

Joint FAO/UNECE Working Party On Forest Economics And Statistics
Item 8. Certified forest products statistics and information
Wednesday, 3 May 2006

Contribution by Ms. Kathy Abusow¹
Certification & Market Acceptance Consultant
Abusow International Ltd., Canada

SPECIAL TOPIC: INFORMATION ON CERTIFIED FOREST PRODUCTS

Note by the Secretariat

Introduction

1. One of the goals of certification of sustainable forest management is to produce wood and paper products which can be identified throughout the production chain, and to intermediate and final consumers, as originating from sustainably managed forests. The area of certified forests has grown rapidly in the UNECE region, however there is a lack of statistical information on the volume and value of certified forest products (CFPs) produced and consumed.

2. In conjunction with its annual Market Discussions in September 2005, the UNECE Timber Committee (TC) together with the FAO European Forestry Commission (EFC) held a policy forum on "Forest Certification - Do Governments Have A Role?" The Market Discussions had the theme of "Forest certification policies' influence on forest products markets in the UNECE region". One important conclusion of the policy forum was "the lack of information on the production, consumption and trade of certified forest products hampers policy makers, analysts and market actors." The Committee "asked the Working Party on Forest Economics and Statistics, with FAO, ITTO and other partners to consider how to improve the quality of data on the production, consumption and trade of certified forest products." (ECE/TIM/2005/2).

3. Currently the UNECE/FAO Timber Section uses a variety of primary and secondary information, but few statistics, in its annual certification-related work, which includes:

- (a) a chapter in the *Forest Products Annual Market Review*,
- (b) a CFP market sector discussion at the annual TC Market Discussions and
- (c) a CFP site on the TC/EFC website.

4. This discussion at the Working Party provides several opportunities by bringing together key stakeholders to present their opinions and experience on:

- (a) Defining the different types and needs of certification-related statistics and information

¹ Kathy Abusow
Certification & Market Acceptance Consultant
Abusow International Ltd.
206 Carleton Avenue
Ottawa, Ontario K1Y 0J3
Canada
tel. 613-792-1145
fax 613-792-1470
abusow@sympatico.ca
www.certificatoncanada.org

- (b) Identifying current and potential sources of and collection systems for certification-related statistics and information
- (c) Identifying potential roles for UNECE/FAO and its partners
- (d) Determining whether UNECE/FAO has a comparative advantage to provide timely, reliable, objective certification-related statistics and information

5. This note is structured accordingly.

(a) Types and needs for certified forest products statistics and information

6. For most forest products there are lists of internationally agreed terms and definitions. However, for certified forest products no such list exists. Some common definitions have evolved, for example the unofficial definition of a CFP as used in the UNECE/FAO *Forest Products Annual Market Review*, “CFPs bear labels demonstrating, in a manner verifiable by independent bodies, that they come from forests that meet standards for sustainable forest management.”

Recommendation: Update definition. The trend has been to utilize a chain-of-custody certification as evidence of certified forest products and not the label. As you are aware, 1st voluntary step is forest certification to demonstrate conformance with requirements of a forest certification standard, 2nd voluntary step is chain-of-custody certification which provides the link between the certified forest and the product supplied, 3rd voluntary step is label use.

Step 1 is well underway (in developing countries), Step 2 has taken off in last year or two in developing countries, Step 3 has been met with limited success with a few country exceptions. Step 2 has been sufficient to link the certified forest product with a certified forest for buyers of forest products. In fact many buyers don't want a label as they don't want it to detract from their own corporate brand.

7. In the *Forest Products Annual Market Review* there is a need to analyze demand and supply, however there is a lack of statistical information. From the market demand side, a key statistic would be the value of CFPs exported. From the supply side, not simply the area of forests certified, but rather important statistics would be volume and value of certified roundwood produced from those forests. In the *Forest Products Annual Market Review* the analysis of the evolution of the geographical location of certified forests and markets for CFPs has proven valuable, for example to show increases in the sub-regions of the UNECE, as well as to compare the UNECE region to the rest of the world. The developments in certification systems' certified area and markets is regularly analyzed too.

With regards to volume of roundwood from a certified forest area, Canada is one of the only countries I am aware of that tracks this information (go to www.CertificationCanada.org) I am responsible for tracking this information, have looked into doing so for other countries, but in many countries with a strong private land constituency, providing information related to harvest levels from a certified area is viewed as privileged information. Hence, as desirable as this is, it could be a challenge to collect globally and in a consistent manner, i.e. annual allowable cut (m3) versus actual harvest levels (m3).

Both PEFC and FSC the two leading global certification programs, only track their information in hectares, although they also track CoC certificates, which implies the availability of certified forest products.

8. To stimulate discussion, a table of potential statistics and information is annexed to this document (Annex 1). In considering the various kinds of information as a basis of policy decisions, the focus should be on the need for each type of information, and priority given to the most important statistics for analysis of forest and market developments as a result of certification of sustainable forest management. Some parameters on the annexed list for discussion may either be of minimal value for analysis and policy decisions, or could be difficult and expensive to collect and validate.

See comments provided directly in Annex 1.

9. Furthermore, some information on the annex list may be unavailable if held by private companies and considered confidential. Certification systems have different levels of information, of which some is publicly available, such as number of chains of custody and forest area certified, but other information remains confidential. The secretariat considers that sufficient information, in terms of quality, comprehensibility and timeliness, should be publicly available to monitor forest certification and market trends as a basis for policy decisions. Reviewers of this note from certification systems expressed concern for the quality of data, and the need for unambiguous standards for definitions, collection and compilation.

Fully agree with this statement.

10. *The Working Party is invited to consider the types of, and needs for, certified forest products statistics and information, and to consider the following questions:*

- (a) *Are the potential statistics in the annex list useful, if they could be collected, for policy makers, market analysts and for certification systems?*

Some are useful, as per comments in Annex, but the cost of collection vs benefit to policy makers would need to be further explored. Policy makers should take into consideration the availability of supply and the implications that procurement policies have in terms of promoting competitiveness, sustainability and trade – or not. Policy makers need to better understand the trade implications of their decisions in other words. Several nations in Europe have recently engaged in the development of procurement policies to guide public purchases of forest products, but some could potentially be in violation of trade agreements. A thorough understanding of these types of issues and appropriate policy-making could potentially be of greater value, if one is to consider cost/benefit to policy makers.

- (b) *Are there other statistics and information available and desirable or should any of the parameters be removed from the list?*

There are many sources of certified forests and certified forest products (as evidenced by a CoC certification, and not a label, as this discussion paper repeatedly infers). I'd be happy to provide a list in the future when I have more time to comment.

(b) Sources of certification-related statistics and information

11. Currently a number of certification systems operate in the UNECE region, either by certifying forests and issuing certificates of chain-of-custody, or by marketing certified wood and paper products, including the American Tree Farm System (ATFS), Canada's National Standard for Sustainable Forest Management (CSA), Forest Stewardship Council (FSC), Malaysian Timber Certification Council (MTCC), Programme for Endorsement of Forest Certification schemes (PEFC) and Sustainable Forestry Initiative (SFI). These systems provide information about themselves and the forestlands they certify, for example area certified in hectares. Some also provide the number of chain-of-custody certificates under their system. They each offer information on their standards and developments.

I can not speak to the Malaysian approach to CoC as I have not done work in this region and am not familiar with the approach taken, however I do know they provide statistics in terms of hectares certified. In addition,

- ATFS, CSA, FSC, PEFC, SFI all provide info on forest area certified (hectares/acres)
- CSA, FSC, PEFC, SFI all provide info on CoC certification (by certificate, not in volume or value)

- The amount of labelled product vis-à-vis the potential based on harvests from certified forests is

12. In 2001, the TC and the EFC established a Network of Officially Nominated National Correspondents on Certification and Certified Forest Products Markets (the Certification Network). The Certification Network has been surveyed annually for information for the chapter in the *Forest Products Annual Market Review*, and the former certification updates (Annex 2). They have provided both primary information, for example their opinions on certification drivers, and secondary information, for example area of forests certified according to national certification systems. Members of the network do not produce primary statistics. (The Working Party will be informed of the status of an upcoming survey of the Certification Network in preparation for the CFP market analysis in the 2006 *Forest Products Annual Market Review*.)

It would be great to get a list of members on this Network and to also understand the guidelines/parameters used for reporting. For example, it is important, even with primary statistics to maintain consistency in approach to the extent possible. The area of Canada's total forest and wooded land is about 400 million hectares, but less than 50% of that is most likely subject to forest management activities. The other 50% is either protected, unaccessed, unallocated, uncommercial etc. Since there is no incentive or infrastructure to seek certification on the protected, unaccessed, unallocated, uncommercial land, Canada's certification performance should be based on the area of land that has been allocated for forest management operations. Presumably, countries like Russia with a large public land base coupled with unaccessed and protected land would face similar issues. Considering that 119 million hectares have been certified in Canada, and 143 million hectares are most likely subject to forest management activity, Canada's performance in forest certification is very strong, but it is not always reflected as such depending on which primary statistics are used to indicate % certified.

13. In order to expand on the availability of certification-related information, other organizations and groups, in addition to the systems and the network mentioned above, would have to play an active role. Potential sources include industry associations, forest owners' associations, retailers and wholesalers associations and wood and paper promotion groups.

Absolutely agree. The Forest Products Association of Canada, whose member companies are responsible for approximately 70% of the managed forestland in Canada, has been the driving force behind collection and dissemination of forest certification statistics and most recently certified forest product statistics in Canada.

14. The Working Party has previously stated that it was not possible, due to lack of Harmonized System codes, for official statistical correspondents to give statistics on CFPs, but has this, or could this change?

A better understanding of the factors that attribute to the lack of harmonization would be useful. Perhaps imperfect statistics could be used with appropriate disclaimers and user-friendly notes...

15. *The Working Party is invited to consider the current and potential sources of certified forest products statistics and information.*

(c) Potential roles for UNECE/FAO and its partners

16. Currently through the sources above, plus CFP market experts, the UNECE/FAO collects some certification-related statistics and information for its *Forest Products Annual Market Review*. Formerly the statistics and information analyses were published in annual certification updates in UNECE/FAO *Geneva Timber and Forest Discussion Papers*.

17. Based on the discussion of the points above, the Working Party may identify additional statistics and information. If certification-related statistics exist, but are not collected, a role for UNECE/FAO could be neutral source for their collection. Collection alone is not sufficient—the data must be validated. UNECE/FAO's strategic advantage has been the analysis of statistics collected, for example the TIMBER database analysed in the *Forest Products Annual Market Review*. If these new statistics were collected, they should also be published regularly on the TC/EFC website.

18. In all cases the UNECE/FAO works directly with partners, both government and non-government, including national statistical correspondents, the network of national experts on certification and CFPs, certification schemes, intergovernmental organizations, international experts and other stakeholders. Information is often considered a public good, so it would be expected that the task of providing reliable information in a sector where information at present is inadequate would be a cooperative effort.

19. In the secretariat's view, the comparative advantage of UNECE/FAO in its current statistics and marketing work includes:

- (a) Long experience and active networks, including government officials and other stakeholders, in the field of forest sector information
- (b) Annual data collection, validation, analysis and distribution
- (c) Ability to carry out intergovernmental and inter-organizational activities
- (d) Links between information and policy
- (d) Perceived as neutral and objective

20. *The Working Party is invited to consider whether an international effort to improve the information base for markets for certified forest products should be undertaken, with the participation of all relevant organisations and stakeholders. Does the UNECE/FAO, with partners, have a comparative advantage to provide timely, reliable, objective certification-related statistics and information?*

(d) Possible strategies available within UNECE/FAO to expand collection, validation, analysis and distribution of certified forest products statistics and information

Use of existing tools makes sense, no need to reinvent the wheel.

21. Regardless of the types and sources of CFP statistics and information, there would be a number of preparatory steps, for example to agree on definitions, and methods and channels of reporting. The Working Party needs to also consider the demands on the limited resources of the UNECE/FAO Timber Section. Currently there is one statistical assistant whose main tasks include the collection, validation and internet publishing of the national statistics from the Joint Forest Sector Questionnaire in the Timber Database, and the country market forecasts from the TC Questionnaire. Prior questionnaires to the Certification Network of national correspondents were done by student consultants under guidance from the market analyst for the UNECE/FAO for certification status updates. The statistical assistant has other duties too, and collection and validation of new statistics and auxiliary information would necessitate reprioritization of the current work. Nevertheless, the secretariat has expanded its certification-related work, thanks to in-kind contributions and small, but valuable, consultancies.

22. If statistics were available via national statistical correspondents, then ideally collection could be included with the Joint Forest Sector Questionnaire. If the current channel though questionnaires to national statistical correspondents would not work in the near term, then alternative channels would be

necessary. How are national statistical correspondents identified...are they staff of relevant government agencies, industry agencies and/or whoever collects the statistics in the nation?

23. The Network of Officially Nominated National Correspondents on Certification and Certified Forest Products Markets has proven to be a valuable source of information, including estimations in lieu of statistics, and opinions on developments. Strengthening and maintaining the Certification Network is a joint responsibility of the secretariat and heads of the Committee and the Commission delegations. This channel of information has minor resource demands on the secretariat. Please consider making the members on the network publicly available, as it would facilitate access to information and sharing of information, seeking input etc, on national and international initiatives.

24. Alternatively, is a new channel of information necessary? If so, this would mean a major undertaking and require an investment in resources. The means to create the new channel could require either a team of specialists approach or, if topic considered important enough, a loaned expert from a country. The process would involve wide agreement on definitions and methods before beginning regular collection. The steps following collection necessitate new resources for validation, analysis and dissemination. The Working Party must consider whether a new system could be maintained by UNECE/FAO in the long term.

What is the objective, and if the existing Network can deliver than presumably no need to create a new channel/mechanism. However, if the existing Network does not have the appropriate mix of expertise, than perhaps it needs to be modified and/or a new mechanism considered, although it is usually easier to build on what exists as opposed to starting fresh – especially for historical context, understanding what has been tried, and has been successful, unsuccessful and why.

25. A further option would be for the Working Party and secretariat to lend its support to efforts by other organizations to produce such information. At the time of writing this note, the secretariat is not aware of any systematic efforts to collect all of the information on the annex list, although some of the parameters are available from the certification systems and the Certification Network.

I have several thoughts on this, depending on whether the committee is interested in “other organizations” that are government, industry, non-governmental etc. Pleased to provide more thought on this in the future.

26. One short-term option, if the Working Party considers the activity of sufficient priority, would be to set up an informal group of interested organisations and stakeholders to explore these questions in more detail, and make proposals to the Working Party’s next session. However, the leadership of such a group would have to be provided either by a national expert, or by an expert seconded to the secretariat for this task.

I’d be happy to assist, as necessary.

27. ***The Working Party is invited to discuss possible strategies to expand collection, validation, analysis and distribution of certified forest products statistics and information by the UNECE/FAO, possibly by in-kind contribution of short-term resources from countries and organizations.***

Annex 1

CERTIFIED FOREST PRODUCTS STATISTICS AND INFORMATION

Parameter	Units	Potential sources	Possible partners	Available now ²	Comments
Certified forest area	Hectares	Certification schemes	National correspondents	Yes	Used in <i>Forest Products Annual Market Review</i> (FPAMR) chapter. Include geographical location and by which scheme.
Chain of custody certificates	Number	Schemes	National correspondents	Yes	Used in FPAMR chapter. Include geographical location and by which scheme.
Harvest (fellings) from certified forest	Cubic metres	Schemes, certifying bodies, ³ owners	Schemes, national correspondents	No	Includes all certified wood harvested, even if not identified <u>as such through a CoC certification or a label/labelled as certified</u>
Harvest (removals) of certified roundwood	Cubic metres	Schemes, certifying bodies, owners	Schemes, certifying bodies, owners	No	Not the same as fellings—only covers wood <u>sold with labels-a CoC certification</u> indicating that it is certified
Production of certified sawnwood, panels, pulp & paper	Cubic metres, tons	Schemes, industry associations, certifiers	National correspondents	<u>No/Yes,</u>	Could be used to <u>estimate harvest of certified wood, assuming negligible or measurable trade in certified roundwood speak to availability of these types of products through a CoC certification.</u> <u>This information is available now in terms of availability and sources of supply, but not in terms of m3 at www.certifiedwood.org and also at FPAC, BCMON & Canadian Certification Coalition web-sites (as of May 5, 2006).</u>
Production of value-added goods from certified sawnwood, panels, paper	Value in national currency	Schemes, industry associations, certifiers	National correspondents	No	Furniture, mouldings and toys are now sold with labels... <u>Value is a challenge. 1st focus on tracking global CoC and availability of certified forest products, then look at value.</u>
Trade in certified sawnwood, panels, pulp, paper, value-added goods, firewood	Cubic metres, tons, value in national currency	Traders	National correspondents	No	No trade stats from the Harmonized System are available as the HS requires a physical basis <u>True, and difficult to secure until which time as certification databases do look at m3 information or other units to measure certified forest products.</u>
Sales of certified goods	National currency	Retailers, promotion groups	National correspondents	No	<u>From value-added wood products, down to wood fuels. A challenge for a variety of reasons.</u>
Price of certified products	National currency	Retailers, schemes	National correspondents, official price monitoring services	No	Any price premium is a key element for a forest owner or trader to decide whether or not to produce certified forest products. <u>Not really. Price premiums would</u>

² “Available” here means publicly available, regularly, on the international level.

³ Certifying bodies carry out the certification in forests, and check chains of custody for the certification schemes.

					<p><u>be the incentive if there was consumer demand for certified products, but since it is just customer/buyer demand for certified forest products, the market advantage is a companies ability to meet a buyers request to provide this. Buyers have cancelled and/or threatened to cancel contracts if certain % certified product is not achieved by a specific date time, i.e Times. These types of buyer demands have provided the incentive for several producers to seek certification and CoC. Examples of price premiums can be found but they are the exception, not the status quo.</u></p>
--	--	--	--	--	--

The responses in this document were prepared by Kathy Abusow, her brief biographical summary; follows:



*Kathy Abusow
Forest Certification & Market
Acceptance Consultant
Abusow International Ltd.
abusow@sympatico.ca*

Kathy Abusow
Abusow International Ltd.
206 Carleton Avenue
Ottawa, ON K1Y 0J3
tel. 613-792-1145
fax. 613-792-1470
abusow@sympatico.ca

Clients Include:

- Industry Associations (FPAC, AF&PA, Q-WEB)
- Government Agencies
- Associations Responsible for Standards Development (CSA, Sustainable Forestry Board, American Forest Foundation)
- European Bank for Reconstruction & Development
- World Bank
- Large Consultancies
- Pinchot Institute for Conservation
- Consumer Associations
- A variety of public and private resource-based companies

Kathy Abusow operates Abusow International Limited, a forest certification and market acceptance consultancy. She has advised on sustainable forest management (SFM) certification, standard development, implementation, accreditation and marketplace acceptance of certified forest products since 1993. She has a strong knowledge of standards in use in N. America (CSA, FSC, SFI, American Tree Farm System), as well as international endorsement programs for national/regional certification programs such as those operated by the PEFC Council (Programme for the Endorsement of Forest Certification schemes) and FSC International.

Kathy is an Advisor to the Canadian Sustainable Forestry Certification Coalition which includes operating www.CertificationCanada.org which reports on forest certification statistics and marketplace issues. She also tracks statistics on behalf of a variety of forest certification programs operating in N.America and is also responsible for reporting over 50% of the stats on certified forests carried on the PEFC web-site. Kathy is a Certification Advisor to CSA, SFI, ATFS, and is on the PEFC Panel of Experts of PEFC. Kathy is working closely with FSC Canada on updating their information on FSC CoC certificates in the Canadian marketplace and on reviewing the FSC Controlled Wood standard's application in a Canadian context. She provides debriefs to representatives with Canadian consulates and missions around the world on forest certification, government procurement, and market acceptance of forest products.

Kathy serves as a member/expert/or advisor to several organizations, including the:

- ◆ Forest Products Association of Canada (FPAC), Certification Advisor
- ◆ Canadian Sustainable Forestry Certification Coalition, Certification Advisor
- ◆ British Columbia's Market Outreach Network (BCMON)
- ◆ Program for the Endorsement of Forest Certification schemes (PEFC), Panel of Experts
- ◆ PEFC Canada's Governing Body, Member and Advisor
- ◆ Society of American Foresters, Chair, Sustainability & Certification Working Group
- ◆ United States Forest Service, Panel of Forest Certification Experts to Executive Leadership Team.
- ◆ Sustainable Forestry Board, Certification Consultant
- ◆ American Forest & Paper Association, Certification Consultant
- ◆ Canadian Forestry Association, Board Member
- ◆ Canadian Institute of Forestry, Member
- ◆ Canadian Advisory Committee to ISO TC 207 (re: ISO 14000 series of standards), member
- ◆ Canadian Standards Association (CSA)
 - Member of Sustainable Forest Management (SFM) Technical Committee
 - Member of Technical Committee on Environmental Labelling
 - Member of Sustainable Buildings Technical Committee
- ◆ Standards Council of Canada
 - Advisory Committee on Conformity Assessment

EDUCATION

- ◆ **Harvard University, Cambridge, Masters Degree**
M.A. Regional Studies: Russia, Eastern Europe, Central Asia
Concentration: Sustainable Development in the Forest Sector

Abusow Biography Brief