterised by a scarcity of mature trees and an abundance of pioneer species and a dense understory of saplings and herbaceous plants. Although secondary forests frequently peak in terms of biomass accumulation well-within one felling cycle, the transition to primary forests usually requires several rotation lengths, depending upon the severity of the original disturbance. Irreversible transformation of the underlying soil and nutrient cycle brought about by chronic or intense use may render it impossible for the original, primary forest type to return. (further details will be addressed by FSC-approved national and regional standards of forest stewardship).

Silviculture: The art of producing and tending a forest by manipulating its establishment, composition and growth to best fulfil the objectives of the owner. This may, or may not, include timber production.

Succession: Progressive changes in species composition and forest community structure caused by natural processes (non-human) over time.

Tenure: Socially defined agreements held by individuals or groups, recognised by legal statutes or customary practice, regarding the "bundle of rights and duties" of ownership, holding, access and/or usage of a particular land unit or the associated resources there within (such as individual trees, plant species, water, minerals, etc).

Threatened species: Any species which is likely to become endangered within the foreseeable future throughout all or a significant portion of its range.

Use rights: Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques.

Appendix 4: Capacity building in Forest Certification

CAPACITY BUILDING IN FOREST CERTIFICATION

1. BACKGROUND

Project designers: Soil Association (Woodmark) - accredited by the FSC

Proposal development funding: DFID (previously ODA)

Current situation: the 6 organisations which certify to standards set by the Forestry Stewardship Council (FSC) are all based in Europe and the USA.

Aim of project: to give other countries the opportunity to develop their own certification capacity in order to increase the number of certifications and thus expand the area of forest under sustainable management .

Aims of this workshop session:

1. To establish whether or not the project is of interest to people of the Solomon Islands / Melanesia
2. To agree on the way forward

CAPACITY BUILDING IN FOREST CERTIFICATION

2. PROJECT OBJECTIVES

(i) Establish a local certifying organisation, in order to:

- reduce high consultant costs and travel expenses
- make better use of valuable local experience and expertise
- increase perceived credibility in the certification process

(ii) Assist local NGOs and government departments in order to:

- provide local support for groups and small organisations interested in becoming certified
- enhance local awareness of certification
- assist other sustainable forest management efforts and initiatives

CAPACITY BUILDING IN FOREST CERTIFICATION

2. CRITERIA FOR INVOLVEMENT

- a forest resource which, if managed sustainably, could have a significant impact on rural development and poverty alleviation
- Key stakeholders which have made formal requests for capacity building assistance
- local management, planning and organisational capabilities
- a clear government commitment to principles and practices of responsible or sustainable forest management

However, there is no requirement for any country to adopt a particular set of standards.

4. EXISTING STANDARDS

The following institutions have all developed standards against which a timber producer may be certified:

1. Forestry Stewardship Council
2. International Standards Organisation (ISO 9000 and 14000)
3. Canadian Standards Association
4. International Tropical Timber Organisation
5. African Timber Organisation
6. Environmental Label Institute (Indonesia)
7. Government of Finland (based on Pan European Criteria and Indicators)

Important: the certificate must be recognised or demanded by the principal timber buyers in your country / region.

CAPACITY BUILDING IN FOREST CERTIFICATION

5. ROLES OF A CERTIFIER

To carry out its role as a certifier, an organisation must develop:

- a set of standards representing good or acceptable practice for both producers and processors
- a formal auditing process for production and processing systems

- a formal auditing process for the 'Chain of custody' from forest to market
- a system for applying a certificate to a producer or processor and for labeling a product

6. STAFFING ARRANGEMENTS BASED ON THE WOODMARK MODEL

Application

Staff Role Affiliation

Administrators applications, forms, client Woodmark employees

contact, registration

Inspectors pre-assessment, Woodmark employees /

inspections independent forestry

consultants

Review panel certification decision independent forestry

experts

Director, Manager business management, Woodmark employees

business development,

accounts, contracts, etc.

The FSC has produced detailed guidelines for certifiers - see FSC website:

<http://www.fscoax.org>

CAPACITY BUILDING IN FOREST CERTIFICATION

6. GOVERNMENTAL AND NGO SUPPORT

The project aims to provide assistance for organisations which support:

- applicants for forest certification
- other sustainable forest management initiatives

NGOs already carry out this work, so:

- Is additional assistance is required?
- If so, what?

Areas where Government organisation and NGO support is particularly important:

- assisting the marketing of certified and sustainable produced timber products
- advising on group certification
- others?

CAPACITY BUILDING IN FOREST CERTIFICATION

WHAT NEXT?

1. Is certification relevant to the Solomon Islands / Melanesia?
2. Is it appropriate for the Solomon Islands / Melanesia to develop its own certification building project?
3. Does the Solomon Islands / Melanesia want to be involved in the proposed capacity building project?

If so, a number of key questions must be answered:

1. Do you want an FSC or another certification scheme?
2. Will there be a regional (Melanesian) or national (Solomon Islands) focus?
3. Will the certifying organisation be private, governmental or non - governmental?
4. Which individuals and/or organisations wish to be involved in the project?
5. How do they wish to be involved?

For those interested in setting up the certifying organisation, responsibilities will include development of standards and audit protocols, design of organisational structure, etc.

For those interested in supporting applications, these will involve setting up support services, producing manuals, etc.

6. How long will this take? How much will it cost?

Appendix 5: Some Observations from SmartWood

Melanesian Forest Certification:

Some Observations from SmartWood

Prepared for:

The Regional Workshop on Forest Certification

Solomon Islands

November 9-14, 1998

Introduction: SmartWood is a not-for-profit Forest Stewardship Council (FSC) accredited organisation that is dedicated to promoting wise forest management and increasing benefits to forest-dependent communities. It has been involved forest assessment activities in many countries including the Solomon Islands, Fiji and Papua New Guinea. SmartWood operates principally through a network of non-government organisations and is committed to supporting the development of a Melanesian regional certification entity.

Why FSC Certification?: From a forest manager's perspective, FSC certification is most often thought of as a means to gain market advantage. In some cases, certified operations have been able to realise "green" premiums. More often the principle economic advantage has been to increase market share or to gain access to more lucrative international, particularly European markets. Increasingly, people are finding other practical advantages to being certified. For instance, some financial institutions are beginning to require FSC certification as a condition for loans or investments. Occasionally companies or communities will request certification because they are confident about their ability to comply with certification's requirements and see certification as a way to address potential critics who might otherwise cause political problems. Some forest managers have indicated that they found that certification standards provided a useful framework for improving the overall quality of their operations. Whatever the reason, there has been a tremendous growth in interest in forest certification over the last year and all signs indicate that this trend is very far from levelling off.

Obstacles and Opportunities: There have been important developments in the last few years in Melanesia that make certification more likely to be achieved. First, governments and forestry departments have clearly made a commitment to promote more sustainable forestry practices. In this regard the development of the Code of Conduct for Logging of Indigenous Forests in Selected South Pacific Countries and country-specific standards such as the Fijian National Code of Logging Practice are notable accomplishments. The presence of regional technical assistance projects such as the Pacific Islands Forests and Trees Support Programme and the Pacific German Regional Forestry Project (SPC/PGRFP/GTZ) have furthered the cause of good forest management. Finally groups like the Foundation of the Peoples of the South Pacific International have fostered the concept of community-based ecoforestry as an alternative to destructive industrial scale forest exploitation. All these factors and initiatives combine to give cause for hope that the forests in the region can be conserved for the benefit of both present and future generations.

Some obstacles exist, however. Sustainable forestry practices usually require a sacrifice of some short term gains in favour of increased and more constant benefits over the long run. It will sometimes be difficult to persuade landowners that this is the best course of action. In addition, from a certification and good forest management perspective, there must be a long-term commitment to forest management versus conversion of land to non-forest use. Good logging practice alone is not sufficient. As a practical matter landowners need to commit to long-term management plans and long-term management systems. This requires, among other things, clearly designating which areas are to be maintained as forest and actively protecting the integrity of these areas.

The Role of Government: SmartWood sees forest certification as playing a complementary role to national forestry departments. For one thing, certification requires that the candidate operation be in compliance with national laws and regulations pertaining to forests and forestry. The certifiers, therefore, reinforce the authority of the forestry agencies.

From the other perspective, good government forestry laws, regulations and programs make the job of the certifier a lot easier by requiring or encouraging landowners and companies to comply with many of the requirements of good forest management and FSC certification.

What would be particularly helpful would be if existing government (and non-government) technical assistance programs could be enhanced to bring them more in line with certification requirements. For instance government forestry departments could make a "sustainable forestry" technical assistance package available to interested landowner groups. This package would include the development of long-term management plans, land-use planning, low-impact logging programs and other elements required by certification. It is conceivable

that an arrangement could be made to certify various landowners under one government-sponsored "umbrella" certification. In this scenario, the responsible forestry department would hold a certificate that would include participating landowners. This arrangement can work well for NGOs as well. SmartWood calls this the "Resource Manager" model and this is the arrangement that we used to certify three communities that are benefiting from technical assistance from Soltrust in the Solomon Islands.

Governments can also help by facilitating the consolidation of small and medium sized landowner groups into associations that could then invite bids from logging companies. The conglomerated parcels could be treated as a single management unit thus facilitating the delivery of technical assistance and achieving economies of scale for the logging companies. The whole operation could be set up so that it would be certifiable based on FSC standards. Challenges regarding the timing and distribution of benefits among landowners would have to be addressed.

The Way Forward: If a modest amount of money could be found, the best way forward would be to arrange for certification assessor training courses of the type that SmartWood has used to train a cadre of forestry professionals in the Americas. "How to Get Certified" courses could be arranged for interested landowners and companies. Optimally, a suitable local institution would be identified to help facilitate certification work in the region. This local institution would work with existing FSC accredited certifiers and might eventually seek accreditation itself. Having a local certifier or certification facilitator is necessary to help keep costs down and to bring local expertise to bear on the certification work. The local institution should be non-governmental and should not be involved in providing technical assistance so as to avoid problems of conflict of interest.

If financial resources are not available for the activities described above, then the existing certifiers active in the region can use certification assessments as a vehicle to provide on-the-job training to people from the region and build local capacity in an organic fashion, ramping up as the level of certification activity in the region increases. Informal networks can be established to exchange information about candidate operations, certification assessor candidates, certification-related policy issues and other matters.

Mark Dillenbeck

International Programs Coordinator

SmartWood

1 Millet Street

Richmond, VT 05477

+1.802.434-5491 ph.

+1.802.434-3116 fax

e-mail: mdillenb@smartwood.org

Appendix 6: Overcoming constraints to implementing certification in the Pacific region

<i>Ranking</i>	<i>Problem or constraint</i>
1	Time needed to complete certification process
2	High costs involved: 1. Initial investment <ul style="list-style-type: none">• Staff training• Modifying existing practices where needed• pre-inspection and initial assessment 2. On going costs <ul style="list-style-type: none">• periodic re-inspections• internal monitoring• operating at a higher standard
3	Continual strict monitoring required
4	High technical input to monitoring (e.g. ACIAR)
5	Lack of technical knowledge and training
6	SFM techniques not well developed
7	Lack of national standards
8	Commitment from resource owner for good forest management
9	Land disputes

10	Time to get landowners to understand process
11	Short term timber licences not conducive to pursuing certification
12	Many areas under existing logging concession
13	Uncertainty in future
14	Low awareness of certification
15	No formal Government position on certification
16	NGO initiative, not trusted by industry
17	Majority of timber industry does not see any market advantage in certified products (e.g. SE Asia, Australia & New Zealand currently have low demand for certified timber)
18	Certified price premium is marginal
19	Buyers insisting on top grades only
20	Monitoring of chain of custody

Notes to readers

The workshop was made possible by funding from ICCO, The Commonwealth Foundation, the Soil Association, Pacific Island Forest & Trees Support Project and GTZ

Citation: Foundation of the Peoples of the South Pacific International. 1998. Report of a South Pacific Regional Workshop on Forest Certification held in Gizo, Solomon Islands, 9-13 November 1998.