

Forest Certification in the Context of Sustainable Development

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Mr. Rune Karsten

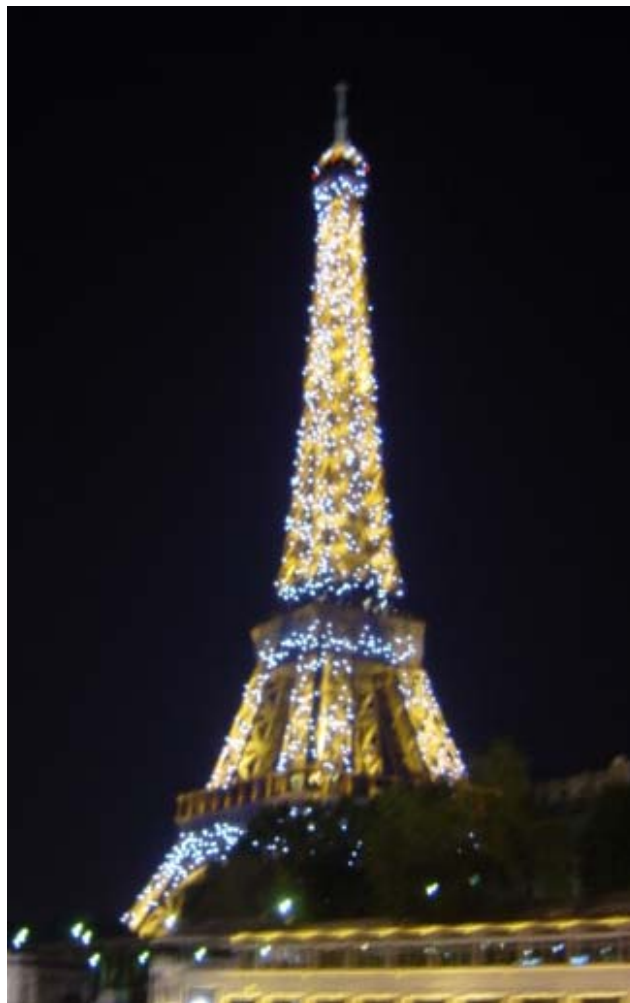
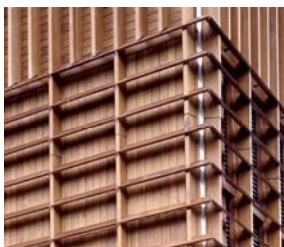
UNECE/FAO Timber Section
Geneva, Switzerland



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Paris, 28-29 September 2009



Bienvenue à Paris!

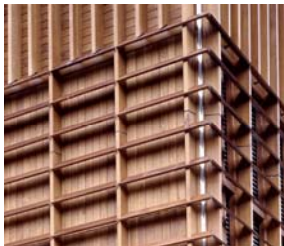


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Outline of presentation



- Introduction
- Forest sector's role in global sustainable development
- Sustainable forest management
- Certification of sustainable forest management and certified forest products
- Certified hardwood products
- Future trends and sustainability
- Conclusions and recommendations



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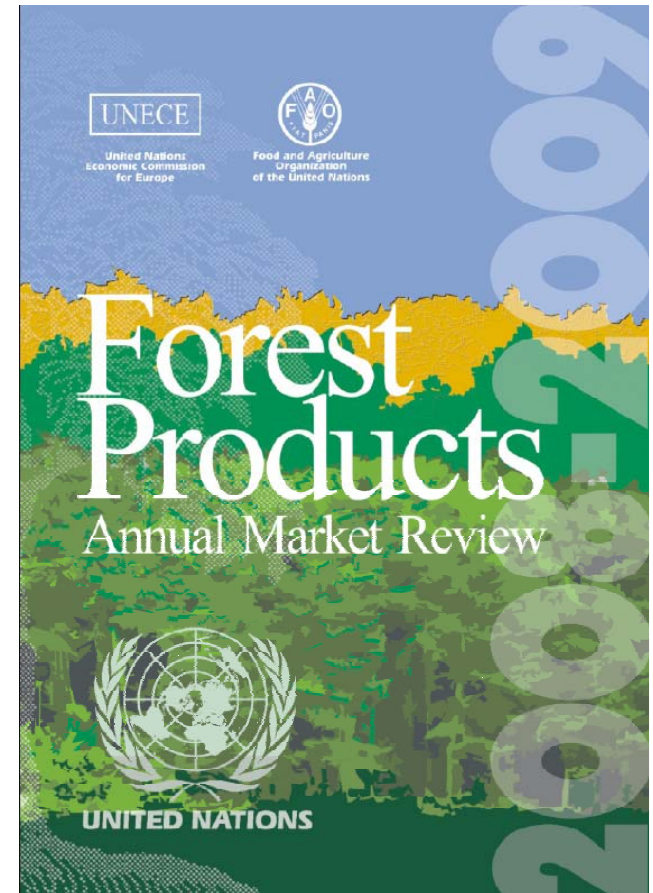
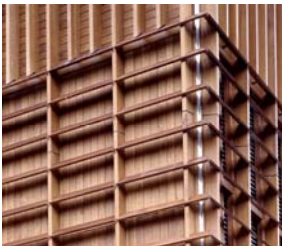




Main sources of information



- Sawn hardwood analysis by Mr. Rod Wiles, Broadleaf Consulting
- Thanks to my co-authors
 - Mr. Pahkasalo, Indufor Oy
 - Mr. Karsten, Student Intern, UNECE/FAO Timber Section

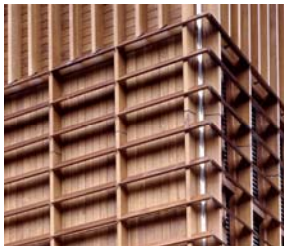


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Introduction



- Timber Section in Geneva, Switzerland
 - UN Economic Commission for Europe
 - Food and Agricultural Organization of the UN
- Statistics, market analysis, forest resource data, long-term sector outlook studies, policies & institutions
- UNECE/FAO database
- Country forecasts and statements, notably at annual Timber Committee Week (12-16 October 2009)
- Joint analytical effort by many experts
- More information at www.unece.org/timber



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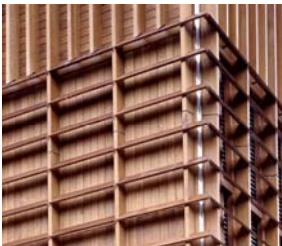




Sustainable development



- Management and conservation of the natural resource base, and
- Orientation of technological and institutional change
- In such a manner as to ensure the attainment and continued satisfaction of human needs for present and future generations.



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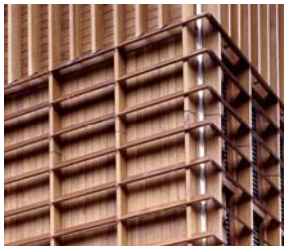




Sustainable development



- (In the forest sector) conserves land, water, plant and animal genetic resources
- Is environmentally non-degrading
- Technically appropriate
- Economically viable and
- Socially acceptable.

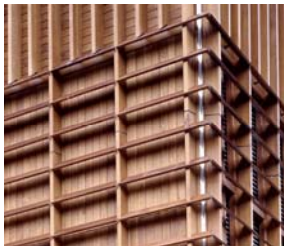


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Certification of sustainable forest management



- Initiated in early 1990s
- Aim: end tropical forest deforestation and degradation
- Immediately temperate and boreal forests targeted.
- A means to assure forest utilization conducted
 - Environmentally
 - Socially
 - Economically.



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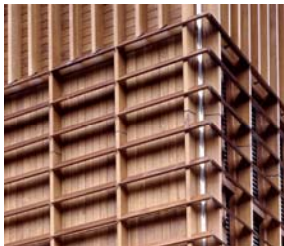




Certification's economic pillar



- Sustainable development necessitates sustainable forest management (SFM)
- SFM requires sustainable forest products markets (SFPM)

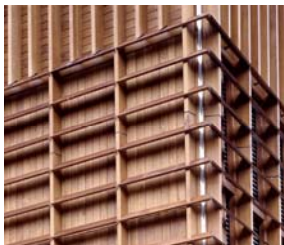


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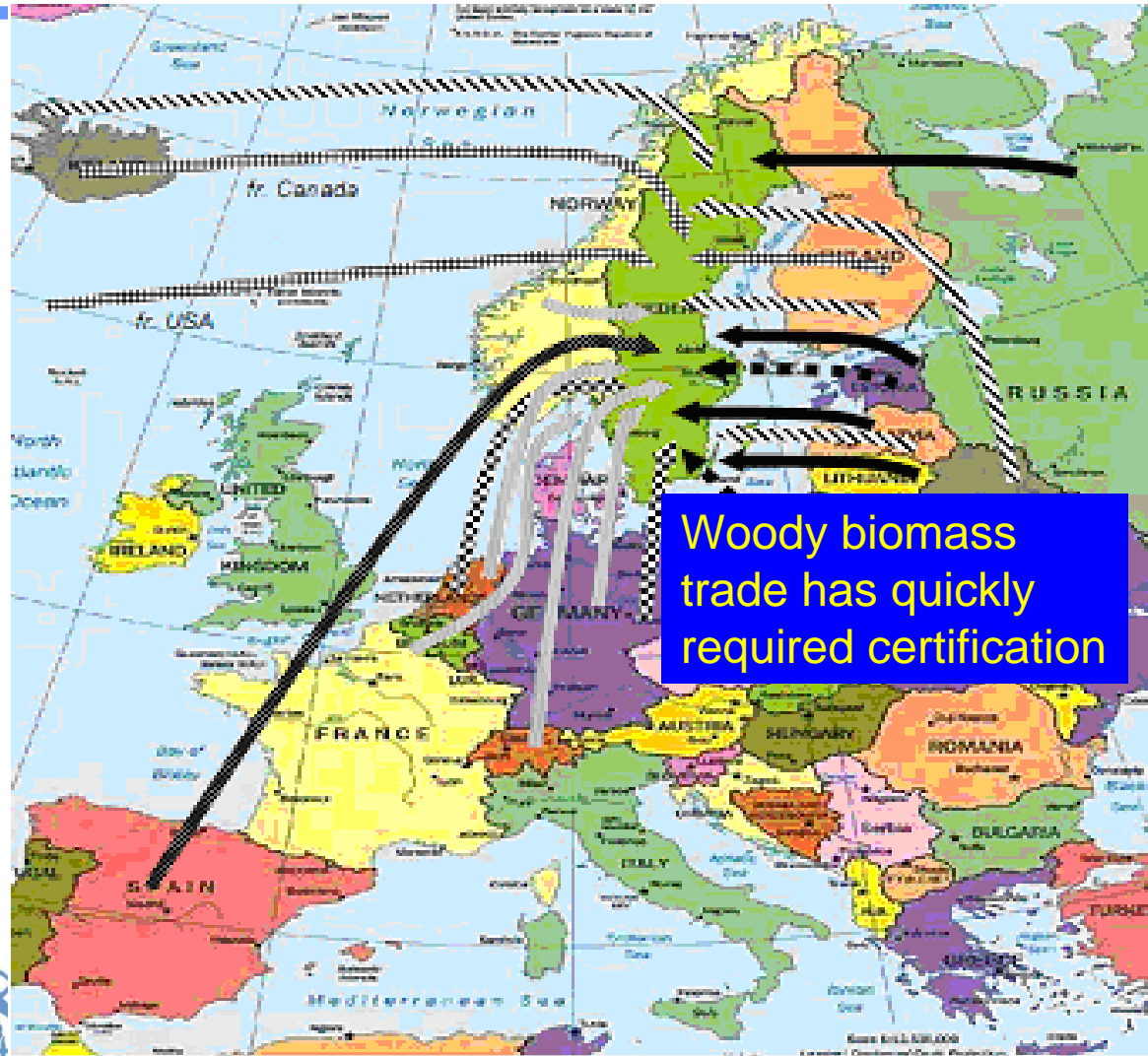


Forest sector's role in global sustainable development

- 
- SFM key to ensure sustainable development of forested developing economies
 - Guarantees environmental services for local populations
 - And their global trading partners.
 - Environment knows no political borders.
 - World trade means importers share responsibility for the source of their forest products.




Sweden's biomass imports



- > Unrefined woodfuels (e.g. chips)
- ~~~~~> Refined woodfuels (e.g. pellets)
- > Olive seeds
- ~~~~~> Tall oil
- ~~~~~> Recovered wood chips
- ~~~~~> Refuse derived pellets

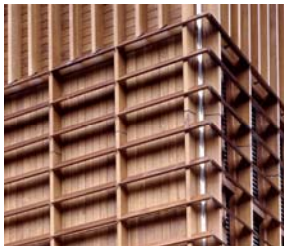


Forest sector's role in global sustainable development

- 
- Forests have multiple functions
 - Timber production
 - Biodiversity and genetic conservation
 - Social and cultural functions
 - Increasingly biomass for energy
 - Newest forest product: carbon sequestration.



Forests play a crucial role in worldwide sustainable development



- Invaluable resource for world's population
- 1.6 billion people depend on forest resources
- Provide the entire world with a large range of invaluable ecosystem services
- Home to as much as 80% of the terrestrial biodiversity

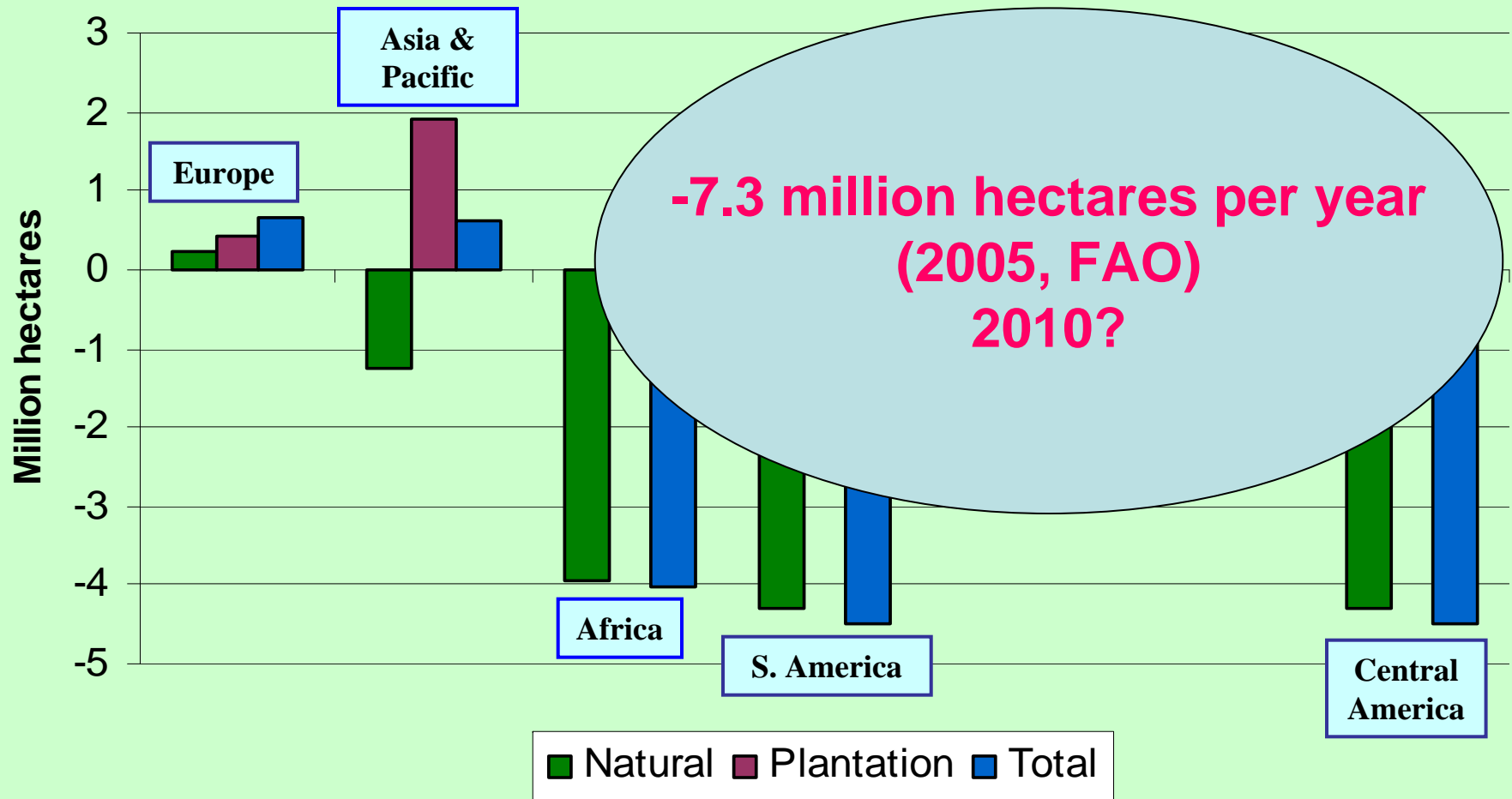


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Deforestation and forest degradation

Change in annual forest area, 1990-2000

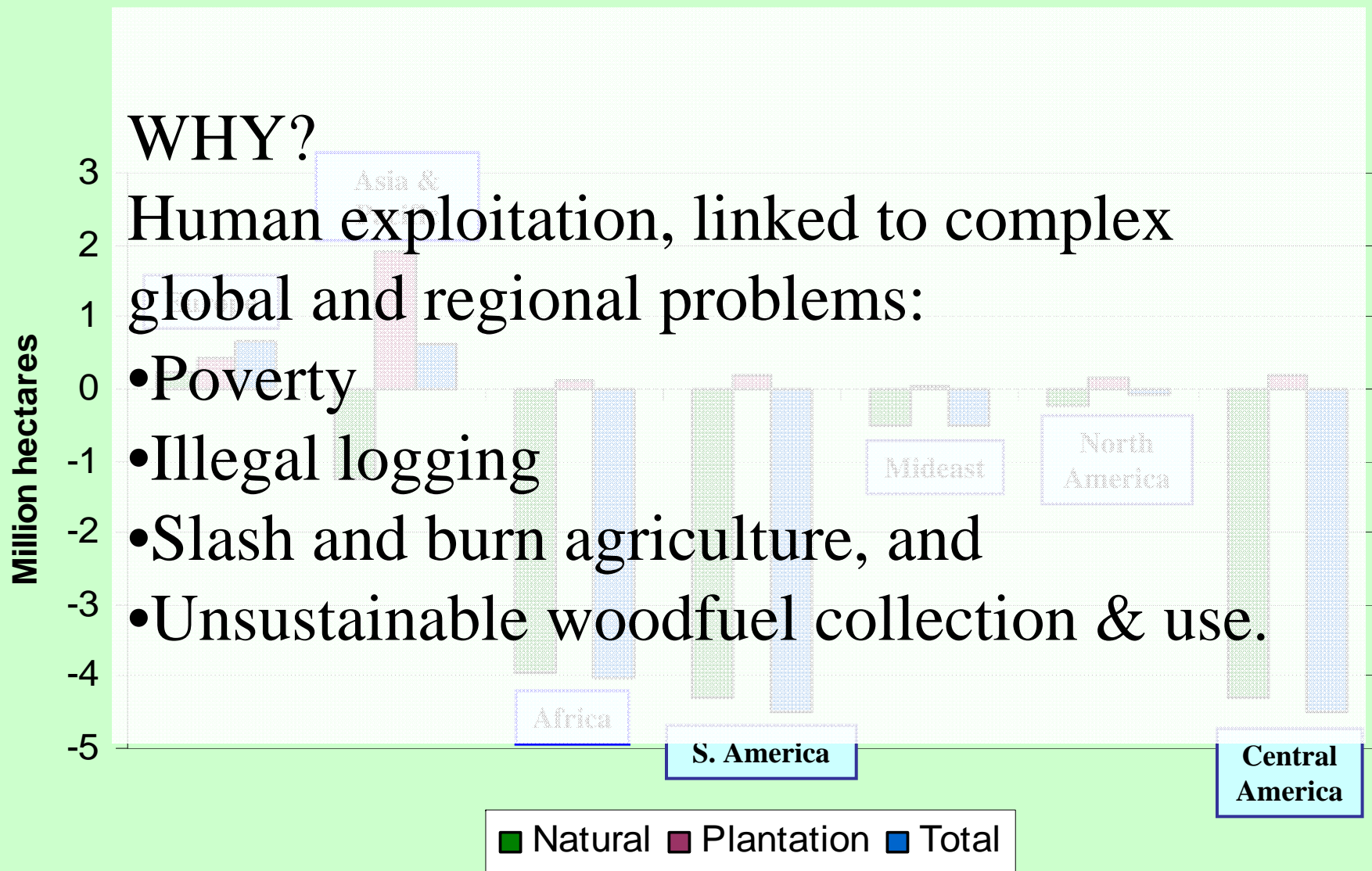


Source: FAO Global Forest Resources Assessment 2000

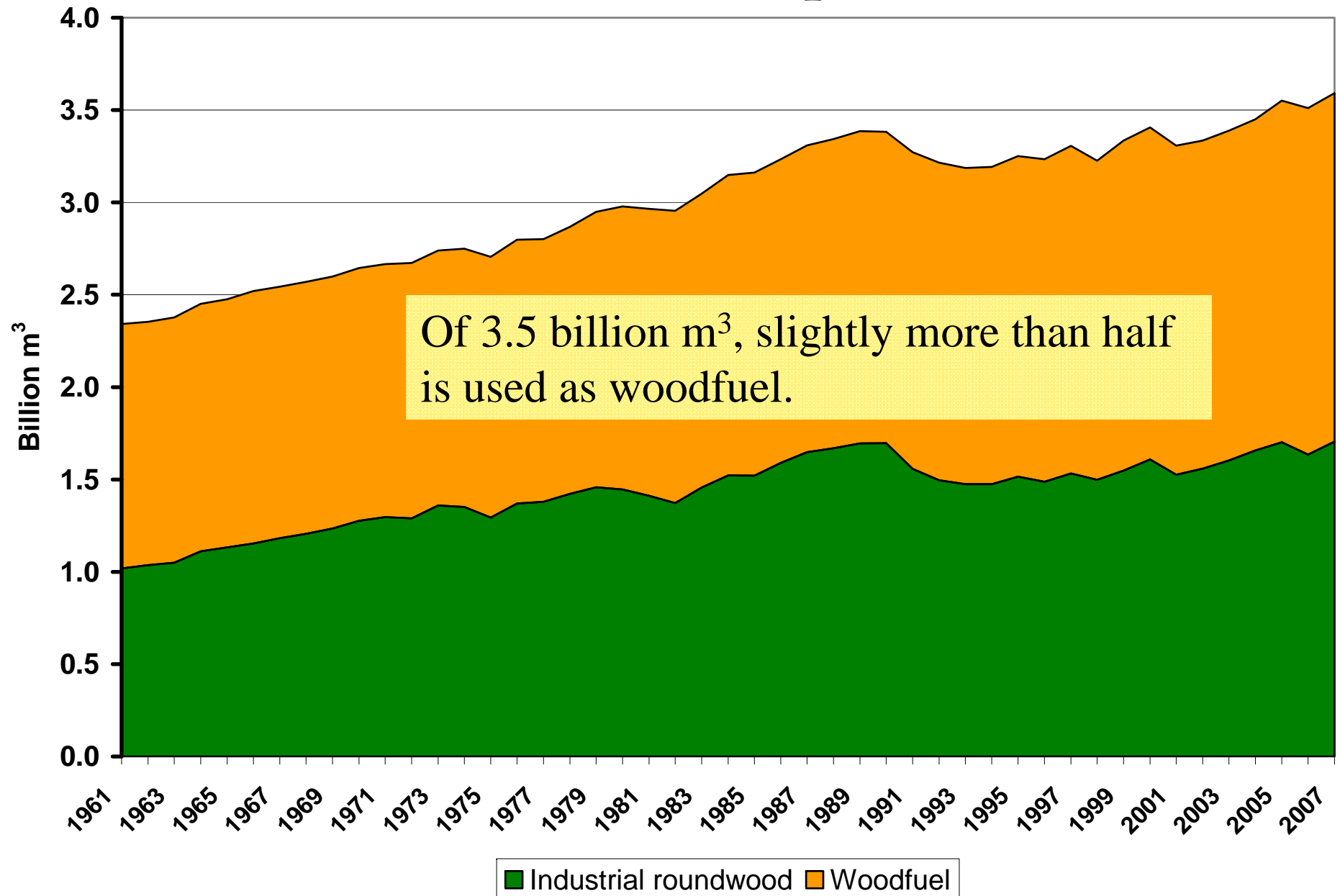
WHY?

Human exploitation, linked to complex global and regional problems:

- Poverty
- Illegal logging
- Slash and burn agriculture, and
- Unsustainable woodfuel collection & use.

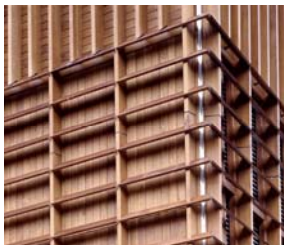


World roundwood production





Woodfuel use



Inefficient domestic heating and cooking in developing world.

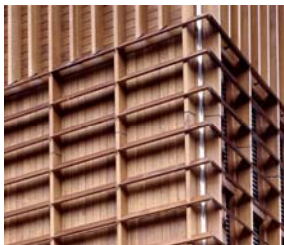


Increasing in developed world, but efficient, environmentally sound combustion.



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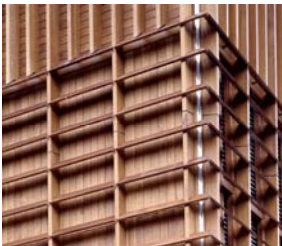
Sustainable forest management

- Stewardship and use of forests and forestlands in a way, and at a rate, that maintains current and future potential of
 - Biodiversity
 - Productivity
 - regeneration capacity
 - Vitality
 - Relevant ecological, economic and social functions
- At local, national, and global levels, and
- That does not cause damage to other ecosystems.



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SFM assessment

- Criteria define and characterize the essential elements, as well as a set of conditions or processes, by which sustainable forest management is assessed.
- Indicators, periodically measured, reveal the direction of change with respect to each criterion.
- Defined by national and international governmental and non-governmental processes.
- Enables documenting progress toward sustainable forest management.

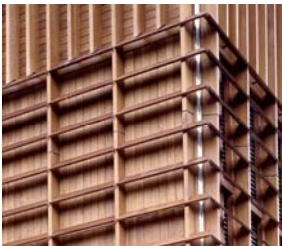


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SFM assessment



- Some certification systems based on international criteria and indicators
- The UNECE/FAO Timber Section collects periodic reports for our 56-country UNECE region, and submits them to the Global Forest Resource Assessment by FAO.
- Next assessment is scheduled for 2010.



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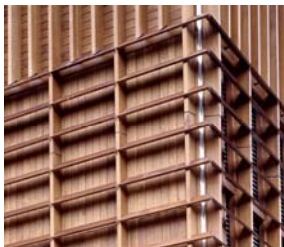




Certification of SFM and certified forest products



Certification assures that forest utilization (harvesting) is continually conducted in an environmentally, socially and economically sustainable manner.



Certified forest products carry labels demonstrating, in a manner verifiable by independent bodies, that they come from forests that meet standards for sustainable forest management.



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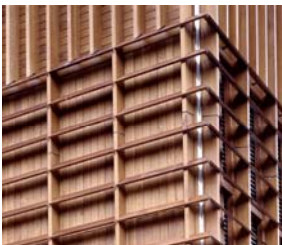


International certification systems

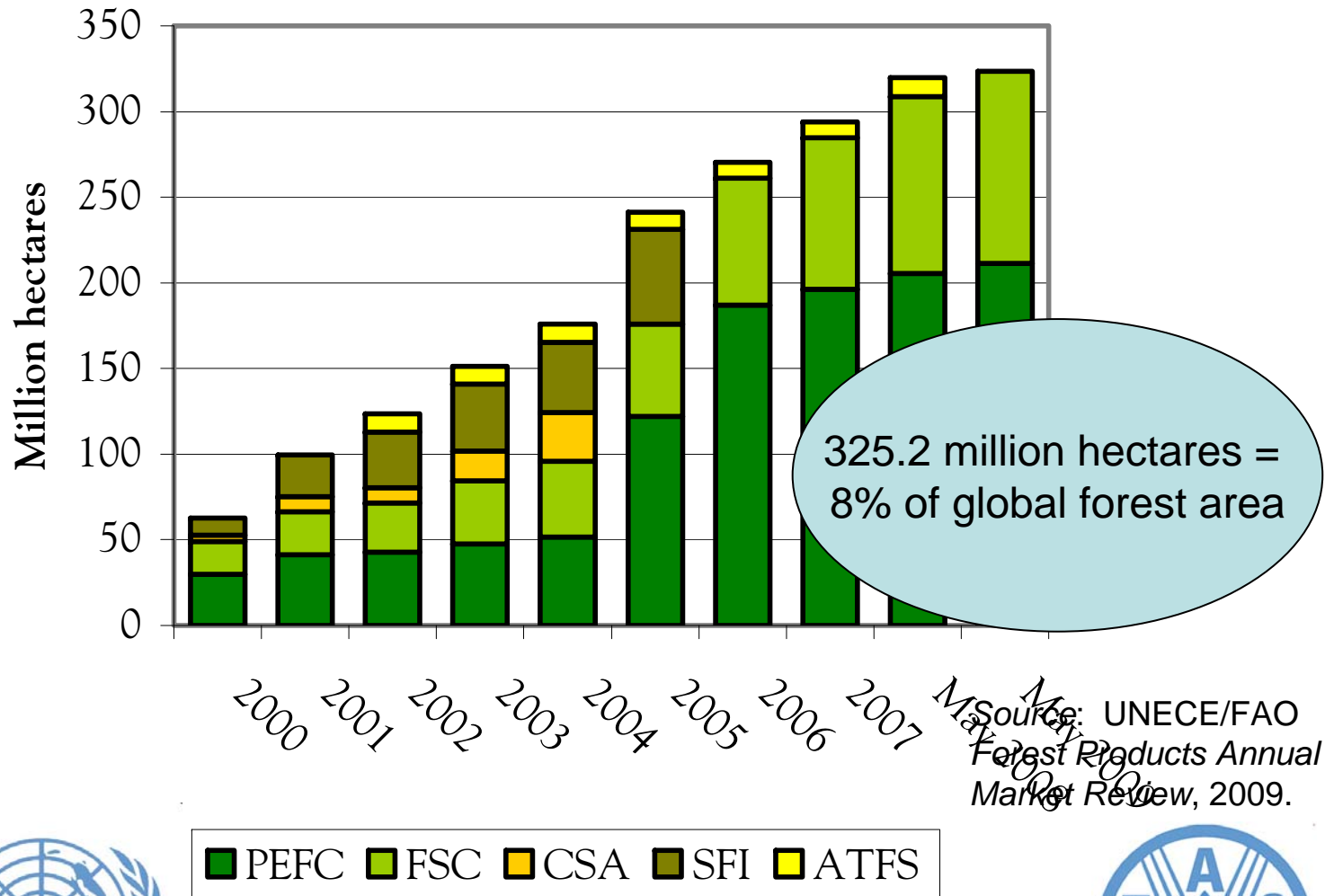


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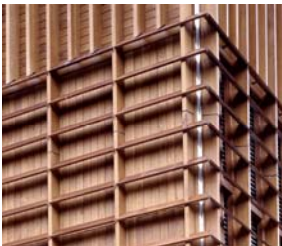


Certified forest area, 2009

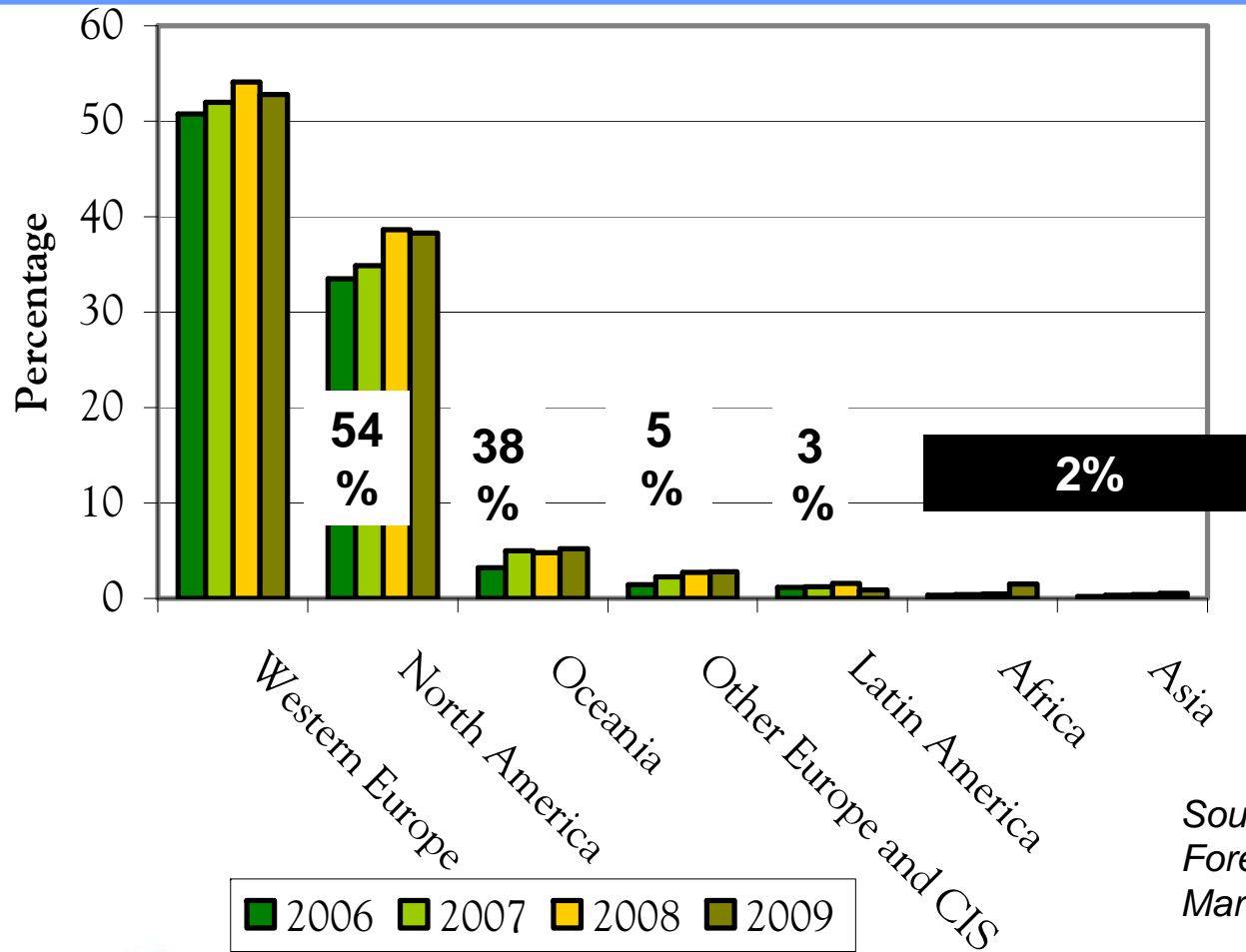


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Certified forests' distribution



Source: UNECE/FAO
Forest Products Annual
Market Review, 2009.

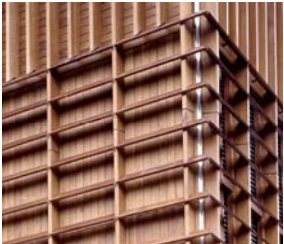


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Factors slowing certification



- Relatively high costs, compared to value of salable products and services
- Complications and requirements for documentation in the process
- Failure to earn price premiums to directly pay the costs of certification
- Nevertheless...



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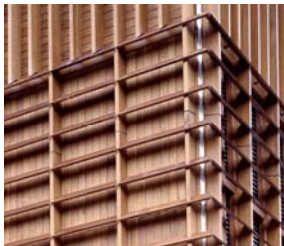




Factors promoting certification

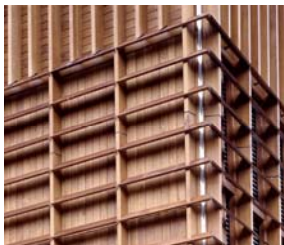


- Access to environmentally sensitive markets
- Green building rating systems
- Public procurement
- Corporate social responsibility
- Nevertheless...



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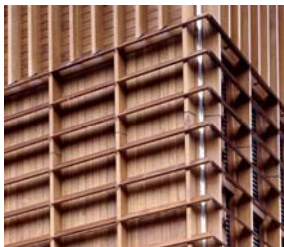
**The objective remains
unachieved of reducing
deforestation and
degradation via certification,
and the question is whether
it will be achieved in a
foreseeable future**

Nevertheless...!



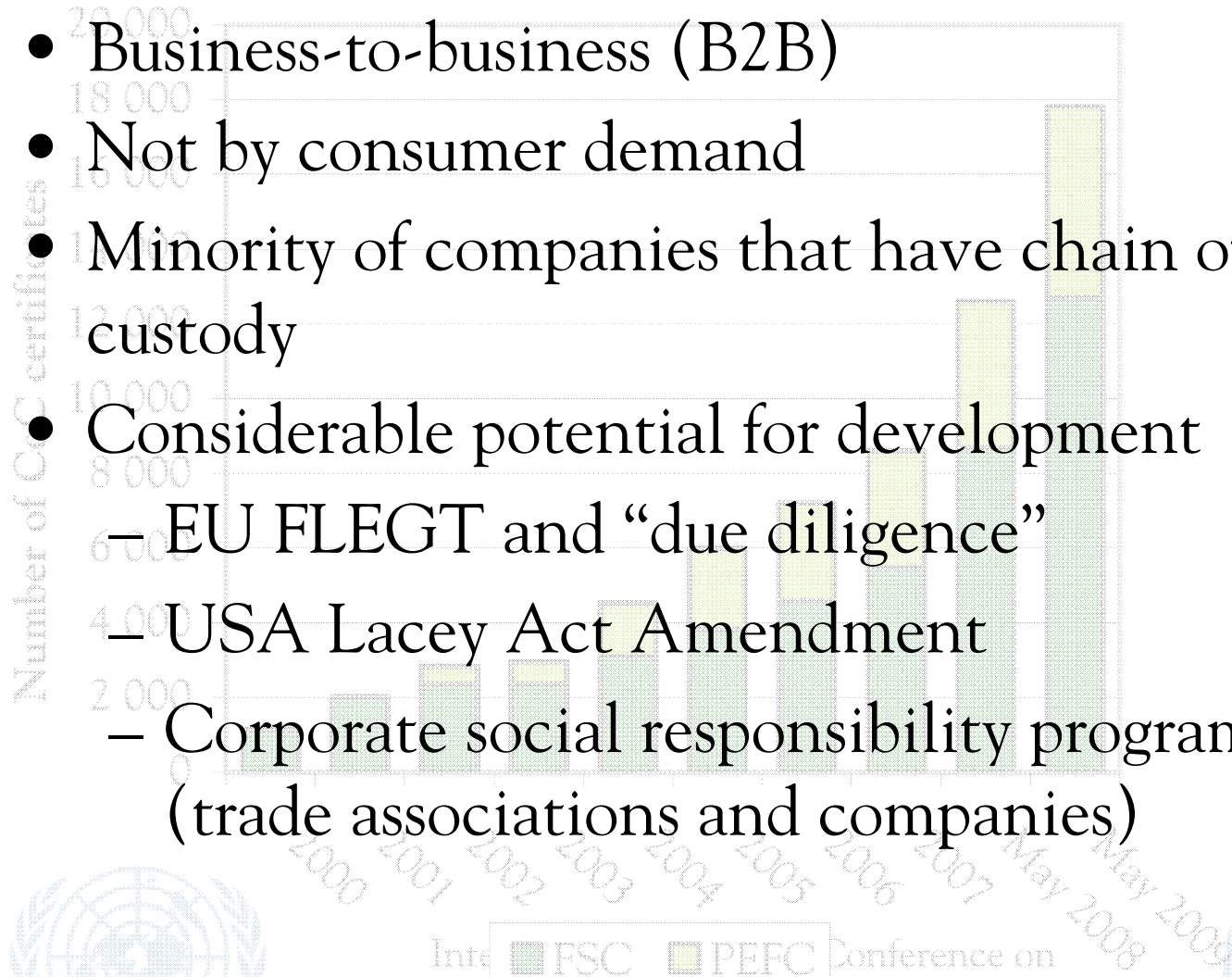
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Certification market strengthening

- Business-to-business (B2B)
- Not by consumer demand
- Minority of companies that have chain of custody
- Considerable potential for development
 - EU FLEGT and “due diligence”
 - USA Lacey Act Amendment
 - Corporate social responsibility programmes (trade associations and companies)

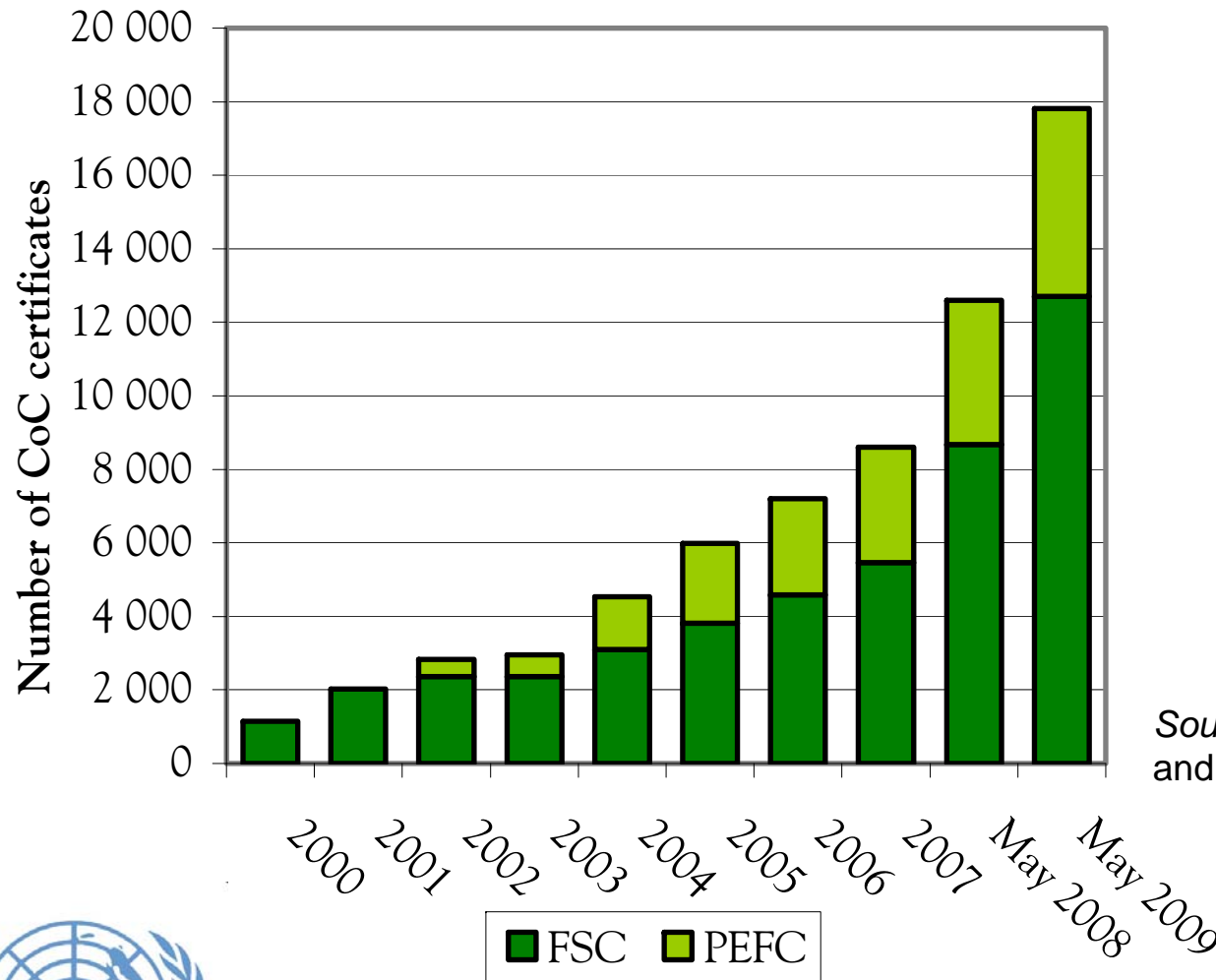
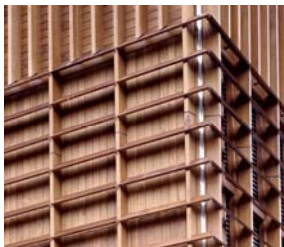


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Chain of custody growth is evidence of strengthening markets



Sources: FSC and PEFC, 2009.

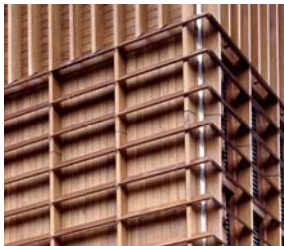


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US Lacey Act Amendment



- Unlawful in the US to import or trade in timber and its derivatives harvested in contravention of the laws of any country
- Maximum fine of up to \$250,000 + 5 years prison
- Strong incentive for US companies to assess and minimize the risk of suppliers delivering wood products from illegal sources
- Implementation of the law will be defined in the courts.

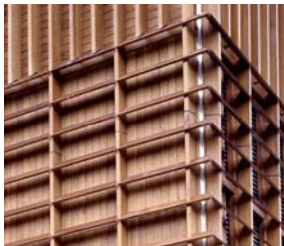


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Forest plantations



- Certified by both FSC and PEFC
- Often a means for tropical timber to be certified
- Certified wood and non-wood products
- Reduce impact on “natural” forests
- Guarantee legality and sustainability

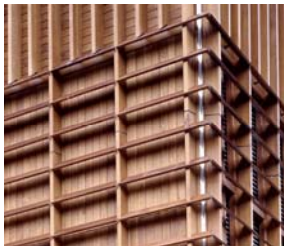


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UNECE Timber Committee



- Market driven action
- Although Governments often involved
 - Initiation of process, i.e. stakeholder groups
 - Assuring legality and fair
 - Certification of Government forestlands
- Important communication role between producers (forest owners, foresters, loggers, log buyers & sellers, wood & paper producers **AND consumers**)
- No label means loss of potential communication throughout chain.

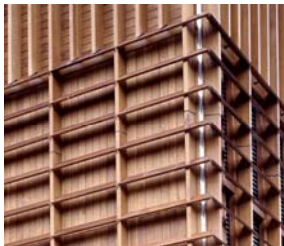


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Certified hardwood products

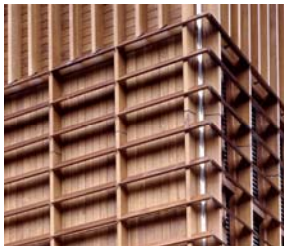


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Certified hardwood products



- Temperate and tropical, both share concern for sustainability and legality
- Tropical timber especially needs to prove its provenance
- Pressure from EU, Governments, environmental non-governmental organizations
- Coming from small forestlands, alternative approaches required
 - Landowner groupings
 - Independent, objective research to demonstrate low risk by American Hardwood Export Council (AHEC)



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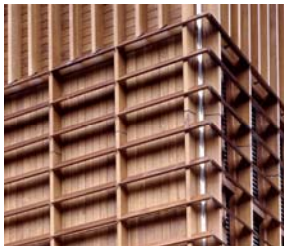




Future trends and sustainability



- Environmental issues becoming increasingly important



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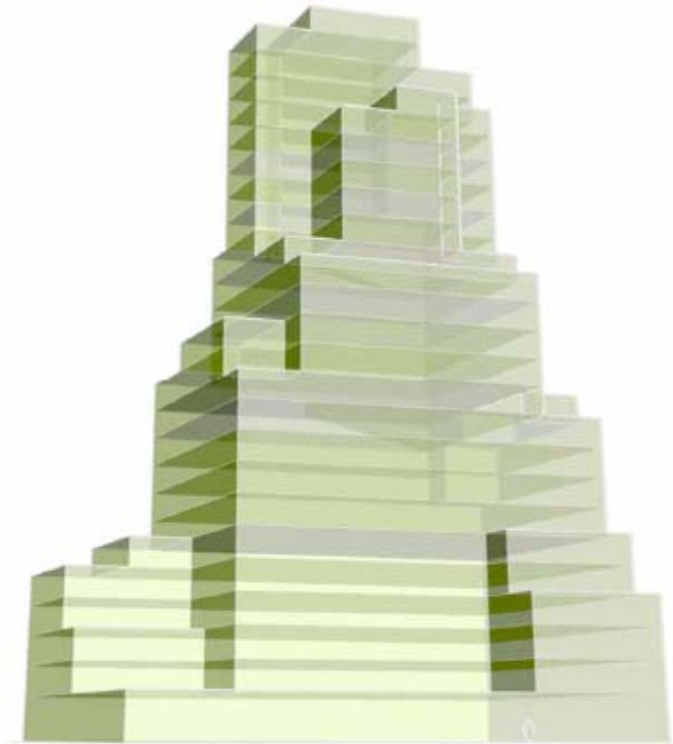
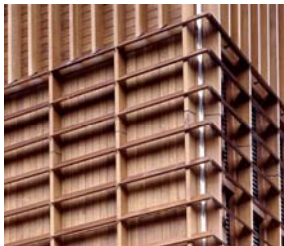




Green building



- Sustainable development
- Climate change
- Energy security and energy cost.
- 40-50% of energy usage for space and water heating and cooling.
- Sustainable energy usage



Source: Waugh-Thistleton Architects, 2008



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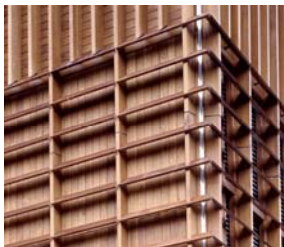
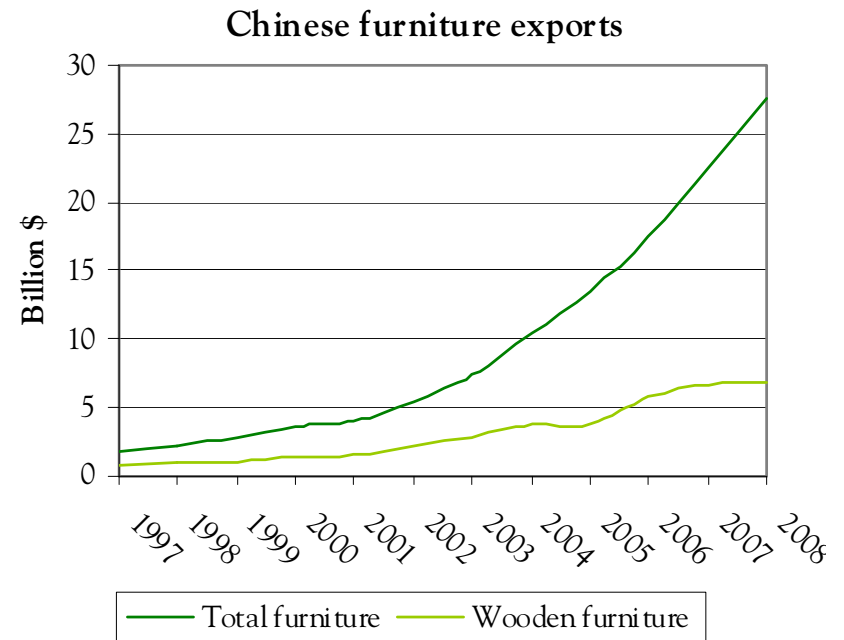
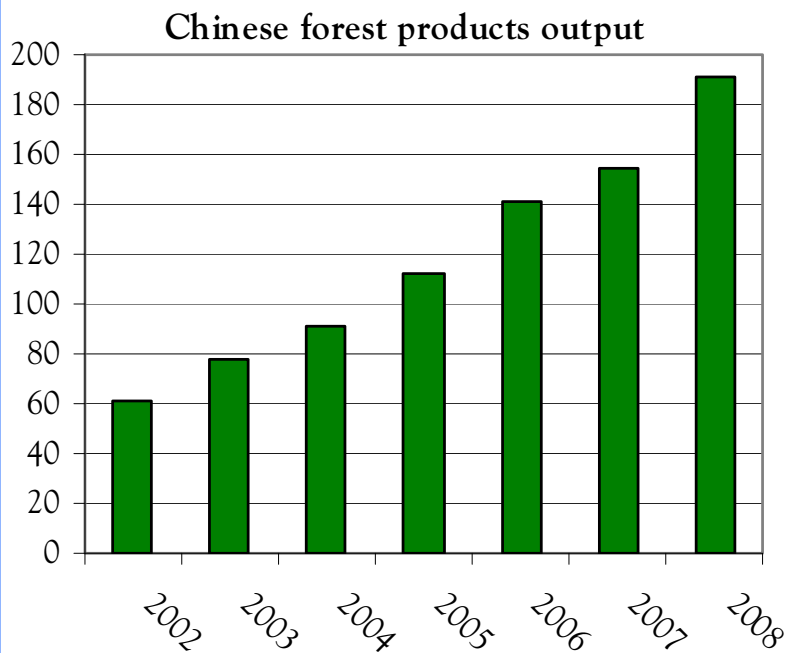




Future trends



- China's increasing influence
 - World's largest exporter of wooden furniture

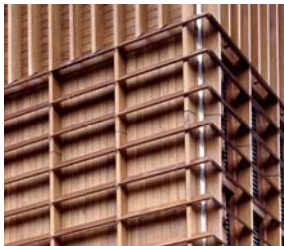


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Conclusions



- Certification of hardwood products, including paper, is a foundation of sustainable development
- Sustainable forest products markets critical for economic pillar of SFM
- Hardwood trade (producers, buyers, sellers and their trade associations) responsible for assuring legality and sustainability of source

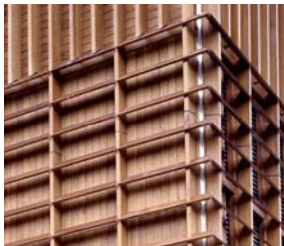


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Conclusions, continued



- Current economic crisis affects certified hardwood market
- Some buyers switching to less expensive “legally verified” products
- Demand drivers
 - B2B
 - Public procurement
 - Corporate responsibility programmes
 - Green building rating systems

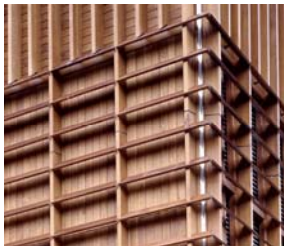


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Recommendations



- Prepare for legislative changes
- Prepare for market changes
- Key issues
 - Legality of products
 - Marking, labeling products
 - Changing consumer preferences and tastes
 - Economic situation, housing construction and related hardwood demand
 - Environmental

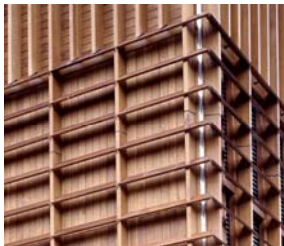


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Ultimate conclusion



Sustainable forest management, of both hardwoods and softwoods, is key element in the earth's sustainable development, and sustainable forest products markets are essential for SFM.

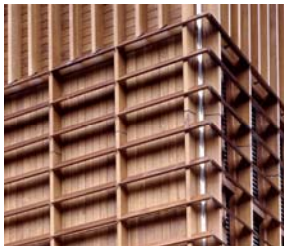


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Thank you!



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