Forest certification in China: Latest developments and future strategies
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Workshop Report
Hangzhou, China,
21-23 July 2004

Compiled and edited by

Philip McKenzie
Patrick B. Durst

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
REGIONAL OFFICE FOR ASIA AND THE PACIFIC
Bangkok, 2005
Foreword

Concerns about the increasing loss of tropical forests led to the development of certification as an instrument for promoting sustainable forest management. Although the initial focus of certification was mainly tropical forests, the focus has gradually shifted to encompass all forest types. Certification is a market-driven mechanism that promotes sustainable management in three main ways:

- by establishing standards for forest practices and management that guarantee a certain level of management performance;
- by marketing forest-derived products from sustainably managed forests; and
- by educating both producers and consumers.

There are two main reasons why producers choose certification:

- to demonstrate that forest resources are being managed appropriately; and
- to maintain and/or increase market share.

Over the past decade, China has become one of the world’s leading importers and exporters of wood products. China has made substantial investments to significantly increase its production capacity and to modernize its processing facilities. Large quantities of all kinds of wood products are currently being produced, and China is quickly becoming a leading producer of value-added wood products for export. Certification is becoming an increasingly important issue for China in order to maintain and increase its market share, particularly in Europe and North America.

China is interested in developing a single, coherent national certification strategy and is exploring various different options for certification. Therefore, the State Forest Administration of China requested FAO to assist in organizing a meeting in which these options could be explored with various stakeholders involved in forest management in China. The workshop was held in Hangzhou, China, 21-23 July 2004. The meeting was mainly attended by individuals from China, although participants from a number of other countries in the region also participated.

The workshop matched perfectly with FAO’s mandate to provide a neutral and open forum for discussion of critical issues related to food security and rural development. FAO is pleased to disseminate a summary of the presentations made at the workshop as well as the recommendations made to China.

He Changchui
Assistant Director General and
Regional Representative for Asia and the Pacific
Food and Agriculture Organization of the United Nations
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Introduction

China is one of the world’s largest wood-producing countries. Over the past decade it has invested in numerous large processing facilities, and has quickly become a leading producer of value-added wood products for export. Being a significant exporter, China has to deal with issues of forest certification for the purpose of improving its forest management and to maintain and/or increase market share, particularly in Europe and North America.

Over the past decade there has been a proliferation of certification schemes in different countries and at different levels. China is interested in developing a single, coherent national forest certification strategy and is interested in exploring various options for certification. Therefore, the State Forest Administration (SFA) of China requested FAO to assist in the organization of a workshop: Forest certification in China: Latest developments and future strategies.

The workshop was organized in collaboration with the State Forest Administration (SFA) of China, USDA Forest Service and the Zhejiang Forestry Department (ZFD). It was hosted by ZFD and held in Hangzhou, China, 21-23 July 2004. The programme for the workshop is provided in Appendix 1.

The workshop examined the most recent developments in forest certification from a range of perspectives, both on international and national levels. The main objective of the workshop was to provide the Chinese and regional participants with an overview of various certification alternatives. Secondary objectives were to:

- facilitate the exchange of information on certification issues among participants from throughout the region;
- provide a comprehensive overview of the certification initiatives at national and international levels;
- identify the advantages and disadvantages of certification;
- identify and discuss concerns and constraints related to the development of a Chinese national certification standard; and
- explore options for establishing a national certification initiative in China.

FAO has identified forest management certification as an important tool in support of the sustainable use and conservation of forests. Certification provides an opportunity to strengthen comprehensive approaches in the forestry sector, as certification deals with issues related to forest management and ecological and social sustainability. Thus, FAO was pleased to assist SFA in organizing the workshop in accordance with FAO’s mandate to provide an open and neutral forum for discussion and information exchange. The discussions and presentations at the workshop highlighted the increasing importance of forest certification in the broader context of sustainable forest management.

This report provides an overview of the workshop and the main recommendations for China. A total of 58 people participated in the workshop, the majority (40) from China, with an additional 5 participants representing countries from the region and the rest invited resource persons. A list of participants is provided in Appendix 2; the presentations are shown in Appendix 3. Appendix 4 contains a list of useful websites and additional sources of information related to forest certification.
Summary of workshop presentations

Presentations were given on the following issues: certification schemes (both international and national), mutual recognition, market analysis and development of a national certification standard. The presentations were followed by group work and the workshop concluded with a panel discussion. Summaries of the presentations are provided below. Copies of the powerpoint presentations are in Appendix 3.

The role of certification in achieving sustainable forest management in China

Mr Jeffrey Sayer
Senior Associate, World Wide Fund for Nature International

Certification was initially introduced as a tool by environmental groups to motivate large retailers to only market products from sustainably managed forests. It was introduced as an alternative to timber boycotts, which were generally ineffective in preventing forest loss. Such a scheme was expected to improve management through market-based incentives. There were also hopes that certified forest products would command premium prices. Over time, however, certification has evolved into a movement to improve forest management in a number of different ways.

Although the potential for price premiums or the avoidance of boycotts was the initial driving force for certification, today it is motivated more by a desire to demonstrate corporate environmental responsibility. Although many governments and forest agencies initially resisted certification as a challenge to their authority, it is now often welcomed as one of the tools that can help achieve the objectives of sustainable forest management. Certification initially focussed on large industrial concessions but now there is much more interest in certification of small private and community forests. Certification was initially based on the concept of a single uniform system, but we now observe the emergence of multiple (and sometimes competing) systems.

Successful certification systems have been associated with more pluralistic, participatory approaches to decision-making on forests. They have given civil society a more significant role in forest management, and can be seen as a form of "democratisation of forestry." Most certification schemes have gone beyond simply improving harvesting techniques to include broad social and environmental issues. Certification has also helped to raise awareness and understanding of the issues of sustainable forest management. It has helped structure the public debate on forests, and has provided a simple message on sustainable forestry that is clearly understandable to the media and through them to the public. This has resulted in much broader acceptance of the desirability of using forest management as a route to forest conservation, and has convinced many environmental activists to support sustainable forest management.

Certification is now part of the policy planning process, and gives greater focus to governance issues. Certification has become part of the tendency towards broader-based and more participatory models for forest management, which are grouped under the general heading of "ecosystem approaches." Certification has itself been associated with a number of changes in the "policy narrative" concerning forests.

Originally, it was widely believed that a single globally applicable set of principles, criteria and indicators would be a basis for assessing sustainable forest management. It is now widely accepted that there are multiple ways in which forests can be managed, all of which qualify for certification. Certification which
began as a product of environmental special interest groups, is now largely based on broad multi-stakeholder-based negotiations. In the past, assessments have tended to simply pass or fail forests for certification, however, there are recent moves towards progressive, stepwise approaches consistent with the idea of using certification to exert pressure for the gradual, incremental improvement of forest management.

Certification has thus emerged in just a single decade from being the tool of special interest activist groups, to becoming one of the mainstream approaches to improving forest management. It is highly consistent with, and a powerful tool for achieving the ecosystem approaches to forest management that have now been endorsed by the United Nations Convention on Biological Diversity (CBD) and the United Nations Forum on Forests (UNFF). Certification is a symbol of the democratisation of forestry or “citizens forestry.” It represents a move from the concept of “forests for the people” to “the peoples’ forests.”

China has a powerful interest in becoming part of the certification movement. In addition to the immediate benefits of access to markets and avoidance of potential boycotts, certification can be a useful tool to enable China to improve the quality of its forest management. Engaging with certification will help China keep abreast of developments in world forestry, enable it to be influential in the global forest policy debate and improve its international environmental image. China will be better able to fulfil its obligations under the UNFF and CBD, particularly in responding to its commitments to adopt an ecosystem approach to forest management. But most of all, the state and provincial forestry agencies and the numerous private forestry companies will be able to measure their performance against international benchmarks. Through this, they will be able to continually learn and innovate, thus ensuring that they operate at the cutting edge of best world-wide forestry practice.

**PEFC – The best way to develop nationally appropriate and internationally recognised forest certification**

**Mr Ben Gunneberg**

Secretary General, The Programme for the Endorsement of Forest Certification schemes (PEFC) Council

The Programme for the Endorsement of Forest Certification schemes (PEFC) Council is an independent, non-profit, non-governmental organization that promotes independent third-party certification of environmentally appropriate, socially beneficial and economically viable forest management. This is achieved through national or regional, multi-stakeholder-developed, forest certification schemes, based on the criteria, indicators and operational level guidelines developed by the Ministerial Conference on the Protection of Forests in Europe (MCPFE), or other similar intergovernmental processes promoting sustainable forest management. In addition to this, PEFC also provides a framework and umbrella for the mutual recognition of independent, national forest certification schemes. PEFC has the largest area of certified forests in the world, with over 52 million hectares certified to date, and the area is increasing rapidly. It provides a logo for timber products from such schemes, allowing customers and the general public to make a positive choice for sustainable forest management.

Under the PEFC approach, each country develops its own national (or regional), independent, forest certification standard and scheme based on the MCPFE guidelines or other intergovernmental processes promoting sustainable forest management, the national laws and regulations, and the core International Labour Organization (ILO) conventions and other conventions ratified by the country in question. All relevant interested parties are invited to participate in this process.
The process then develops national and/or regional performance standards based on this reference basis.

If the scheme wants to participate in the PEFC Council, then some additional requirements include: a transparent, cyclical process for the preparation and revision of the certification documentation (standards, certification procedures etc.), strive to achieve consensus, periodic review, a consultation process and adherence to the principle of continuous improvement. PEFC relies on the credible implementation of a scheme by following normal internationally recognised certification processes, i.e. the use of independent certifiers accredited by national accreditation organizations. They are completely independent of PEFC and the scheme owners, and have to follow the strict rules required by their processes to maintain the credibility and quality of their work.

Once a scheme has been developed, it is ready for assessment through the mutual recognition framework developed by PEFC, with guidance and advice of national accreditation organizations to ensure transparency and maximum participation at the various stages in the process. It includes a public consultation period with the assessment of schemes being undertaken by respected, independent experts. They assess whether the scheme meets the guidelines and also the requirements of PEFC Council. Based on this independent assessment and their own experiences, member forums and their stakeholders can discuss the applicant’s scheme at a local level before submitting their final votes on whether to accept the scheme or not. In other words, in addition to an objective independent analysis, this mutual recognition process also provides for the ultimate decisions to be made by the national forums and their stakeholders. Stakeholder groups are expected to participate at the national level, but in addition international groups can also join the PEFC Council and participate in debates as observers (extraordinary members). Annex 7 of the PEFC Technical Document (PEFC, 2002) contains further details of the assessment process.

What is FSC and how does it work?
Mr James Sandom
Regional Director Asia-Pacific Region, Forest Stewardship Council (FSC)

During the 1980s and 1990s, there was mounting evidence that the world’s forest resources were in decline. A range of national and international measures to arrest this decline had demonstrably failed, or were proving to be ineffective. In 1992, the United Nations Conference on Environment and Development (UNCED) Earth Summit held in Rio de Janeiro provided an opportunity to discuss the issues related to the environment and development. However, in spite of the development of a “non-legally binding authoritative statement of principles for a global consensus on the management, conservation and sustainable development of all types of forests,” the summit was perceived by many to be yet another failure. Many of the international environmental organizations were looking for radical new solutions, and the concept of certifying forests was put forward as a viable approach.

A number of different models were possible, but those stakeholders committed to the idea of certification were of the opinion that for forest certification to work and contribute meaningfully to improved standards of forest practice, it needed to be credible and practical – it was critical that the scheme fulfilled some specific design criteria. These stakeholders therefore, set about designing a certification system that they felt they could support. By 1994, the certification scheme was finalised and the Forest Stewardship Council (FSC) was formed to officially promote it.

Stakeholders realised that certification could take on a number of different forms, and that some were more rigorous and credible than others. The end result was
that FSC was established as an accreditation organization. At the heart of FSC’s scheme are 10 principles and 53 criteria by which forest management can be assessed (FSC, 2000). Certifiers, accredited to FSC and contractually bound to FSC, certify forest operations to these standards, according to well-developed protocols and rules.

The FSC was structured in such a way as to prevent undue influence by any one group of stakeholders. In order to satisfy a wide range of stakeholder expectations and desires, FSC formulated a unique system of National Initiatives that work in countries to provide a range of services on behalf of FSC. Developing local standards that are fully compatible with FSC’s Principles and Criteria is one of the most important of these tasks.

FSC was designed to be a global scheme with international coverage, but tailored to meet specific national and local conditions. FSC certification is also unique in the way that it addresses the key issues of objectivity, credibility and transparency. The designers of FSC anticipated some of the key market responses to certification and consequently FSC was able to gain commercial recognition and an established place in the international market place quickly. FSC is currently working in China, assisting local stakeholders in training and development of regional standards for China which, hopefully, will be fully compatible with the FSC Principles and Criteria.

**Malaysian criteria and indicators for sustainable forest management, including certification: its development and experiences with implementation.**

**Mr Thang Hooi Chiew**
Deputy Director-General, Forestry Department Peninsular Malaysia

By 1994, Malaysia had developed the *Malaysian Criteria and Indicators for Sustainable Forest Management* (MC&I). They were revised in 1999 following the adoption of the International Timber Trade Organization (ITTO) *Criteria and Indicators for Sustainable Management of Natural Tropical Forests* and the manual for their application. The Malaysian criteria and indicators framework includes 7 criteria, 64 indicators and 200 activities at the national level for reporting progress towards sustainable forest management. In addition, 7 criteria, 56 indicators and 171 activities were formulated for assessing forest management practices at the forest management unit level. Based on a phased approach, a sub-set of the forest management unit level criteria and indicators, comprising 6 criteria, 29 indicators and 87 activities, together with sub-national standards of performance, is presently being used for forest management certification.

Currently, seven forest management units in Malaysia have been awarded the Malaysian Timber Certification Council (MTCC) Certificate for Forest Management, covering 4.05 million hectares of the Permanent Reserved Forests. Two other forest management units, involving 64,084 hectares, have been certified by the Forest Stewardship Council. The MTCC has also issued Certificates for Chain-of-Custody to 45 companies in Malaysia, and a total of 13,853 m$^3$ of MTCC-certified timber and timber products have been exported to Europe. However, significant costs are incurred in forest management certification which are estimated at US$5.30 per 100 hectares for the main assessment, with subsequent yearly reassessment at US$1.30, while those for the chain-of-custody certification are estimated at US$1,580 for a given company with half-yearly reassessment at US$920 during the 3-year and 5-year validity of the MTCC’s certificates, respectively.

The development of criteria and indicators has enhanced the understanding in Malaysia of the need to balance protection and conservation of the forest
resources with economic uses, while their application has created greater awareness among forest managers and forest workers of their social responsibility in managing the forest. The information generated has helped policy and decision-makers in Malaysia greatly. It includes: communicating the status of forest management more effectively to the public; developing policies and strategies for sustainable forest management; focusing research efforts where knowledge is still lacking and deficient; and in identifying those areas which are in special need of international assistance and cooperation. Notwithstanding this, Malaysia has formulated a new set of criteria and indicators (MTCC, 2002), which is technically compatible with the FSC. This new set will be used for forest management certification in 2005. Malaysia was also admitted as a member to the Programme for Endorsement of Forest Certification schemes (PEFC) in 2002, and is currently leading the process of developing a Pan-ASEAN Timber Certification Scheme.

Certification development: experiences from Indonesia. The road to building a credible system
Mr Dwi Rahmad Muhtaman
Caretaker, Lembaga Ekolabel Indonesia (LEI) Executive Board

The concept of forest certification was first introduced to Indonesia with an assessment of Perhutani by the SmartWood programme in 1990. It gained further impetus during the 1990 ITTO meetings which approved a set of “Guidelines for the Sustainable Management of Natural Tropical Forests” and proposed that producer members should develop national guidelines based on the ITTO model. The guidelines provided a technical basis for the further development of a forest certification scheme in Indonesia.

The Lembaga Ekolabel Indonesia (LEI) Certification Working Group was established in 1993. The initial goal of the Working Group was to develop a forest certification standard adapted to the Indonesian forestry context. During the period 1993 - 1998 the working group concentrated on system and standard development. The LEI Working Group had three main objectives: a) to develop criteria and indicators of sustainable forest management; b) to design a decision-making mechanism in the forest certification process; and c) to design institutional arrangements for the formal establishment of the Indonesian Eco-labeling Institute.

Initially, two options were debated for the development of a national forest certification scheme: 1) join the FSC process; or 2) develop a national, independent certification process, system and standard independent of external processes. The Indonesian stakeholders chose the second option and development of the standard commenced. A number of internationally recognized standards such as the FSC Principles and Criteria; ISO 14000 series; and the ITTO criteria and indicators formed the basis for the development of the LEI standard.

By the end of 1996, the main elements of the LEI forest certification programme were in place and it was submitted to the Indonesian National Standards Body for approval as a national standard. In April 1997, a workshop was organized by the Ministry of Forestry, Indonesian Forestry Industry Association (APHI) and LEI, at which the three institutions agreed that the developed criteria and indicators were acceptable. Intensive field tests were conducted to assess the applicability of the standard and to improve the system.

The Lembaga Ekolabel Indonesia was officially established as a foundation in February 1998. In June 1998, the criteria and indicators of the forest certification system for natural forest management were adopted as the Indonesian National
Standard. The LEI certification programme consists of the following four elements (LEI 1997):

- a procedure for the certification process;
- a logical framework for evaluating forest management;
- criteria and indicators for sustainable forest management; and
- an analytical hierarchy process for decision-making.

In 1999, LEI signed a Memorandum of Understanding with FSC. As a result, a protocol for a Joint Certification Program (JCP) was developed. This enables companies audited using the Joint Certification Protocol to obtain both LEI and FSC certification and enables them to carry both labels. This cooperation with FSC enables international recognition of the national certification standard developed in Indonesia. To date, only two companies have been certified by the FSC-sanctioned SmartWood certification programme. Of the two, only one is currently operational.

Despite considerable advances in forest certification in Indonesia, some challenges remain. These relate mainly to disputes over forestland tenure status, unsustainable forest management practices, and an un-conducive forest management policy.

The Sustainable Forestry Initiative (SFI) standard and the Sustainable Forestry Board (SFB)

Mr William Banzhaf
President, Sustainable Forestry Board Inc.

The Sustainable Forestry Initiative (SFI) programme was launched in October 1994 as a commitment by the American Forest and Paper Association (AF&PA) and its member companies to sustainable forestry and related practices. Initially, AF&PA was responsible for both the content and implementation of the SFI standard. However, as the standard continued to develop, it became apparent that in order for the standard to maintain credibility, the content of the standard needed to be independent of the AF&PA. As a result, the Sustainable Forestry Board (SFB) was chartered as an independent body in July 2000, to oversee the development and continuous improvement of the SFI standard, the associated certification processes and procedures and program quality-control mechanisms. In January 2002, the SFB filed Articles of Incorporation to become a separate entity and obtained 501(c)3 tax exempt, non-profit status. This new entity is known as Sustainable Forestry Board Inc.

The SFI standard (which has recently been revised 2005-2009) is composed of four main components, namely: principles (9), objectives (13), performance measures (34) and indicators (103). The principles define the vision and direction of sustainable forest management under the SFI programme. The objectives define fundamental goals in order to achieve sustainable forest management, as outlined in the principles. The performance measures are the means of achieving the desired objectives and the indicators are concrete measures of how well the performance measures are being fulfilled.

Certification under the SFI programme involves a full-scale, formal audit by an independent third party. It includes an assessment of management activities and their conformance to the SFI objectives, performance measures and indicators. There are a number of professional auditors and organizations in the US that perform SFI audits. All certified companies must be recertified 3 years after the first certification. After that, recertification may not exceed 5 years. Once a company has been certified, they can become licensed to use the on-product
label. However, companies using the SFI label must have an annual surveillance audit to ensure continued conformance and commitment to the SFI standard.

The SFB approach to programme management and implementation involves three "branches of government", namely, the Legislative Branch, the Executive Branch and the External Branch. This approach serves to ensure system integrity and stewardship of resources. The Legislative Branch consists of the Sustainable Forestry Board and various Operating Committees. The SFB is responsible for developing the SFI Standard, its enhancements and interpretation, along with the setting of the certification procedures, establishment of qualification of auditors, quality control, etc. The Operating Committees include the Resource Committee, which oversees all SFB committees and taskforces, and the Interpretations Subcommittee which provides guidance regarding certification procedures. There are also Task Forces on mutual recognition and on application of of the SFIS on non-controlled lands. There are other sub-committees that take care of appeals, training and reviewing of verifiers or auditors. The Executive Branch is responsible for program implementation and promotion. The External Branch provides the forum for auditors and customers, reviews appeals of certifications, as well as being responsible for holding the independent external review panel, and is also responsible for external review.

**Certification: issues for international cooperation**

Mr Simmathiri Appanah
National Forest Programme Adviser, FAO Regional Office for Asia and the Pacific

Since the early 1990s, governments, international organizations, NGOs and the private sector have been increasingly supportive of forest certification and forest product labelling. The proliferation of certification schemes demonstrates the popularity and perceived success of certification as a market-based instrument.

This proliferation of certification schemes has led to numerous calls for formal recognition among the certification schemes on an international level, through so-called “mutual recognition.” To date, discussions on this issue have often been antagonistic and polarized, and have not succeeded in achieving overall mutual recognition. Currently, most experts acknowledge that mutual recognition will be difficult to achieve and, hence, it is not being actively pursued at the moment.

A more recent development has been the concept of a “phased approach to certification” that was first launched by the ITTO. Such an approach offers a partial solution to the dilemma that certification has mainly only reached forest owners and operators with a relatively high standard of forest management. The approach constitutes a constructive initiative to involve more forest operations in forest certification, regardless of the current quality of forest management and regardless of the various schemes to be applied later in the process. Involving forest operations which do not yet fully meet the rigorous standards of full certification, the approach does not result in the lowering of standards per se; rather it enhances the dynamics of forest certification through broader participation, awareness and field testing. However, it is important to clarify early on in the process what measures need to taken in order to qualify for full forest certification, and to support these operators in their efforts.

FAO views forest certification as a positive opportunity to assist in enhancing a comprehensive approach to development in the forestry sector, since the concept covers not only forest management, social and ecological values but it also focuses on processing and market access. FAO, working with a broad range of expertise at headquarters and in the field, is in a position to provide the following forms of assistance:
advice on forest-related policy, including land use, land tenure, economics and trade, to assist in the establishment of a coherent set of policies which are mutually supportive with regard to increased trade and sustainable forest management;

- assistance in harnessing synergies in their response to challenges and opportunities under the post United Nations Conference on Environment and Development conventions (United Nations Framework Convention on Climate Change (UNFCCC), United Nations Convention to Combat Desertification (UNCCD) and Convention on Biological Diversity (CBD)), and embedding them in national forest programmes;

- assistance for participation in other international and regional policy processes and other initiatives and to implement recommendations as appropriate;

- support in capacity building for individuals and institutions;

- collaboration in countries’ efforts to establish an enabling environment for investments based on economic analysis;

- provision of market intelligence for wood and non-wood forest products and environmental services, including carbon sequestration;

- support to countries to position the forestry sector in the context of overarching concepts like poverty reduction strategies, including community-based development, sustainable development strategies, biodiversity conservation strategies and environmental action plans so as to increase the political will of governments to (re-) invest into the forestry sector;

- provision of a neutral forum for debate; and

- other interventions as requested or necessary.

**Market demands for certified wood products in North America and Europe**

Ms Sharon Haines

Director of Sustainable Forestry & Forestry Policy, International Paper

There are 150 million hectares of forest certified under the various different certification schemes, which amounts to 4 percent of the world’s total forest area. More than 90 percent of the certified forests are located in the northern hemisphere. The majority of the certified forests are industrial plantations. Globally, the majority of the certified wood is temperate softwood with tropical hardwood available in much smaller quantities and from a less stable supply base.

A recent study by the United Nations Economic Commission for Europe (UNECE) timber committee (Raunetsalo et al, 2002) indicates that competitive advantage and image are the most important drivers for certification. The most important reasons for companies to supply certified forest products are market access, image and credibility. The factors limiting the market development for certified forest products include limited demand, lack of supply and lack of price premiums.

Research has shown that there is little demand and a general unwillingness by the end-consumer to pay more for certified forest products, except for certain niche products (e.g. high-value furniture, musical instruments). All things being equal, the consumer prefers certified over non-certified products, but is generally unwilling to pay extra for certified products. In general, the logo recognition of the main forest certification bodies remains low. There is greater demand for certified forest products from high-profile businesses and governments, compared to end-
use consumers. The most important markets for certified forest products are Northern Europe and North America. The United Kingdom, Germany, the Netherlands and the United States are the countries with the largest demand for certified wood products.

Customer expectations of certification schemes include: a credible standard, with independent governance and environmental NGO participation; third-party certification from reliable and independent auditors; and consumer communication programmes and public relations.

**Analysis of wood market in China**

Mr Lu Wenming  
Director Division of International Cooperation, Chinese Academy of Forestry

Analysis of the Chinese timber market indicates that demand for timber has increased rapidly during the past decade. At the same time, the domestic timber production is decreasing (largely as a result of the Natural Forest Protection Programme that restricts logging in much of the country). This has resulted in a large increase of imports. Over the past ten years, China has gone from a net producer of timber to a net importer of timber. Despite this increase in imports, the gap between supply and demand continues to increase, and is likely to continue doing so during the next decade. The main impetus for this increase in demand is the general improvement in the Chinese economy resulting in:

- increased investments in infrastructure; and
- an increase in housing construction and the resulting demand for furniture and interior decoration.

The timber market in China is maturing, with imported timber rapidly becoming the main supply for the domestic timber market. Logs and sawnwood are the two main timber imports for China. Over the past five years there has been more than a fivefold increase in the import of logs (from 4.8 million m$^3$ in 1998, to more than 25 million m$^3$ in 2003). The top five log-supplying countries are: Russia, Malaysia, New Zealand, Papua New Guinea and Gabon. Imports of sawnwood have tripled during the same period (from 1.2 million m$^3$ in 1998, to 5.6 million m$^3$ in 2003). The top five countries supplying sawnwood are Indonesia, the United States of America, Thailand, Russia and Malaysia.

China has a rapidly expanding industry for value-added products and is a large exporter of products such as plywood and furniture. Exports of plywood have increased tenfold since 1998 (from 0.8 million m$^3$ in 1998, to 2.04 million m$^3$ in 2003) and has now gone from a net importer of plywood to a net exporter of plywood. The main export markets for value-added products include: the United States, Japan, Korea and the United Kingdom. Certified timber products would be of particular interest to the US and the UK markets.

**Forest certification in China**

Mr Li Mingqi  
Deputy Director-General, Science & Technology Development Center, State Forestry Administration

There are currently two forests in China certified under FSC, with a total of some 6 177 ha of forest. There are more than 60 companies with FSC chain-of-custody certification.

The concept of forest certification was first introduced in the late 1990s. Work on certification in China began in 2001, with the Division of Forest Certification being
incorporated into the State Forest Administration. The main objective of the Division of Forest Certification is to develop a national certification scheme that:

- is based on national legislation and policy,
- is relevant to the Chinese forest situation; and
- can be endorsed by FSC, PEFC or other relevant certification schemes.

The Rules on Certification and Accreditation of the People’s Republic of China were released in November 2003 and work has commenced on the development of a national certification standard. Development of the standard has mainly been based on national forest legislation, policies and existing forestry standards, the international FSC standard, national level criteria and indicators for sustainable forest management and the ISO 14001 EMS standard. A draft version of the Chinese standard was presented at the workshop. The standard consists of 9 principles, 45 criteria and 118 indicators. The 9 principles can be grouped according to five main areas:

- Policy and law: P1 Legislation and regulatory framework and P2 Forest tenure;
- Public rights: P3 Local communities and workers rights;
- Sustainable production: P4 Management plan and P5 Forest management and production;
- Environmental protection: P6 Biodiversity protection, P7 Environmental impact and P8 Forest protection; and

The UKWAS example: How to develop a national certification standard

Mr Stuart Goodall
Head United Kingdom Woodland Assurance Standard (UKWAS) Support Unit

The United Kingdom Woodland Assurance Standard (UKWAS) was launched in 1999 and is unique in that it is the first ever national forest certification scheme developed by consensus. UKWAS has the support of all stakeholders in the United Kingdom and is officially recognized by both the FSC and PEFC as the management performance standard for the country. UKWAS is owned by all UK stakeholders and not by either the FSC national initiative or the UK PEFC scheme. The standard is managed by the UKWAS steering committee, which is composed of representatives of all sectors and interested individuals.

UKWAS is different from most other national certification initiatives in that only a standard was developed, instead of establishing a national certification scheme with procedures for auditing and accreditation. There is no UKWAS certification label; forest owners choose the certification scheme which their market wants and are audited by a certifying body accredited by that scheme, to assess their forest management against UKWAS. Following a successful audit they receive a certificate from that scheme.

Work on the development of a national standard commences with the development of a standard-setting group. It is vital when establishing a standards setting group that the rules and procedures are agreed to prior to commencing the development work. It is also important that a broad range of stakeholders are involved in the development process. Ideally, these should include representatives from both the public and the private sector, and also environmental and social organizations. It is useful to appoint a trusted facilitator...
to guide the development process. It is not the responsibility of the facilitator to take the lead in the process but more to guide the process and to facilitate discussion among the various stakeholders. In the UK, the Forestry Commission was appointed as facilitator; however, this is not the only possibility.

A good starting point for developing a national standard is international criteria and indicators. In China, there are the 7 criteria and 67 associated indicators from the Montreal Process (of which China is a participant), the FSC’s 10 Principles and Criteria and PEFC’s requirements for the development of a national certification scheme. In the UK, officials also utilized the Government’s Forestry Standard. Other sources of information are also available, for example, domestic legal requirements, scientific data, practical experience from members of the group, international agreements and traditional knowledge. On the basis of this information, it is possible to commence developing the standard. However the following three points need to be considered during the development process:

1. The standard needs to clearly define what level of forest management has to be achieved in order for a forest to be certified;
2. The standard must be written clearly and unambiguously to ensure that it can be audited easily and implemented consistently across the country; and
3. The standard must also be flexible enough to deal with the great variety of forests that exist in the country and the different demands placed on those forests, whether it is for timber harvesting, nature protection or public use. It is possible that more than one standard might need to be developed to cover different parts of the country (such was the case under FSC in Canada).

Once the first draft of the standard has been developed, it should be widely circulated for external consultation. This allows individuals and smaller groups to contribute to the development process. It is not necessary that everyone agrees with every single part of a draft before it goes out for consultation. In the UK, it was found particularly useful to obtain feedback from a wide range of people responsible for the day-to-day management of forests. Since these were the people who would be required to implement the standard, this ensured that the standard was relevant and practical. On the basis of the comments and the feedback received during the consultation process, the draft standard can be revised as necessary by the standard-setting group. The development of a certification standard is an iterative process and the consultation process needs to be repeated a number of times. UKWAS conducted several external consultations prior to producing the final draft of the standard.

In addition to external consultation, it is strongly recommended that field trials of the draft standard are undertaken. These could be undertaken between consultations or at the same time as consultations, and should involve both certification auditors and forest managers. Field trials provide important feedback on how well the standard works in practice. If necessary, the standard can be adapted on the basis of the results of the field trials.

It is up to the standard-setting group how often it consults and how often it conducts field trials. However, there needs to be a balance between ensuring that the standard is adequately tested and open for comments, and actually finishing the standard. All of this takes time – it took 16 months to develop the UKWAS standard. When full agreement cannot be reached immediately, interim language can be adopted pending the availability of further information and the results of further research and consultation. Developing a certification standard is a dynamic process that must continue to develop and evolve, as experience is gained.
Conclusions and recommendations

The workshop was characterized by open and active discussions, which exposed participants to a range of different certification options at both national and international levels. A number of participants expressed a desire to continue the positive, open dialogue to develop a national certification standard.

On the basis of the discussions, a number of important issues were stressed. There is need for a system in China that would allow the market to determine which certification scheme would be most appropriate. It was recommended that the government should focus on developing national standards, taking into consideration that with evolving perceptions and understanding of sustainable forest management, such standards will change over time. The workshop recognized the value of the existing certification processes and experiences in contributing to the development of a national system for China. The experiences from other national initiatives highlighted the importance of active participation of all stakeholders in the development of standards. Participants also noted that the adoption of rigorous and verifiable national standards made it possible to obtain endorsements from better known international certification schemes.

While applauding the efforts of China to develop a national forest certification scheme, workshop participants also pointed out that there are concerns over the sources of the country’s massive imports of timber. Participants urged Chinese officials to take measures to ensure such imports are coming from sustainably managed forests, perhaps through the establishment of a regulatory body for monitoring the source of imported timber. It was also emphasized that certification and related attempts to improve forest management should not be limited to products for export; overall improvements in forest management should be the aim, considering the long-term benefits to the country, particularly in improving the environment and the stability of forest-based industries.
Bibliography


Appendix 1: Programme

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>8:00 – 8:30</td>
<td>Registration of participants</td>
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<tr>
<td>8:30 – 9:30</td>
<td><strong>Welcome addresses</strong>&lt;br&gt;SFA, FAO, USDA, ZFB</td>
</tr>
<tr>
<td>9:30 – 10:00</td>
<td><em>The role of certification in achieving sustainable forest management in China</em>&lt;br&gt;<em>Mr Jeffrey Sayer</em>, Senior Associate, World Wide Fund for Nature International</td>
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<tr>
<td>10:00 – 10:30</td>
<td>Coffee / tea break</td>
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<tr>
<td>10:30 – 11:00</td>
<td><strong>PEFC – The best way to develop nationally appropriate and internationally recognised forest certification</strong>&lt;br&gt;<em>Mr Ben Gunneberg</em>, Secretary General, The Programme for the Endorsement of Forest Certification schemes (PEFC) Council</td>
</tr>
<tr>
<td>11:00 – 11:30</td>
<td><em>What is FSC and how does it work?</em>&lt;br&gt;<em>Mr James Sandom</em>, Regional Director Asia-Pacific Region, Forest Stewardship Council (FSC)</td>
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<tr>
<td>11:30 – 12:30</td>
<td>Plenary discussion of the topics presented in the morning</td>
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<tr>
<td>12:30 – 13:30</td>
<td>Lunch</td>
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<tr>
<td>13:30 – 14:00</td>
<td><em>Malaysian criteria and indicators for sustainable forest management, including certification: its development and experiences with implementation.</em>&lt;br&gt;<em>Mr Thang Hooi Chiew</em>, Deputy Director-General, Forestry Department Peninsular Malaysia</td>
</tr>
<tr>
<td>14:00 – 14:30</td>
<td><strong>Certification development: experiences from Indonesia. The road to building a credible system</strong>&lt;br&gt;<em>Mr Dwi Rahmad Muhtaman</em> Caretaker, Lembaga Ekolabel Indonesia (LEI) Executive Board</td>
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<td>14:30 – 15:00</td>
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<td>15:00 – 15:30</td>
<td><strong>The Sustainable Forestry Initiative (SFI) standard and the Sustainable Forestry Board (SFB)</strong>&lt;br&gt;<em>Mr William Banzha</em>, President, Sustainable Forestry Board Inc.</td>
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<tr>
<td>15:30 – 16:00</td>
<td><strong>Certification: Issues for international cooperation</strong>&lt;br&gt;<em>Mr Simmathiri Appanah</em>, National Forest Programme Adviser, FAO Regional Office for Asia and the Pacific</td>
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<tr>
<td>16:00 – 17:00</td>
<td>Plenary discussion of the afternoon session</td>
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<td>19:00</td>
<td>Reception and welcome dinner</td>
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<td>Time</td>
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<tr>
<td>8:30 – 8:45</td>
<td>Moderator’s opening remarks and recapitulation of the previous day</td>
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<tr>
<td>8:45 – 9:15</td>
<td><strong>Forestry situation and certification in Zhejiang</strong></td>
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<tr>
<td>9:15 – 9:45</td>
<td><strong>Market demands for certified wood products in North America and Europe</strong></td>
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<td></td>
<td>Ms Sharon Haines, Director of Sustainable Forestry &amp; Forestry Policy, International Paper</td>
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<tr>
<td>9:45 - 10:15</td>
<td><strong>Analysis of wood market in China</strong></td>
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<tr>
<td></td>
<td>Professor Lu Wenming, Director Division of International Cooperation, Chinese Academy of Forestry</td>
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<tr>
<td>10:15 – 10:45</td>
<td>Coffee / tea break</td>
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<tr>
<td>10:45 – 11:15</td>
<td><strong>Forest certification in China</strong></td>
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<td></td>
<td>Mr Li Mingqi, Deputy Director-General, Science &amp; Technology Development Center, State Forestry Administration</td>
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<tr>
<td>11:15 – 11:45</td>
<td><strong>The UKWAS example: How to develop a national certification standard</strong></td>
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<tr>
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<td>Mr Stuart Goodall, Head United Kingdom Woodland Assurance Standard (UKWAS) Support Unit</td>
</tr>
<tr>
<td>11:45 - 12:45</td>
<td>Plenary discussion of the topics presented in the morning</td>
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<td>12:45 – 13:45</td>
<td>Lunch break</td>
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<tr>
<td>13:45 – 17:45</td>
<td><strong>Working Groups</strong></td>
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**Day 3**

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<th>Time</th>
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<tr>
<td>8:30 – 10:30</td>
<td><strong>Presentation of working group results</strong></td>
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<tr>
<td>10:30 – 11:00</td>
<td>Coffee / tea break</td>
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<tr>
<td>11:00 – 12:00</td>
<td><strong>Panel discussion</strong></td>
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<tr>
<td></td>
<td>Ben Gunneberg, James Sandom, Stuart Goodall, Thang Hooi Chiew, Patrick Durst, State Forestry Administration</td>
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<tr>
<td>12:00 – 12:15</td>
<td><strong>Closing session workshop</strong></td>
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<tr>
<td>12:15 – 13:00</td>
<td>Lunch break</td>
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<tr>
<td>13:00 – 17:00</td>
<td><strong>Field trip</strong></td>
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## Appendix 2: List of participants

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Phone</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Li Dongsheng</td>
<td>Deputy Director-General, Department of Science &amp; Technology, State Forestry Administration SFA</td>
<td>010-84238705</td>
<td></td>
</tr>
<tr>
<td>Mr. Lui Hongcun</td>
<td>Deputy Director-General, Department of International Cooperation SFA</td>
<td>010-84238723</td>
<td></td>
</tr>
<tr>
<td>Ms. Feng Xiao</td>
<td>Deputy Director-General, Certification and Accreditation Administration PRC</td>
<td>010-82260733, 13661241777</td>
<td><a href="mailto:fengx@cnca.gov.cn">fengx@cnca.gov.cn</a></td>
</tr>
<tr>
<td>Mr. Cao Jianzhang</td>
<td>Director, All-China Federal Trade Union</td>
<td>010-68592519, 13911113677</td>
<td></td>
</tr>
<tr>
<td>Mr. Li Mingqi</td>
<td>Deputy Director-General, Sci &amp; Tech. Development Center, SFA</td>
<td>010-84238709</td>
<td><a href="mailto:limingqi@21cn.com">limingqi@21cn.com</a></td>
</tr>
<tr>
<td>Mr. Zhang Songdan</td>
<td>Deputy Director-General, Department of Forest Resources Management, SFA</td>
<td>010-84238408</td>
<td></td>
</tr>
<tr>
<td>Mr. Chen Peng</td>
<td>Deputy Director-General, Zhe Jiang Forestry Department</td>
<td>0571-86039917</td>
<td><a href="mailto:chenpeng@zjly.gov.cn">chenpeng@zjly.gov.cn</a></td>
</tr>
<tr>
<td>Mr. Wu Hong</td>
<td>Deputy Director-General, Zhe Jiang Forestry Department</td>
<td>0571-86438778</td>
<td><a href="mailto:wh931908@sohu.com">wh931908@sohu.com</a></td>
</tr>
<tr>
<td>Mr. Lan Xiaoguang</td>
<td>Director, Sci &amp; Tech. Division, Zhe Jiang Forestry Department</td>
<td>0571-86991419</td>
<td><a href="mailto:lxg@zjly.gov.cn">lxg@zjly.gov.cn</a></td>
</tr>
<tr>
<td>Ms. Li Wenjing</td>
<td>Engineer, Green times</td>
<td>010-84238571, 13521216625</td>
<td></td>
</tr>
<tr>
<td>Mr. Zheng Zhong</td>
<td>Programme Officer, International Cooperation Center</td>
<td>010-84238945</td>
<td><a href="mailto:zhengzhong@forestry.gov.cn">zhengzhong@forestry.gov.cn</a></td>
</tr>
<tr>
<td>Ms. Li Qing</td>
<td>Director, Division of Forest Certification, STDC, SFA</td>
<td>010-84239108</td>
<td><a href="mailto:lgscn@sina.com">lgscn@sina.com</a></td>
</tr>
<tr>
<td>Ms. Yu Ling</td>
<td>Deputy Director, Division of Forest Certification, STDC, SFA</td>
<td>010-84239108</td>
<td><a href="mailto:yuling@cnwp.net">yuling@cnwp.net</a>; <a href="mailto:yl9897@sina.com">yl9897@sina.com</a></td>
</tr>
<tr>
<td>Mr. Han Xuewen</td>
<td>Engineer, Division of Forest Certification, STDC, SFA</td>
<td>010-84239108, 84238752</td>
<td><a href="mailto:han986@sina.com">han986@sina.com</a></td>
</tr>
<tr>
<td>Ms. Lin Xiaping</td>
<td>Vice secretary General, Wood Currency Association, China</td>
<td>010-68392603, 13910084639</td>
<td><a href="mailto:xiaping_ling@sina.com">xiaping_ling@sina.com</a></td>
</tr>
<tr>
<td>Mr. Lu Wenming</td>
<td>Director/Professor, Division of International Cooperation, CAF</td>
<td>010-62889727</td>
<td><a href="mailto:luwenmin@public.bta.net.cn">luwenmin@public.bta.net.cn</a></td>
</tr>
<tr>
<td>Mr. Jiang Chunqian</td>
<td>Professor, Research Center Forestry Institute, Chinese Academy of Forestry</td>
<td>010-62889093</td>
<td><a href="mailto:jiangchq@cafo.forestry.ac.cn">jiangchq@cafo.forestry.ac.cn</a></td>
</tr>
<tr>
<td>Name</td>
<td>Position and Affiliation</td>
<td>Contact Information</td>
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<td></td>
</tr>
<tr>
<td>Mr. Xu Bin</td>
<td>Assistant Professor, Science &amp; Technology Institute, Chinese Academy of Forestry</td>
<td>010-62889754, <a href="mailto:xubin@isti.forestry.ac.cn">xubin@isti.forestry.ac.cn</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Zhao Jie</td>
<td>Assistant Professor, Science &amp; Technology Institute, Chinese Academy of Forestry</td>
<td>010-62889745, <a href="mailto:zhjcelf@yahoo.com.cn">zhjcelf@yahoo.com.cn</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Fan Shao hui</td>
<td>Professor, International Network for Bamboo and Rattan</td>
<td>010-64728877-6529, <a href="mailto:fansh@icbr.ac.cn">fansh@icbr.ac.cn</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Sun Yujun</td>
<td>Professor, Beijing Forestry University</td>
<td>13641298548, <a href="mailto:suny@bjfu.edu.cn">suny@bjfu.edu.cn</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Wang Weifang</td>
<td>Vice Professor, Northeast Forestry University</td>
<td>0451-84313205, <a href="mailto:weifangwang@126.com">weifangwang@126.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Bai Tong</td>
<td>Deputy Director, Inner-Mongolia Forestry Bureau</td>
<td>0471-2280407, <a href="mailto:2088bt@sohu.com">2088bt@sohu.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Meng Xianbin</td>
<td>Director, Sci &amp; Tech. Division, Hei Longjiang Forestry Bureau</td>
<td>13604518361, <a href="mailto:kejichu@ljforest.com">kejichu@ljforest.com</a></td>
<td></td>
</tr>
<tr>
<td>Ms. Lin Ping</td>
<td>Engineer, Fujian Forestry Bureau</td>
<td>0591-7853228, <a href="mailto:fjlykj@163.com">fjlykj@163.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Zhang Xinjie</td>
<td>Associate Professor, Guangdong Forestry Bureau</td>
<td>020-81812689, <a href="mailto:zhexinjie@21cn.com">zhexinjie@21cn.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Li Hongwei</td>
<td>Manager, Dong Men Forestry Center, Guang Xi</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Ma Abin</td>
<td>Professor, Hei Longjiang Academy of Forestry</td>
<td>0451-86602034, <a href="mailto:abinma@163.com">abinma@163.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Mu Changlong</td>
<td>Vice President/Professor, Si Chuan Academy of Forestry</td>
<td>028-83226547</td>
<td></td>
</tr>
<tr>
<td>Mr. Zhou Guomo</td>
<td>Professor, Zhe Jiang Forestry College</td>
<td>0571-63732705, <a href="mailto:zhougm@zjfc.edu.cn">zhougm@zjfc.edu.cn</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Tian Jingbo</td>
<td>Director, Wang Qing Forestry Bureau, Jinlin</td>
<td>0433-8813077</td>
<td></td>
</tr>
<tr>
<td>Mr. Wang Jinxin</td>
<td>Division Director, Natural Forest Protection, Bai He Forestry Bureau, Jinlin</td>
<td>13843329961</td>
<td></td>
</tr>
<tr>
<td>Mr. Li Daqing</td>
<td>Vice Director, You Hao Forestry Bureau, Hei Longjiang</td>
<td>0458-3298214, 13846690319</td>
<td></td>
</tr>
<tr>
<td>Mr. Zang Shichen</td>
<td>Deputy Division Director, Lang Xiang Forestry Bureau, Hei Longjiang</td>
<td>13904582997</td>
<td></td>
</tr>
<tr>
<td>Mr. Wang Yanming</td>
<td>Engineer, Yong An Bureau, Fu Jian Province</td>
<td>0598-3614607, 3806969536, <a href="mailto:wangyenming@163.com">wangyenming@163.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Wu Shengfu</td>
<td>Manager BEIJING, CHINA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Matthew P. Brady</td>
<td>General Manager, American Forest &amp; Paper Association China Office</td>
<td>Tel. 01-085191010, Fax. 85191011, <a href="mailto:matthew_bradt@afandpa-china.org">matthew_bradt@afandpa-china.org</a></td>
<td></td>
</tr>
<tr>
<td>Ms. Zhuang Xiaoqing</td>
<td>Marketing Assistant, AHEC-CHINA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Phone/Mobile</td>
<td>Email Address</td>
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</tr>
<tr>
<td>Ms. Zhang Lei</td>
<td>Assistant on Agriculture, USA AMBASSY</td>
<td>65321953-322, 13693141906</td>
<td><a href="mailto:lei.zhang@usda.gov">lei.zhang@usda.gov</a></td>
</tr>
<tr>
<td>Mr. Zhu Chunquan</td>
<td>Program Officer, WWF-CHINA</td>
<td>13701288966</td>
<td><a href="mailto:chqzhu@wwfchina.org">chqzhu@wwfchina.org</a></td>
</tr>
<tr>
<td>Ms. Dong Ke</td>
<td>Programme Assistant, WWF-CHINA</td>
<td>13681300211</td>
<td><a href="mailto:kdong@wwfchina.org">kdong@wwfchina.org</a></td>
</tr>
<tr>
<td>Ms. An Yan</td>
<td>Programme Assistant, WWF-CHINA</td>
<td>010-85636538-218</td>
<td></td>
</tr>
<tr>
<td>Ms. Chen Xiaoqian</td>
<td>The Nature Conservancy</td>
<td>010-66034445-121, 13701276022</td>
<td><a href="mailto:gracechen@tnc.org.cn">gracechen@tnc.org.cn</a></td>
</tr>
<tr>
<td>Mr. Lui Jiaqing</td>
<td>Vice Director, Natural Forest Protection, Bai He Forestry Bureau Jinlin</td>
<td>13196207562</td>
<td><a href="mailto:liuijiaqing@163.com">liuijiaqing@163.com</a></td>
</tr>
<tr>
<td>Mr. Wang Desheng</td>
<td>Deputy Division Director, Wang Qing Forestry Bureau, Jinlin province</td>
<td>0433-8813077</td>
<td></td>
</tr>
<tr>
<td>Ms. He Xiang</td>
<td>Manager, UPM-Kymmene, BEIJING</td>
<td>85299708, 85299712, 13801128071</td>
<td><a href="mailto:hexiang@upm-kymmene.com">hexiang@upm-kymmene.com</a></td>
</tr>
<tr>
<td>Ms. Gu Yun</td>
<td>Manager, Weyerhaeuser CHINA</td>
<td>021-53829983-118, 13916384228</td>
<td><a href="mailto:winston.gu@weyerhaeuser.com">winston.gu@weyerhaeuser.com</a></td>
</tr>
<tr>
<td>Mr. Kang Zhixion</td>
<td>Vice President/Professor, Zhe Jiang Academy of Forestry</td>
<td>0571-87798202</td>
<td><a href="mailto:kanzx@mail.hz.zj.cn">kanzx@mail.hz.zj.cn</a></td>
</tr>
<tr>
<td>Mr. Jiang Bo</td>
<td>Professor, Forest Product Checkstation, Zhe Jiang Forestry Bureau</td>
<td>0571-87798201</td>
<td><a href="mailto:jiangbo-f@163.com">jiangbo-f@163.com</a></td>
</tr>
<tr>
<td>Mr Patrick Durst</td>
<td>FAO Regional Office for Asia and the Pacific</td>
<td>Tel. +66 2 697 4130 Fax. +66 2 697 4446</td>
<td><a href="mailto:patrick.durst@fao.org">patrick.durst@fao.org</a></td>
</tr>
<tr>
<td>Mr Simmathiri Appanah</td>
<td>FAO Regional Office for Asia and the Pacific</td>
<td>Tel. +66 2 697 4130 Fax. +66 2 697 4447</td>
<td><a href="mailto:simmathri.appanah@fao.org">simmathri.appanah@fao.org</a></td>
</tr>
<tr>
<td>Mr Philip McKenzie</td>
<td>FAO Regional Office for Asia and the Pacific</td>
<td>Tel. +66 2 697 4130 Fax. +66 2 697 4445</td>
<td><a href="mailto:philip.mckenzie@fao.org">philip.mckenzie@fao.org</a></td>
</tr>
<tr>
<td>Mr Ben Gunneberg</td>
<td>Secretary General, Programme for the Endorsement of Forest Certification</td>
<td>Tel. +352 26 25 90 59 Fax. +352 26 25 92 58</td>
<td><a href="mailto:pefc@pt.lu">pefc@pt.lu</a></td>
</tr>
<tr>
<td>Mr William Henry Banzhaf</td>
<td>President, Sustainable Forestry Board</td>
<td>Tel. 1-202-463-2712 Fax. 1-202-463-2708</td>
<td><a href="mailto:banhaf@aboutsfb.org">banhaf@aboutsfb.org</a></td>
</tr>
<tr>
<td>Mr Jeff Sayer</td>
<td>Senior Associate, WWF-International</td>
<td>Tel. +41 22 364 9014</td>
<td><a href="mailto:JSayer@wwfin.org">JSayer@wwfin.org</a></td>
</tr>
<tr>
<td>Mr James Sandom</td>
<td>Forest Stewardship Council Regional Representative Asia-Pacific Region</td>
<td>Tel. + 66 2 637 4771, Mob. + 44-7776-135607, Fax. +66 2 320 2890,</td>
<td><a href="mailto:Sandoms@aol.com">Sandoms@aol.com</a></td>
</tr>
<tr>
<td>Ms. Sharon Haines</td>
<td>Director of Sustainable Forestry &amp; Forestry Policy, International Paper</td>
<td>Tel. 912-238-6220 Fax. 912-238-6111</td>
<td><a href="mailto:sharon.haines@ipaper.com">sharon.haines@ipaper.com</a></td>
</tr>
<tr>
<td>Ms. Carol Cheng</td>
<td>Director Human Resources International Paper</td>
<td>Tel. (852) 2824 3000 Fax. (852) 2824 3035</td>
<td><a href="mailto:Carol.Cheng@ipaper.com">Carol.Cheng@ipaper.com</a></td>
</tr>
<tr>
<td>Mr Gary Man</td>
<td>USDA Forestry Service</td>
<td>Tel. 202-273-4740, Fax. 202-273-4750</td>
<td><a href="mailto:gman@fs.fed.us">gman@fs.fed.us</a></td>
</tr>
<tr>
<td>Mr Thang Hooi Chiew</td>
<td>Deputy Director-General Forestry Department Headquarters, Malaysia</td>
<td>Tel. 603 26962408/7 Fax. 603-26925657</td>
<td><a href="mailto:hctang@forestry.gov.my">hctang@forestry.gov.my</a></td>
</tr>
<tr>
<td>Name</td>
<td>Position/Role</td>
<td>Contact Information</td>
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</tr>
<tr>
<td>Mr Dwi Rahmad Muhtaman</td>
<td>Caretaker, Lembaga Ekolabel Indonesia Executive Board</td>
<td>Tel. 62-251-340744 Fax. 62-251-321739 <a href="mailto:dirm@cbn.net.id">dirm@cbn.net.id</a></td>
<td></td>
</tr>
<tr>
<td>Mr Stuart Goodall</td>
<td>Head, United Kingdom Woodland Assurance Scheme, Support Unit</td>
<td>Tel. +44-1-31-3340303 Fax. +44-1-31-3343047 <a href="mailto:stuart.goodall@forestry.gsi.gov.uk">stuart.goodall@forestry.gsi.gov.uk</a></td>
<td></td>
</tr>
<tr>
<td>Mr. Samreth Vanna</td>
<td>Department of forest and wildlife, Cambodia.</td>
<td>Tel. +855 011 904471 Fax. +855 232 13612 <a href="mailto:dfw.syphan@online.com.kh">dfw.syphan@online.com.kh</a></td>
<td></td>
</tr>
<tr>
<td>Mr Oupakone Alounsavath</td>
<td>Member, Forest certification task force, Laos</td>
<td>Tel. +856 21 215089 Fax. +856 21 217483 <a href="mailto:dofadm@laotel.com">dofadm@laotel.com</a>; <a href="mailto:aloun93@hotmail.com">aloun93@hotmail.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr.Chuluundorg Dorjgotov</td>
<td>Senior Specialist Forest and Water research Center of Ministry of Nature and</td>
<td>Tel. +976-11-312269 +976-11-322769 Fax. +976-11-321401 <a href="mailto:munkhzorig@hotmail.com">munkhzorig@hotmail.com</a></td>
<td></td>
</tr>
<tr>
<td>Mr. U Saw Eh Dah</td>
<td>Director Forest Department, Myanmar</td>
<td>Tel. +95-1-681912 Fax. +95-1-664336 <a href="mailto:TEAKNET@mptmail.net.mm">TEAKNET@mptmail.net.mm</a></td>
<td></td>
</tr>
<tr>
<td>Mr. VU THANH NAM</td>
<td>Forestry Officer National Working Group on SFM and Certification Department</td>
<td>Tel. 84 4 7342290 Fax. 84 4 8438793 <a href="mailto:namqlsrcuc@yahoo.co.uk">namqlsrcuc@yahoo.co.uk</a></td>
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</tbody>
</table>
Appendix 3: Presentations
CERTIFICATION AS A MECHANISM TO PROMOTE SUSTAINABLE FORESTY IN CHINA

Hangzhou
July 22nd 2004
Jeff Sayer

.. modern forest management involves a multitude of political actors with varying empowerment, interests and objectives ... policy planning takes place in policy networks or bargaining systems. State and society are not hierarchically separated but interacting

Gluck 1997

.. The development of certification occurs in increasingly globalised economies linked to policy processes involving multiple actors and fora

• Certification is not new:
• But it is new for forest products, initially motivated by:
  • Access to markets - avoiding barriers to trade
  • Price premiums

Many certification schemes - principles are similar, negotiated by:
• Governments
• Regional groups
• NGOs and industry interests

But there are additional reasons
• Practising good forestry
• Being good corporate citizens
• Motivating company staff
• Enabling civil society to influence forestry
• Moving towards "Ecosystem management"
My remarks from a conservation perspective - apply to all certification schemes

Certification is driven by the same forces that are causing people to want ecosystem approaches to forestry

Certification is about ordinary people wanting to be part of the decision making process for good forestry. They want to decide “What is good forestry?” “Democratisation of forestry”

Certification is a powerful force in many countries

Certification is about broader objectives for forests, multiple goods and functions and diverse stakeholders.

New approaches to forestry

THE MONTREAL PROCESS C&I for TEMPERATE AND BOREAL FORESTS

- Biological Diversity
- Productive capacity of ecosystems
- Ecosystem health and vitality
- Soil and water resources
- Forest contributions to global carbon cycles
- Long-term, multiple, socio-economic benefits
- Legal, institutional and economic framework

The PAN-EUROPEAN CRITERIA FOR SUSTAINABLE FOREST MANAGEMENT

- Maintenance of forest resources and their contribution to global carbon cycles
- Forest ecosystem health and vitality
- Productive functions of forests, (wood and non-wood)
- Forest biodiversity
- Protective functions of forests (notably soil and water)
- Socio-economic functions and conditions
First: Some basic information on certification

Most Retail Trade concentrated in a few big suppliers in Europe and USA
They want to avoid risk of criticism

Even raw materials have to be certified for many European retailers

A one day demonstration followed by lots of publicity can damage profits badly. A single product can provoke demonstrations

1 out of 3 school teachers in Holland and Switzerland are members of WWF - and they all teach about forest conservation
Elements of credible forest certification schemes

FSC has similar role but slightly different process

Shared basic approaches and principles

Compliance with Laws
- Respects national laws and regulations
- All fees, taxes etc paid
- International agreements respected
- Forest management areas effectively protected against illegal activities
- Long-term commitment

Tenure and Use Rights and Responsibilities
- Proper long-term use rights, land title, customary rights or leases
- Rights of local communities respected
- Dispute settlement procedures in place

Community Relations and Workers' Rights
- Local employment, training etc.
- Health and safety of workers
- ILO rights of labour to organise and negotiate respected
- Social impact evaluated
- Process to resolve grievances, settle disputes etc in place
Indigenous People's Rights

- Free and informed consent of indigenous people
- No threats to rights or resources of indigenous people
- Sites of special cultural value protected
- Compensation for traditional knowledge

Benefits from the Forest

- Economic viability, including environmental and social costs and necessary investments
- Optimal use and local processing
- Minimise waste and damage
- Diverse benefits to local economy
- Protects watersheds, fisheries etc
- Rate of harvest sustainable

Management Plan

- Comprehensive management plan followed
- Plan revised periodically
- Workers trained to implement plan
- Main points of plan in public domain

Environmental impact

- Environmental impacts assessed, including at landscape scale
- Rare, threatened and endangered species protected
- Ecological functions maintained
- Samples of natural ecosystems protected
- Erosion etc controlled
- No abuse of pesticides, containers and waste disposed of carefully
- Care with biological control, no GMOs
- Care with exotic species
- Forest conversion only allowed in special circumstances

Monitoring and Assessment

- Monitoring appropriate to scale and complexity of operations
- R&D covers yields, growth and regeneration, composition and flora-fauna, social impacts, costs etc.
- Chain of custody documented
- Plans adapted on basis of monitoring
- Key information in public domain

Maintenance of High Conservation Value Forests

- HCVF assessment completed
- Consultation on conservation values and options for maintenance
- Management plan provides for protection of HCVF and precautionary principle observed
- Annual survey of HCVF
Ecosystem approaches do not just apply to natural forests - Ecosystem principles could also apply to plantations
A rapidly emerging issue!

**Plantations**

- Clear objectives included in plans
- Landscape functions maintained
- Diverse plantations preferred
- Biodiversity issues addressed
- % of area retained as natural forest
- Measures against pests and diseases taken
- Monitoring in place
- Land not converted after November 1994
A GOOD CERTIFICATION SCHEME SHOULD BE:
• Adapted to local conditions
• Goal oriented - effective in reaching objectives
• Acceptable to all involved parties
• Based on national performance standards that respect principles of SFM
• Objective and measurable criteria
• Reliable and independent assessment
• Credible to consumers, producers, NGOs etc.
• No vested interests or conflicts of interests
• Cost effective and transparent
• Equitable access to all countries

An opportunity for China
Enhancing China’s image and competitive advantage

Niche markets
Increasing interest in cultural aspects of wood - skilled craftsmanship and traditions

China could exploit the high value - boutique market
Cultural traditions - art
Skilled craftsmen
**China and world forestry**

**Thinking beyond market issues**

**Compliance with UNFF and Biodiversity Convention: Ecosystem approaches**

A broad approach to forestry where multiple products and services are considered and where "Civil Society" participates in decision making about the forests.

**CONCLUSIONS: A CATALYST FOR CHANGE**

- Allows transparency and fair competition for private sector
- Provides standards accepted by all stakeholder groups
- Highlights importance of good forest management and sets examples
- Raises awareness amongst industries, NGOs etc of feasibility of improved forest management
- Stimulates partnerships amongst industries, NGOs and communities
- Improves image of countries and can promote investment
- Helps access markets for environmental services

**12 principles of CBD**

- Societal choice
- Decentralised
- Landscape impacts
- Economic context
- Ecosystem function/structure
- Ecological limits
- Appropriate temporal/spatial scales
- Long-term
- Adapting to change
- Balance of conservation and use
- Combine scientific and local knowledge
- Multi-stakeholder/disciplines

Thank you
PEFC: The best way to develop nationally appropriate and internationally recognised forest certification – Ben Gunneberg

“PEFC – The best way to develop nationally appropriate and internationally recognised forest certification”
Zhejiang, China, July 2004.

Ben Gunneberg
Secretary General, PEFC Council
Programme for the Endorsement of Forest Certification schemes

Areas to be covered:

- Certification to date
- PEFC- What it is and how it works
  - Mutual recognition
- Building blocks of forest certification
- Conclusions

Certified forests in the world by region

[Bar chart showing hectares by region: Europe, North America, South America, Asia, Africa, Oceania]

Certified Forests in the World by Scheme

[Bar chart showing hectares by scheme: PEFC, SFI, FSC, CSA, ATFS]

Forest certification situation in Northern America and in Europe

[Pie chart showing percentages of certification schemes in Europe and North America]

CSA and ATFS + SFI are members of the PEFC Council
PEFC: The best way to develop nationally appropriate and internationally recognised forest certification – Ben Gunneberg

- PEFC – What it is and how it works

- PEFC – Framework for Development and Mutual Recognition of Forest Certification Schemes

- PEFC Council member countries

- PEFC basic pillars

- Intergovernmental processes for SFM
PEFC: The best way to develop nationally appropriate and internationally recognised forest certification – Ben Gunneberg

Certified forests of PEFC Endorsed Schemes

<table>
<thead>
<tr>
<th>Country</th>
<th>Certified forest area (ha)</th>
<th>Number of Forests in Endorsed Scheme</th>
<th>Number of PEFC Logo Holders</th>
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</thead>
<tbody>
<tr>
<td>Austria</td>
<td>3 990 055</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Belgium</td>
<td>260 844</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Canada</td>
<td>5 995 929</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1 900 000</td>
<td>30</td>
<td>12</td>
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<td>France</td>
<td>7 344</td>
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<tr>
<td>Germany</td>
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<td>Italy</td>
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<td>2</td>
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<td>Japan</td>
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<tr>
<td>Netherlands</td>
<td>1 180 000</td>
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<td>Norway</td>
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<td>Portugal</td>
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<tr>
<td>Spain</td>
<td>9 235</td>
<td>30</td>
<td>16</td>
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<tr>
<td>Total</td>
<td>31 910 315</td>
<td>1696</td>
<td>11 279</td>
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</table>

May 2009

Continued Growth of World’s largest forest certification scheme

- 13 schemes out of 27 already endorsed which amount to almost 52 million hectares and 1044 chain of custody with another 14 candidate schemes in various stages of development
- Australia, Canada, Chile, Italy, Portugal and Luxembourg have submitted their schemes for the assessment process
- Development of International Chain of Custody Standard – out to consultation at present.
- Association membership in International Accreditation Forum (IAF) achieved.
- Seeking membership to ECOSOC for UNFF participation and also intergovernmental processes.
- New Member applications – Russia, Slovenia?

PEFC Council Endorsement Process

- PEFC – The Mutual Recognition framework

What is Forest certification?

An assessment from an independent, qualified and accredited expert who verifies in writing that the forest management practices comply with a series of collectively agreed performance standards for sustainability

What is Chain of Custody certification?

An assessment from an independent, qualified and accredited expert who verifies in writing that the wood flow accounting system, applied by an enterprise to trace the flow of wood from certified forests through the enterprise, meets the exacting requirements of the certification scheme
PEFC: The best way to develop nationally appropriate and internationally recognised forest certification – Ben Gunneberg

Elements of Forest Certification

<table>
<thead>
<tr>
<th>BODY</th>
<th>ACTION</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard-setting body</td>
<td>Standard setting</td>
<td>Forest and Chain of custody standard</td>
</tr>
<tr>
<td>Certification body</td>
<td>Auditing</td>
<td>Forest certificate</td>
</tr>
<tr>
<td>Accreditation body</td>
<td>Verification of chain of custody</td>
<td>Certificate of chain of custody</td>
</tr>
<tr>
<td>Environmental labelling body</td>
<td>Licensing of companies</td>
<td>Registration of certification body</td>
</tr>
</tbody>
</table>

The Target is credibility

Credible certification systems must have the following characteristics:

1. Separate independent bodies for
   - Standard setting (incl. the definition of Criteria and Indicators of Sustainable Forest Management)
   - Accreditation of certification bodies
   - Dispute settlement

2. Peer review between accreditation bodies to guarantee equally high quality of accreditation (i.e. International Accreditation Forum – IAF.)

In PEFC System

- Standard setting: National Working Groups
- Certification: Certification companies accredited by national accreditation bodies to do the work
- Accreditation: National Accreditation bodies (i.e. SWEDAC in Sweden, COFRAC in France, etc.)
- Environmental labelling: National PEFC Governing bodies on behalf of PEFC Council
- Dispute Settlement: Independent Dispute Settlement Board set up by National Governing Body to deal with disputes not covered by the accreditation or certification bodies dispute settlement procedures

Content of Forest Certification Scheme

- Forest Certification Scheme
  - Scheme description and implementation
  - Sustainable Forest Management standard
  - Chain of Custody standard
  - Requirements for certification bodies

Basic requirements for standard setting process

- PEFC Council is framework for development and mutual recognition of national or sub-national forest certification schemes
- National forest certification schemes must be developed in open and transparent process

Open and transparent standard setting process

- Forum (e.g., committee, council, working group) shall be created to which interested parties are invited to participate in the process. The invited parties should represent the different aspects of sustainable forest management
- The interested parties’ participation and views will be documented and considered in an open and transparent way.
- Achieving a consensus shall be the objective
- Information on the development process shall be available to all stakeholders and to the public
- The standards must be tested via pilot projects
PEFC: The best way to develop nationally appropriate and internationally recognised forest certification – Ben Gunneberg

**Basic elements of the SFM standards**

- Inter-governmental processes for SFM (Pan European C&I, Montreal Process etc.)
- PEOLO or other PEFC recognised Reference Base
- National laws, regulations, policies, programmes
- Development of Standard
- International Conventions
- Core ILO Conventions

**Intergovernmental processes for SFM**

![Diagram of intergovernmental processes for SFM]

**Requirements for certification bodies**

<table>
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<th>Requirements</th>
<th>Reference to</th>
<th>Developed by scheme</th>
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<td>CE’s structure, procedures, quality system, etc.</td>
<td>ISO Guide 62 or 65 or 66, ISO 19011</td>
<td>requirements for SFM auditing</td>
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<td>General requirements for auditing and auditors</td>
<td>ISO Guide 61</td>
<td>requirements for SFM auditors</td>
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<tr>
<td>Accreditation</td>
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<tr>
<td>Scheme specific requirements for SFM auditing and auditors</td>
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</tbody>
</table>

**Certification body**

- Independent third party organisation
- Qualified and competent in forestry, SFM and wood chain
- Certification Bodies’ structure, procedures and qualification must be meet international standards for certification bodies (ISO Guide 62, 65, 66)

**Accreditation body**

- Confirm that certification body is independent and competent to carry out the certification
- National accreditation bodies (CNAB, SCC, UKAS, FINAS, etc) provides accreditation for different certification systems (ISO 9001, 14001)
- Accreditation body independent from PEFC
- Follows ISO Guide 61 – requirements for accreditation
- Membership in IAF or EA ensures international harmonisation

**Conclusions**
Conclusions

Forest certification is today’s reality. It brings Sustainable Forest Management improvements and benefits to market players.

- PEFC respects and adheres to the regional political processes on Sustainable Forest Management.
- PEFC operates a bottom up process respecting principles of subsidiarity and independency.
- PEFC uses normal certification and accreditation procedures.
- PEFC is the world’s largest forest certification umbrella.

For More information

Visit the PEFC Council website www.pefc.org and download these brochures in Chinese.

Thank you for your attention.
What is FSC and how does it work - James Sandom

Forest Stewardship Council
Because Forests Matter

What is FSC and How Does it Work
James Sandom – Asia-Pacific Regional Representative

Forest Stewardship Council
Name: James Sandom
Position: Regional Director Asia-Pacific Region
- Working for FSC for 1 year
- Director of FSC-accredited certifier
- General Manager of an FSC-certified company producing 60,000m³ of certified timber to SE Asian manufacturers supplying product to European and N American retailers
- Auditor for FSC and ISO 14000

Forest Stewardship Council
Contents of presentation
- Brief introduction and background to FSC
- Requirements
- Structure and key elements of FSC certification
- National Initiatives
- FSC and developments in China

Forest Stewardship Council
Introduction and background to FSC
- 1980s and early 1990s – world’s forests under threat – 11-15 million hectares disappearing every year
- Failure of international and national efforts (programmes and initiatives such as CITES; TFAP; World Bank Masterplans; bilateral and multilateral development projects, UNFF etc)
- Perceived failure of international stakeholders of 1992 UNCED World Summit in Rio (Earth Summit) to address the issues
- These stakeholders looked for new solutions

Forest Stewardship Council
Forest Certification
- Radical new solution proposed after the Rio Earth Summit
- Take the concept of certification and apply it to forestry
- Use the trade in timber

Forest Stewardship Council
Certification
- Certification - a process that provides evidence to another party that an organisation has met certain, predetermined standards – either in terms of quality, quantity or minimum levels of performance
- Forest certification – the process of assessing the way a forest is managed, together with the associated manufacturing processes, against a set of pre-determined standards

- 36 -
### Forest Stewardship Council

#### Forest certification

- Certification not a new idea – commonly encountered in industry and in the organic agricultural sector
- What was new - taking the concept of certification and applying it to forest management and forest products

#### FSC Forest certification

- Essentially certification is a neutral exercise – simply assessing a quality of performance against a standard
- But the aim of many of the original supporters of forest certification was to use certification as a means - to promote and stimulate improvements in the quality of forest management
- Unique – first time anyone had tried to actively engage the commercial trade in timber and use it in this way
- These aspirations determined the aims and objectives of FSC and had a strong influence on the structure of the FSC and its certification scheme

### Forest Stewardship Council

#### How could forest certification be made to work?

- Must be based on ‘good’ forest management – definition of good forest management - standards
- What is the best model - existing models (eg organic trade) not appropriate or too slow
- Led to early stakeholders designing their own model
  - Initially international environmental NGOs
  - Some governments and aid donors
  - Some committed end users, retailers, manufacturers

#### Key features of a viable certification scheme (I)

- Workable and practical
- Acceptable to commercial players: retailers, traders and the general public
- Take off quickly and gain an instant and significant market presence quickly – needed committed demand
- Needed to offer realistic commercial incentives and benefits to customers
- Need to work in the absence of a ‘green premium’
- Needed to have a brand identity and a logo that could be recognised and allows customers to make a choice
- Needed to have a credible chain of custody system

### Forest Stewardship Council

#### Key features of the certification scheme (II)

- International in scope
  - Global impact
  - Systems and processes, principles and standards are applied consistently round the world
- Applied and accepted ‘locally’ - locally relevant
- Independent and objective
  - Independent of influence of any one stakeholder group
  - Objective, third party processes
  - Transparent and accountable
- Needs to be credible and ‘foolproof’
- Avoid conflict with international trade laws

### Forest Stewardship Council

The result is what exists today as the certification scheme known as

**FOREST STEWARDSHIP COUNCIL**
Structure I
- Membership organisation – broad stakeholder membership - evenly distributed (economic, social and environmental members divided into chambers)
- Certification based on principles of good forest practise. FSC is based on 10 principles, and together with the 53 criteria these also form the basis of the certification scheme
- FSC does not undertake certifications itself – instead it functions as an accreditation organisation – accredits or contracts certifiers to act on behalf of FSC and conduct certifications based on FSC standards

Structure II
- To be globally applicable but locally applied and with full local stakeholder involvement FSC developed a system of National Initiatives and local working groups – endorsed by FSC
- Full chain of custody – forest to retailer
- Licensing systems – on and off product: logo and claims control
- FSC system based on dedicated demand – customers committed to purchasing FSC-certified product

Structure III
FSC certifiers conduct two types of audit and certificate
- Audits of ‘producers’ - forest management units
- Audits of ‘processors’ – chain of custody

Certificates for 5 years – annual monitoring by FSC-accredited auditors

A key element of FSC is the 31 National Initiatives in different countries round the world
What is FSC and how does it work - James Sandom

FSC and China (I)
- China is a major global player in the international trade in timber and forest products
- Already China is a major ‘consumer’
  - importer of timber for domestic consumption
  - an important manufacturing and processing country – with products going to Europe and N America
- Trend is for China to expand its manufacturing capacity and its consumption of round timber, plywood, paper and manufactured boards

FSC and China (II)
- China also has the potential to be a major supplier of timber – even though this might be mainly for the domestic market

FSC and China (III)
- If China is important to the timber trade then it is also important to FSC – and the other certification bodies
- It is particularly important for FSC because China’s potential demand could significantly influence the trade and those wishing to supply it with timber
- If Chinese manufacturers require FSC certified timber then this would act as a massive incentive for forest suppliers to change and improve their forest management practices

FSC and China (IV)
- The development and adoption of appropriate standards of forest practice and performance based certification could also help China domestically - avoiding the problems previously experienced resulting from deforestation or non-sustainable forest practises
**Forest Stewardship Council**

**Supply and demand in China**

- China already has considerable experience of certification
- A number of major manufacturers based in China want to move towards FSC certification – for instance IKEA which already has invested heavily in developing local systems and processes to assist its own suppliers
- Increasingly Chinese companies and other China-based European manufacturers want to access and assure themselves of European and N American markets
- In fact Chinese manufacturers are already receiving certified raw materials into China – but absence of certified chains of custody means that certification is 'lost'
- Result – rapid increase demand for FSC certification

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**Forest Stewardship Council**

**Development of local standards for China (I)**

- Under FSC system FSC-accredited certifiers can certify immediately using their own ‘generic’ standards which are specific to that certifier
- The generic standards are a requirement of FSC accreditation and are fully compatible with FSC Principles and Criteria
- FSC accredited certifiers can use these standards – suitably modified through a local stakeholder consultation process – as the basis of a certification in the absence of national standards

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**Forest Stewardship Council**

**Development of local standards for China (II)**

- But FSC’s preferred option wherever possible is to develop National Standards (or sub-national), through an inclusive process involving the input of all local stakeholders
- FSC normally does this through a formally constituted and FSC-accredited National Initiative
- But increasingly FSC is trying to be flexible in its approach without compromising its goals (UKWAS, LEI, MTCC etc) or the credibility of the certification
- Currently FSC is assisting China with the development of its National Standard with the aim of ensuring that it will be fully FSC-compatible

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**Forest Stewardship Council**

**3 Closing Comments (I)**

- FSC is 10 years old.
- It has had considerable success over the last 10 years and there are now over 40 million hectares of forest that are FSC-certified.
- But it is important to realise that this alone is not an indicator of success
- What is important is that we now have 40 million hectares of forest that can demonstrate (objectively and credibly) that they are practising ‘good’ forest management according to the principles and criteria of the FSC

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**Forest Stewardship Council**

**3 Closing Comments (II)**

- It is important not to forget that certification is a trade-based mechanism
- Certification is also a commercial product or service and consequently obeys the normal laws of supply and demand
- Certification is demand-driven – and getting certification successfully established (whether it delivers SFM or not) is dependent on demand in the market place
- Many certification initiatives and schemes have failed because they have failed to recognise this simple fact

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**Forest Stewardship Council**

**3 Closing Comments (III)**

- As a trade based mechanism forest certification has many advantages
- But it also has distinct and clear certain limitations and these should be clearly understood
- Where there is no trade in forest products certification may have no role to play
- Certification cannot, therefore, solve all the problems of the world’s forests
- This is particularly important if SFM is your goal – certification can be a powerful tool but it is not the only tool in the box.
MALAYSIAN CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT, INCLUDING CERTIFICATION: ITS DEVELOPMENT AND EXPERIENCES WITH IMPLEMENTATION

By Thang Hooi Chiew

1. INTRODUCTION
- Total Forested Land – 19.54 million ha (59.5%)
- Total Land Area – 32.83 million ha
- Permanent Reserved Forests (PRFs) – 14.45 million ha (44.0%)
- Production Forest: 10.96 million ha (75.8%)
- Protective Forest: 3.49 million ha (24.2%)
- Totally Protected Areas – 5.43 million ha (16.5%)
- Inland forests are selectively harvested based on prescribed minimum cutting limits with cutting cycles varying from 25–55 years
- Mangrove Forests are clear-felled with cutting cycles varying between 20 to 30 years

- Carried out by a combination of crawler tractor-winch lorry
- Reduce impact logging (ground skidding) being carried out in Peninsular Malaysia and in the state of Sabah
- Low impact logging (helicopter logging) in the state of Sarawak is also being implemented
- Adopted standard road specifications and forest harvesting rules and guidelines to mitigate the adverse impacts of forest harvesting (forest road construction, drainage, tree marking and direction of felling)
- Since 1957, Malaysia had established 270,648 ha of plantation forests and a target of 2.5 million ha has been earmarked for future planting

- Malaysia had also established 32,672 ha of rattan and 2,974 ha of forest fruit trees at the end of 2002
- Currently, efforts are being taken to conserve and establish medicinal plants

2. DEVELOPMENT OF CRITERIA AND INDICATORS
- Established a National Committee on Sustainable Forest Management in Malaysia in February 1994
- To co-ordinate the implementation of all the activities required to ensure that the forest resources in Malaysia are sustainably managed

- Hence, in 1994 Malaysia had developed a set of Malaysian Criteria and Indicators for Sustainable Forest Management (MCFI) at the national and forest management unit levels, based on the earlier ITTO Criteria for the Measurement of Sustainable Tropical Forest Management (1992)
- However, with the adoption of the new ITTO documents on Criteria and Indicators for Sustainable Management of Natural Tropical Forests and the Manual for the Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests Part A – National Indicators and Part B – Forest Management Unit Indicators, action was taken to revise the MCFI
- Revision of the MCFI was co-ordinated by the Malaysian Timber Certification Council (MTCC)

- Preliminary meeting held among the Forestry Departments of Peninsular Malaysia, Sabah and Sarawak in July 1999
- Agreed on a common set of Criteria and Indicators for Sustainable Forest Management for Malaysia, both at the national and forest management unit levels
- Based on the ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests
- Also, Activities required to operationalize these criteria and indicators
- Based on the ‘Action To Be Taken’ as contained in the ITTO Manual for the Application of Criteria and Indicators for Sustainable Management of Natural Tropical Forests (Parts A and B)
Followed by sub-national consultations with interested parties to identify appropriate Standards of Performance for each of the activities
Conducted by the Forestry Departments of Peninsular Malaysia, Sabah and Sarawak in their respective regions in August 1999
Regional Standards of Performance were then integrated into a draft MCAI for Malaysia
Through a meeting held between the 3 Forestry Departments and co-ordinated by the MTCC in September 1999
Draft MCAI was then tabled at a national-level consultation held in October 1999
85 organizations and companies, representing interested parties such as the timber industry, social and environmental non-governmental organizations, trade unions, women’s organizations, academic/research institutions and government agencies, were invited to attend

Criteria, Indicator, Activities and Standards of Performance for Sustainable Forest Management at the National Level in the MCAI

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Activities</th>
<th>Standards</th>
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Adaptation of ITTO Criteria and Indicators
• Added a number of elements to the ITTO’s indicators at both the national and forest management unit levels, such as the rights of forest workers and mortality rate, as well as in addressing gender issues.
• Also included seven additional indicators/items from those proposed by the ITTO to be used only at the national level in the forest management unit level, among others, dealing with:
  (i) laws, policies and regulations
  (ii) the Rain Partnership Fund
  (iii) statistics of protected areas in each forest type
  (iv) percentage of total number of protected areas connected by biological corridors or ‘stepping stones’ between them

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Indicator</th>
<th>Activities</th>
<th>Standards</th>
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(v) ratio of domestic log production to the processing capacity of wood-based industries
• However, omitted two of the ITTO’s indicators from the MCAI at both the national and forest management unit levels, namely:
  (i) quantity (volume) and value of wood and non-wood forest products for subsistence use, including fuelwood
  (ii) number of agreements involving local communities in co-management responsibilities
• Also omitted four indicators/items at the forest management unit level although they have been proposed by the ITTO, namely:
  (i) the percentage of original range occupied by selected endangered, rare and threatened species
3. IMPLEMENTATION OF CRITERIA AND INDICATORS

- The criteria, indicators, activities, and the standards of performance formulated at the national level would be used for reporting progress towards achieving sustainable forest management, especially to the ITTO and UNEP.
- At the forest management unit level, they will be used by the Forestry Departments to monitor and assess progress at the field level, and for undertaking forest management certification by independent third party assessors.
- An assessment on the availability of information was undertaken and it was found that information available at both the national and forest management unit levels include the following:
  (i) forest laws, policies and regulations
  (ii) institutions and manpower employed in the forestry sector
  (iii) financial resources and expenditures
  (iv) extent of types of forest, including planted forests
  (v) extent of the Permanent Reserved Forests, including boundaries demarcation, and protected areas
  (vi) extent of forest land damaged by human activities and natural causes
  (vii) extent of tenure and user rights documented and recognized
  (viii) consultative and participatory mechanisms

4. FOREST CERTIFICATION

- In implementing forest management certification, Malaysia has addressed the following key issues:
  (i) the criteria, indicators, activities and standards of performance to be used for assessing sustainable forest management at both the national and forest management unit levels, as well as for forest management certification – the MCA
  (ii) the forest management unit which will be considered as the appropriate level of management for forest management certification – each state in Peninsular Malaysia, as an example
  (iii) the mechanisms for monitoring and evaluation of sustainable forest management practices – the Task Force

(ii) the item on ex situ conservation
(iii) quantity (volume) and value of wood and non-wood forest products traded in the domestic and international markets
(iv) efficiency of utilization in terms of the percentage of felled volume processed

(ii) institutions and manpower employed in the forestry sector
(iii) financial resources and expenditures
(iv) extent of types of forest, including planted forests
(v) extent of the Permanent Reserved Forests, including boundaries demarcation, and protected areas
(vi) extent of forest land damaged by human activities and natural causes
(vii) extent of tenure and user rights documented and recognized
(viii) consultative and participatory mechanisms

(ii) stand and stocking level of the forest resources
(iii) pre-planning, post-planning and harvesting procedures, including forest, road construction and buffer strips for river protection
(iv) forest management plan at the forest management unit level
(v) management and silvicultural prescriptions
(vi) growth and mortality rates
(vii) procedures to control encroachment, fire, pest and diseases, exotic plants and animals, use of chemicals etc.

(iv) the nature of certification authority and its mode of establishment and funding – the MTCC

- A sub-set comprising 7 criteria, 53 indicators, 162 activities and 142 standards of performance formulated at the forest management unit level was used for assessing sustainable forest management

- An independent third party assessor, BGS (Bureau Générale de Surveillance) Malaysia Sdn. Bhd. was appointed to assess 8 forest management units, namely the states of Selangor, Pahang, Terengganu, Johor, Kelah, Perak and Negri Sembilan in 2000 and 2001, and in Kelantan in 2002 by SIRIM QAS Sdn. Bhd./Scientific Certification System (SCS)

- In the state of Sabah, the Dammak Forest Reserve (55,084 ha) was certified in July 1997 under the FSC Principles and Criteria for Forest Management (FMC) and the MCM, while a forest concessionaire, the Perak Integrated Timber Complex (ITC) Sdn. Bhd. in the state of Perak was also certified under the FSC FMC in July 2002

- The MTCC had launched its Timber Certification Scheme in October 2001 using a sub-set of the MCM (6 criteria, 26 indicators and 87 activities), and had issued Certificates for Forest Management to seven forest management units, namely, the states of Johor, Kelah, Perak, Negri Sembilan, Pahang, Selangor and Terengganu and Certificates for Chain-of-Custody to 45 companies in Malaysia

- Malaysia, through the MTCC, has held discussion with the FSC since 1999 and had adopted a set of MCM entitled “Malaysian Criteria and Indicators for Forest Management Certification (MCIC)” dated 30 October 2002 which was technically compatible with the FSC FMC and will replace the current MCM in January 2005

- Malaysia, through the MTCC, has also held discussion with the Programme for Endorsement of Forest Certification Schemes (PEFC) and in November 2002 MTCC was admitted as a member to the PEFC, and will be submitting its timber certification scheme for inclusion in the PEFC framework of mutual recognition

Currently, Malaysia is leading the process to develop a Pan ASEAN Timber Certification Scheme based on the ASEAN Regional Criteria and Indicators for Sustainable Management of Natural Tropical Forests which were developed from the ITTO Criteria and Indicators for Sustainable Management of Natural Tropical Forests
5. MONITORING AND EVALUATION

- Established a Task Force at the Federal level in 1995 to monitor the implementation of the MCfI
- Developed a set of internal assessment procedures for monitoring, evaluating and reporting on sustainable forest management with GTZ, and is fully operational since 1999

6. EXPERIENCES GAINED

- Criteria and indicators have assisted in identifying the elements needed for sustainable forest management in the Malaysian context, and for monitoring and evaluating progress towards its attainment

- The information generated through the use of criteria and indicators in assessing the state of the forests has:
  (i) helped policy and decision-makers to communicate the status of sustainable forest management more effectively to the public
  (ii) developed policies and strategies for sustainable forest management
  (iii) acted as ingredients for the preparation of forest management plans
  (iv) focused research efforts where knowledge is still lacking and deficient
  (v) identified areas which need international assistance and cooperation

- However, the cost required to fully realise the criteria and indicators for sustainable forest management is substantial in the short term. US$760 million are needed by Malaysia
- Costs are also incurred in:
  (i) Forest Management Certification - main assessment estimated at US$ 5.30/100 ha
    yearly reassessment at US$ 1.30/100 ha
  (ii) Chain-of-Custody Certification - first assessment estimated at US$ 1,580.00/company
    six-monthly reassessment at US$ 920.00/company

8. CONCLUSIONS

- Criteria and indicators developed for application will be reviewed and refined periodically to reflect new concepts of sustainable forest management based on:
  (i) evolving knowledge about the functioning of forest ecosystem
  (ii) anthropogenic intervention on the forests whether planned or unplanned
  (iii) the changing needs of society for forest goods and services
- Capability to measure indicators will increase and scientific knowledge will improve about the nature of 'best' indicators to assess sustainability of the forest resources
The level of management will be refined once the current silvicultural management systems are further developed for application at a lower management level, perhaps in the forest district level, forest reserve level or even at the compartment level.

Sustainable Forest Management and Conservation in Peninsular Malaysia which is involved in:
(i) the refinement of the current forest management systems
(ii) the improvement of silvicultural practices
(iii) the development of a cost-effective forest planning system for application at the operational level

The implementation of timber certification will continue to be actively pursued to ensure market access of Malaysian timber product, especially in environmentally sensitive markets.

Since 1997 Malaysia has been organizing training courses, workshops and seminars involving staff of the Forestry Departments, as well as forest managers and workers from the logging and the wood-based industries of their roles and responsibilities in implementing the MOFI and the MTC's Timber Certification Scheme, including Chain-of-Custody Certification and Forest Management Certification, and these will continue to be organized.

THANK YOU
CERTIFICATION DEVELOPMENT: EXPERIENCES FROM INDONESIA

A ROAD TO BUILD A CREDIBLE SYSTEM

DWI R. MUHTAMAN, LEI

Regional Workshop "Forest Certification in China: Latest Developments and Future Strategies" - Hangzhou, Zhejiang Province, China 21 - 22 July 2004

PRESENTATION OUTLINE

• INTRODUCTION
• BACKGROUND FACTORS
• THE EMERGENCE OF FOREST CERTIFICATION
• THE REACTION TO CERTIFICATION
• EFFECTS OF CERTIFICATION
• CONCLUSION

INTRODUCTION

• 101.73 m.ha forest areas: 59.62 m.ha forest cover (10.52 m.ha protected areas; 4.69 m.ha conservation forests; 44.42 m.ha production forests)–de facto (2000)
• Certification is a new hope for forestry reform
• Ten years of certification challenges

BACKGROUND FACTORS

• ownership and tenure
• major category of forests–designated:
  1. conservation forests: 19 m.ha
  2. protection forests: 31 m.ha
  3. production forests: 64 m.ha
  4. conversion forests: 8 m.ha

FOREST AREA IN INDONESIA 1986-2000

• forest licenses:
  1. KPH (teak plantation)
  2. HTI (forest plantation)
  3. HPH (natural forest concession)
Forestry Problem

• governance problem
• illegal logging
• bad forest practices

• community land tenure:
  1. Indonesia constitution: state control to forest land
  2. agrarian law 1960: recognised customary land rights
  3. basic forestry law 41/1999: defines customary forest as “hutan kemasyarakatan”

THE EMERGENCE OF FOREST CERTIFICATION

I. Initial Support

• PRE ESTABLISHMENT OF LEI WORKING GROUP 1990-1993
  1. ITTO MEETING 1990 (TARGET SFM 2000)
  2. EARTH SUMMIT 1992 (AGENDA 21)
  3. MPI (INDONESIAN FORESTRY COMMUNITY) 1992-1993--WORKING GROUP FOR STANDARD SETTING

• ESTABLISHMENT OF LEI WORKING GROUP (1993-1998)

  1. GOVERNMENT INITIATIVE TO SET UP A WORKING GROUP 1993
  2. MOU EMLIL SALIM AND MINISTRY OF FORESTRY 1994
  3. HARMONIZING LEI AND APHI STANDARD (1994)
  4. SUBMISSION LEI STANDARD TO INDONESIA NATIONAL STANDARD (1996)
  5. ACCEPTANCE OF LEI STANDARD BY MOF AND APHI (1997)

• LEI WORKING GROUP OBJECTIVES:

  1. develop criteria and indicator SFM
  2. decision making method
  3. design institutional arrangement
**ESTABLISHMENT OF LEI FOUNDATION (1998-2004)**

1. **LEGAL STATUS LEI AS FOUNDATION (1998)**

2. **CERTIFICATION BODY APPLICATION STARTED (1998)–4 APPROVED OUT OF 10**

3. **JOINT CERTIFICATION PROGRAM FSC-LEI (2000) FACILITATED BY GTZ: 14 ASSESSMENT (2,527,727.1 Ha); 1 PASS (90,957 Ha)**

**LEI TOWARDS CONSTITUENT BASED ORGANIZATION/CBO (2004–…)**

1. **why CBO**

2. **route to CBO**

---

2. **Institutional Design**

- Rational behind designing LEI system: KKN, EIA experiences. Third party, voluntary, recommendation for improvement and stakeholders involvement

- **LEI certification system**
  1. A procedure for certification process
  2. A logical framework
  3. Criteria and indicator
  4. An analytical hierarchy process

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**LEI certification process**

1. **preliminary assessment**
2. **field assessment**
3. **performance evaluation**
4. **issuance of certificate**

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3. **Standards**

- Management dimension
- Performance dimension

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**The Management and Production Dimension**

<table>
<thead>
<tr>
<th>Management Dimension</th>
<th>Production Dimension</th>
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<tbody>
<tr>
<td>1. Area management</td>
<td>Prod. indicator S</td>
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<tr>
<td></td>
<td>Environment indicator S</td>
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<tr>
<td></td>
<td>Social indicator S</td>
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<tr>
<td>2. Forest management</td>
<td>Prod. indicator S</td>
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<td></td>
<td>Environment indicator S</td>
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<td>Social indicator S</td>
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<tr>
<td>3. Organizational</td>
<td>Prod. indicator S</td>
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<td>Environment indicator S</td>
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<td>Social indicator S</td>
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</tbody>
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*Certification Development: Experiences from Indonesia. The Road to a Credible system – Dwi Rahmad Muhtaman*
ISSUES TO IMPLEMENT CERTIFICATION

- Forest policy community and debate on forest certification
- Forest owners (private)
- Current status
- Current status of the certified marketplace

NUMBER OF FMU ASSESSED

<table>
<thead>
<tr>
<th>YEAR</th>
<th>APPL</th>
<th>SCOPING</th>
<th>FASSM</th>
<th>CERTIFIED</th>
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</thead>
<tbody>
<tr>
<td>1990</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>1999</td>
<td>2</td>
<td>1</td>
<td></td>
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<tr>
<td>2000</td>
<td>4</td>
<td>4</td>
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<tr>
<td>2001</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
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<tr>
<td>2002</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>4</td>
<td>3</td>
<td>2</td>
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Certified forest: 0.04% from total forest assessed OR 0.002% from total production forest

NATURAL FOREST FMUs

<table>
<thead>
<tr>
<th>NAME</th>
<th>NUMBER OF</th>
<th>STATUS BY JAN 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PRE-C</td>
<td>C</td>
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<tr>
<td>PT SLJ</td>
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<tr>
<td>PT ED</td>
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<tr>
<td>PT ICM</td>
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<td>32</td>
</tr>
<tr>
<td>PT IH-L</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>PT AB</td>
<td>10</td>
<td>27</td>
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</table>

EFFECTS OF CERTIFICATION

- Power: new supportive regulations issued
  1. Standard and criteria; regulation on SFM
- Social: investment in social aspects, community relation, participatory approaches, private-co partnership
- Economic: permission to harvest ramin wood (Gonystylus bancanus)–CITES App III; AAC
- Environmental: RIL, HCVF

CONCLUSION

- Two factors pushing certification: international and domestic pressures
- Unsupportive national forestry policy
- Certification will continue to play a role in policy change and practical exercise
- Can certification save the Indonesian forests?
The SFI® Standard & the SFB

An Overview
By
William H. Banzhaf, President
Sustainable Forestry Board

Development of the SFIS
SFI Principles & Implementation Guidelines

Expert Review Panel:
Foresters
Environmentalists
Scientists

Development of the SFB

Implementation

Sustainable Forestry Initiative

Content 2001

The Sustainable Forestry Board, Inc

SFB

- Independent, non-profit organization
- Multi-stakeholder representation
- Responsibilities
  - Content of the SFIS
  - Periodic review of the SFIS
  - Oversee working committees
  - Build partnerships

SFB Structure

5 Environmental Stakeholders

5 “Other” Stakeholders

SFB= 15 Member Board

5 Industry Leaders

Certification

- Third Party verification = Certification
- Independent third party audit
- On the ground assessment
- Recertification
  - 3 years initial
  - Label users – annual surveillance audits
SFI Standard
- Formalizes commitment
- Forest stewardship
- Continual improvement
- 4 components for SFM
- Principles
- Objectives
- Performance Measures
- Core Indicators

Principles
- Sustainable Forestry
- Responsible Practices
- Forest Health & Productivity
- Protecting Special Sites
- Legal Compliance
- Continual Improvement

Objectives
- 11 Objectives
- Fundamental goals of SFM
- Made up of Performance Measures

Performance Measures
- 36 Performance Measures
- Provide the means to meet Objectives
- Made up of Core indicators

Core Indicators
- 113 Core Indicators
- Show conformance to SFIS
- Specific required actions

SFI/SFB
Associated
Working
Groups
Carry out tasks & projects for SFB
Promote continual improvement
of the SFIS
Multi-stakeholders
Related Groups

- Customer’s Forum
  - Feedback to SFB on SFIS
  - Discuss current issues
  - Share information

- Auditor’s Forum

SIC’s

- SFIS Implementation Committees
  - 38 US States and 4 Canadian Provinces
- Broaden knowledge of the SFIS & SFM
- Local contact for participants
- Outreach to stakeholders

Resources Committee

- Tasks & feedback
- Results & reports
- Working Groups
- Resources Committee

External Review Panel

- Eyes & ears
  - Objective feedback
- SFB & Working Groups

A New SFI® Standard in 2005

- Out Reach to the Family Forest Landowner
- Forests of Exceptional Conservation value
- Mutual Recognition
- Social Elements

Questions?

www.aboutsfb.org
www.aboutsfi.org
Email: banzhaf@aboutsfb.org
**Forest Certification: Issues for International Cooperation**

FAO

Forest Certification in China: Latest Developments and Future Strategies
Hangzhou, China
21 - 23 July 2004

**Background**

- Since early 90s, proliferation of forest certification and product labeling schemes
- Indicator of popularity & “success” of certification
- Int org, NGOs, private sector increasingly supportive

**Major Schemes**

- Two International Certification Schemes
  - Forest Stewardship Council
  - Pan-European Forest Certification Framework

**Major Schemes**

- Approaches and institutional settings vary, but common feature – close cooperation with national std setting initiatives and operational certification
- FSC & PEFC - “Umbrella schemes” that influenced national initiatives like MTCC & LEI, others
- Canadian Standards Assoc. has applied for PEFC endorsement – enhance market acceptance
- Harmonization efforts – importance of certification in sensitive markets (Europe)

**International Cooperation**

- Forest certification – option to reduce regulatory burdens and induce policy change in a participatory process
- However, role of governments and mandate of inter-governmental deliberations still under discussion

**International Cooperation**

- What kind of international cooperation and support possible?
- Basic features of any certification scheme:
  - Standard setting for sfm
  - Accreditation of certifying bodies
  - Certifying forests and their management according to a set of national standards
**Int. Coop.: Standard setting**
- Int. cooperation agencies active at interface of standard setting, policy making and operational support to forest management.
- Areas of intervention:
  - Constructive debates between int and national certification schemes about standard setting for SFM (principles, C&I...)
  - No formal consensus, but facilitated process of std setting
- FAO facilitates such debates, links national efforts to global level.

**Int. Coop.: Accreditation**
- Need to ensure professional competence of certifiers
- Difficult to continuously monitor certifiers
- No success possible unless standard of sustainability achieved
- Entails support in capacity building
- Major support given by int comm - ODA, NGO...
- Support cannot be focused to one targeted scheme – politically unacceptable to choose one scheme over another.
- Therefore, influence on national certifying bodies indirect.

**Int. Coop.: FAO Support**
- FAO supports concept of “phased approach to certification”
- Debated in ITTC (2003)
- Taken up by some certification schemes
- Approach offers solution to dilemma – that certification mainly reached forest owners with relatively high standards of forest management
- Phased approach constructive - can involve more operators into scheme regardless of current quality

**Int. Coop.: Certifying**
- For Cert – instrument to foster forest policy, and enhance national government-led processes to establish C&I for sfm
- E.g. national C&I mainly based on those developed in regional processes (e.g. ITTO, Montreal, Helsinki)
- C&I have driven forest policy making, especially with cross-cutting issues – community development, environment, bd, economics of production, etc.

**Int. Coop.: Certifying/Legislation**
- Int. community – made major initiative on compliance to national/international legislation
- E.g. Asian Forest Law Enforcement and Governance (FLEG)
- All certification schemes subscribe to legality of operations
- FAO = forest certification excellent instrument for compliance with legislation
### Int. Coop.: Impact of China
- China – major importer
- Forest certification in Malaysia, Indonesia – imp bearing on trade
- Crucial in value added products to Europe and N. America
- Analysis on trade dynamics
- FAO/UNECE Timber Branch in Geneva – oversees import/export situation in Europe

### Int. Coop.: Merits of various certification schemes
- How to judge various certification schemes
  - which finds acceptance in various market places in China, region, N. Am, Europe
  - what bearing certification has on current forest operations for sfm
- Certification – not only to increase market access/share, but also fosters good forestry practices
- So certification is not only for sensitive markets
- Applies to all markets, including domestic; fosters good forestry practices = healthy forests, flourishing industry

### Int. Coop.: FAO
- FAO – technical/normative mandate of neutrality
- Identified forest certification crucial for sfm
- Support goes beyond to forest industry & community-based enterprises
- Continue to serve as open and neutral forum for all stakeholders

### Int. Coop.: FAO
- Forest certification – great opportunity to enhance sfm, but also for processing and market access
  - Focus:
    - Advice on forest-related policy, land-use, tenure, economics, trade
    - Assistance – harnessing response to post-UNCED conventions, embed into national nfps
    - Assistance – participation in int/regional processes
    - Support – capacity building

### Int. Coop.: FAO...
- Focus...:
  - Collaboration – countries efforts to improve environment for investment
  - Provide market intelligence – wood, nwfp, Env services...
  - Support countries – forestry for poverty reduction strategy
  - Neutral forum for debate

### Mutual recognition
- FSC+PEFC – foster national certification schemes
- Mutual recognition – polarized, antagonistic
- Market-based instrument, competition for share
- Mutual recognition = formal endorsement of each other
- MR - though supported by forest industry
- Fear – MR would prevent clear distinction bet schemes
Mutual recognition...
- MR – as formal act, difficult, not pursued
- Forest owners/operators seek dual certification from both int schemes and national alliances
- However, communication bet 2 schemes has intensified in last 2 years
- Current cooperation steered by common interests – market access, acceptance of prods...

Mutual recognition...
- Problem – lack of trust
- FAO hosted 2 expert consultations
  - Confidence building among cert schemes
  - 9 CEOs –SEA, Latin Am, N. Am, Europe
- Participants reviewed std setting, process, effectiveness of fora
- Constituencies need more meetings – discuss vision, stds, approaches, procedures in developing certification
- More meetings to reduce counterproductive confrontations

FAO...
- FAO – Chair of Collaborative Partnership on Forests
- Joint effort of int org to support countries and provide direction for UNFF
- FAO ready to increase efforts to Member countries
Market Demands for Certified Wood Products in North America and Europe

Factors Limiting Market Development for Certified Forest Products

- Limited industry involvement
- Lack of premiums
- Lack of supply
- Limited demand

Drivers for Demand of Certified Forest Products

- Social responsibility
- Options for consumers
- Risk aversion
- Image
- Competitive advantage

Reasons to Supply Certified Forest Products

- Premiums
- Differentiation
- Credibility
- Image
- Market access

Worldwide Supply of Certified Forests

- 150 million hectares, 4% of world forest*
- Over 70 national and international certification standards but PEFC, SFI, FSC, and CSA dominate
- >90% of total certified in northern hemisphere
- 50% in Europe
- 40% in North America
- 10% in developing countries (dominated by Brazil, Gabon, South Africa and Bolivia)
- Majority of certified forests are industrial plantations
- 300 million m³/year certified timber supply

*Based on 2003 statistics

Worldwide Supply of Certified Forests

- Round-wood supply from several European countries up to 100% certified (Example: Finland) while in the U.S., less than 15% of timberlands are certified
- Globally, majority of certified wood is temperate softwood; tropical certified wood available in much smaller quantities, from a less stable supply base
- Europe and Canada- estimated < 5% of forest products certified by volume
- US – estimated <2% forest products certified
- Japan-around 0.02% forest products certified
Worldwide Supply of Certified Forests

• Chain-of-Custody – auditing the tracking of wood from forest to final product such that a label can be applied to product
  – PEFC >1500 certificates
  – FSC >3000 certificates, in over 66 countries
  – CSA > 40 certificates
  – SFI – no chain-of-custody offered but participants are required to know where all wood originates from through an auditable system

Challenges to Future Certification and Chain-of-Custody in US

• 60-70% of fiber controlled by small, unorganized, independent family forest owners
  – Certification cost:benefit unfavorable
  – High turnover of land-ownership
  – Lack of domestic demand
  – Image not as important to forest owners as it is to retailers and industry
  – Retailer and industry not willing to pay extra for certified fiber — becoming a market access issue

Addressing Certification Challenges in US

• American Tree Farm Group Certification Program
• Modeled on PEFC group certification
• Oldest voluntary, third party forest management verification process in the United States, Long-standing relationship with and trust of family forest owners
• 65,000 landowners and 23,000,000 acres currently part of program
• Certified Master Logger Program – certifying at the time of harvest. New concept to address small ownerships with low environmental impacts and infrequent harvesting

Mutual Recognition of Standards

• Driven by customers, industry and environmental groups
• The Forest Dialogue
• The WBCSD-WWF International Framework
  • Evaluate various comparison matrices
  • Discussion of Lowest Threshold Model

The End-Use Consumer

• Research shows no real demand and general unwillingness of end-use consumer to pay more for certified forest products
• All things being equal, consumers prefer certified over non-certified products
• But, still a low logo recognition of even long-standing FSC

2003 FSC C-0-C by Segment

-的所有内容
**Business-to-Business**

- Greater demand for certified forest products from high profile businesses versus end-use consumers
  - Pressure from environmental activists to “prove” wood fiber comes from sustainably managed forests
  - Pressure began with focus on tropical forests, moved to old-growth, and today centers on “endangered forests” which are loosely defined and can exist anywhere in the world
  - Pressure started with wood products segment but has moved to coated and uncoated paper, bleach board, tissue, newspaper, etc. All segments impacted today.

**Building Market Demand**

- Global Forest & Trade Network – designed by WWF to create demand for FSC certified products
  - 800 member companies active in 30 countries, but over ½ in Europe
- Large retail and brand conscious customers who want to protect image
  - Make unilateral policies
  - Most accept several certifications, inclusive
  - Some want mutual recognition framework
- Some business developing alliances to address common environmental issues. Example: Metafore
- Becoming a market access issue with some leading customers (ex. TetraPak, Time PaperCo.)

**Most Important Markets for Certified Forest Products, 2002**

- Belgium
- France
- Japan
- US
- Canada
- Netherlands
- Germany
- Others

**Business-to-Business**

- Today, more customer policies, across segment, require or prefer certified fiber
- But most do not want label; want their own brand to stand for environmental quality
- Some customers asking vendor to increase certified fiber in product over time
- Most customer policies are inclusive, accepting several types of certification
- Some FSC-preference policies are not enforced, probably because of lack of FSC fiber supply

**Examples of Inclusive Procurement Policies**

- Lowe’s
- MASCO Cabinets
- Lanoga
- Pella Windows
- 84 Lumber
- Masterbrand Cabinets
- Staples
- Office Depot
- The Home Depot
- Hallmark Cards
- AOL/Time Warner
- Marvin Windows
- Wickes Lumber
- Centex Homes
- Xerox
- McCoy’s
- Kinko’s
- Bank of America

**Customer Expectations**

- Credible standard, with independent governance and ENGO participation
- Third-Party Certification from reliable and independent auditing
- Consumer Communication Program and public relations to bolster against attacks from activists
## Public Policy

- **National governments-**
  - Europeans favoring certified products, especially from tropical countries (UK, Netherlands, Denmark, France, Germany)
  - USG favoring certified products through green building standards and paper procurement
- **State and municipal governments in both US and Europe following suit**
- **Many countries, much of the demand for certified products comes from government procurement:**
  - UK – up to 40% demand from government
  - Netherlands – up to 25%
  - Also a driver in US

## Legality “Certification”

- **Overall level of illegal logging is significant at least 10 % world trade (US $ 150 billion p.a. = WB/FAO estimate)**
- **EU – developing separate, independent “legality licensing procedure” for wood coming from countries where illegal logging is perceived to be a problem**
Overview of Wood Market in China

- Demand is increasing year after year
  - Economy is increasing steadily and rapidly
  - People's living standard is rising continually
- Domestic supply is decreasing year after year
  - NFPP
- Gap between supply and demand is wider and wider in China
- Import is increasing continually
- The price is fluctuating
  - There is misunderstanding

Wood Consumption in China

Consumption = Production + Import - Export
### Wood Consumption in China

#### Wood Gross Consumption (2001)
- Wood used for construction and decoration: 5400. 21.6%
- Used for furniture manufacturing: 2700. 10.8%
- Wood used for papermaking: 7500. 30%
- Wood used for agriculture and housing in rural areas: The Rest: 3600. 14.4%
- Total: 25000. 100%

### Wood Production (2002)
- Log: 4436.07. -2.55%
- Sawwood: 851.61. +11.49%
- Wood-based panel: 2930.18. +38.79%
  - Plywood: 1135.21. +25.51%
  - Fibreboard: 767.42. +34.61%
  - Particleboard: 369.31. +7.19%
- The other WBP(blockboard etc): 658.24. 125.33%
- Wooden furniture: 54.9532 million pieces. +9.94%
- Machined paper and paperboard: 35.0134 million tons. +23.29%
- Wooden pulp: 2.14 million tons. +7.00%

### Import

#### Figure 1: China’s Log Imports 1998-2003

#### Figure 2: China’s Sawwood Imports 1998-2003

#### Figure 3: China’s Plywood Imports 1998-2003

### Table 1: China’s Log and Sawwood Imports by Ten Main Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Impact (1 000m³)</th>
<th>Country</th>
<th>Impact (1 000m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>1400.1</td>
<td>Indonesia</td>
<td>1408.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2121.9</td>
<td>The United States</td>
<td>1304.0</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1441.3</td>
<td>Thailand</td>
<td>1449.3</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>1128.0</td>
<td>Russia</td>
<td>163.6</td>
</tr>
<tr>
<td>Gabon</td>
<td>1689.0</td>
<td>Malaysia</td>
<td>400.4</td>
</tr>
<tr>
<td>Liberia</td>
<td>675.4</td>
<td>Canada</td>
<td>351.2</td>
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<tr>
<td>Myanmar</td>
<td>605.2</td>
<td>Myanmar</td>
<td>226.7</td>
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<tr>
<td>Germany</td>
<td>391.8</td>
<td>New Zealand</td>
<td>222.7</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>548.6</td>
<td>Germany</td>
<td>160.7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>291.9</td>
<td>Brazil</td>
<td>157.2</td>
</tr>
</tbody>
</table>
Prices in Wood Market in China

- General situation: wood market is featuring gradually, imported wood is becoming the main supply source for domestic wood market, and the regional characteristic is appearing gradually.
- Price: fluctuating continually
- Detail: vary with production area, marketing area and time

Misunderstanding in Wood Supply and Demand

- Aggrandize the gap between wood supply and demand
- Petroleum and steel: gap between supply and demand result in price rising directly
- Wood: no: fluctuating price rising may be temporary
- One hand: import increasing year after year
- The other hand: the marketing of domestic wood is not very well.
- Gap: aggrandized
- Essential reason: The gross gap is not wide, but structural gap is very wide
Analyses of Wood Market in China – Lu Wenming

Trends in Wood Market in China

- The demand is increasing steadily and continually
- Domestic supply will decrease continually, then become steady, then increase (plantation)
- Import will increase continually
- Exports of plywood and furniture will increase continually
- Wood price will fluctuate continually, but not rise dramatically
  - The decrease of forestry taxation will reduce the price of domestic wood
  - The price of imported wood will increase (money, transportation etc.)

Thank You!
Forest Certification in China

Li Mingqi
DDG, Science and Technology Development Center, SFA of China

Certified Forest in China

FSC: 6177 ha

- April 2001, 940 ha forest in Changhua of Zhejiang
- January 2004, 5237 ha forest in Guangdong
- COC: More than 60 Enterprises

Forest Certification was introduced in China at the end of 1990s:

- Leading Group of Forest Certification was Established by SFA in July of 2001;
- Division of Forest Certification was built in STDC of SFA in 2001.

National Policy

Resolution on Accelerating Forest Development by the CPC Central Committee and the State Council (June 25, 2003):

we must be active in undertaking forest Certification so as to fit in with International Standards as soon as possible.
**Forest Certification in China – Li Mingqi**

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**Rules on Certification and Accreditation of the People’s Republic of China**

Issued by the State Council in November 1, 2003

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**Institutional Construction**

**Draft 《Regulations on Forest Certification》**

Will be Issued by CNCA and SFA

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**Standard Development**

- National Level Criteria and Indicators of SFM in China
- National Forest Certification Standards in China

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**Demonstration on SFM**

- Initiated in 1998: First 8 Counties
- Lin’an Model Forest was Established in 1999 which Supported by FAO, IMFNS
- Another 2 Experiment and Demonstration Counties in 2004 (Wangqing of Jilin Province and Yongan of Fujian Province)

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**目标：国家森林认证体系**

**Objective: National Forest Certification Scheme**

- LEI
- FSC
- PEFC
- SFI
- CSA
- MTCC
- ATFS

*建立适合中国国情的并与国际接轨的国家森林认证体系*
*National Forest Certification Scheme open to all schemes.*
*寻求与其它认证体系的相互认可*
*Ask for the endorsement by mutual recognition with FSC, PEFC and other schemes.*

---

**制定目标/Objectives**

- 符合国际森林认证标准的制定要求，遵守中国国家有关法律法规和政策，制定符合中国国情的、可操作的、得到国际认可的森林可持续经营认证标准，为发展我国的森林认证制度打下基础。
- According to the international forest certification standards-setting requirements and based on the national laws, regulations and policy, develop the operational National Forest Certification Standard in China which could be suitable for China and get the international acceptance, as the basis of Chinese Forest Certification Scheme.
制定目标/Objectives

- 作为中国统一的森林认证标准，并寻求国际认可。
- 未来不同的森林认证体系在中国开展认证均应遵循中国的森林认证标准。
- China forest certification standard which could be approved/used by different forest certification schemes in China.

参考的标准与法律法规
The standards, laws and regulations referenced

- FSC原则与标准（重点）：
  FSC P&C (mainly)
- 中国森林可持续经营标准与指标（LY/T1594-2002）: National level criteria and indicators of SFM in China
- ISO14001环境管理体系标准:
  ISO 14001 EMS standards
- 国家有关法律法规
  Relevant national laws and regulations

原则一 国家法律法规框架
P1 National Legal and Policy Framework

1.1 遵守法律法规 Compliance with laws and regulations
1.2 依法缴纳税费 Legally prescribed taxes and charges
1.3 防止非法活动 Prevention of illegal activities
1.4 转变林地用途 Forest conversion
1.5 遵守国际公约和协定 International agreements

原则二 森林权属
P2 Forest Tenure

2.1 森林权属明确 Clear forest tenure
2.2 依法解决争议 Mechanism to settle disputes legally

原则三 当地社区和劳动者权利
P3 Local community and worker’s right

3.1 就业与培训 Employment and training opportunities
3.2 健康与安全 Health and safety
3.3 保障职工权益 Employee’s right
3.4 保护当地居民的自有资源 Protection of private resources
3.5 保护特定意义的森林 Sites of special significance
3.6 尊重和维护传统权利 Protection of traditional rights
3.7 合理的损害补偿机制 Appropriate compensation mechanism for harm
3.8 有偿利用居民的传统知识 Compensation for use of traditional knowledge
3.9 社会影响评估与协商机制 SIA and consultation mechanism
原则4 森林经营方案
P4 Forest Management Plan

4.1 森林经营方案的内容 Contents of management plan
4.2 森林经营方案的修订 Revision of management plan
4.3 森林经营方案的执行 Implementation of management plan
4.4 培训与指导 Training and supervision
4.5 公开概要 Public summary

原则5 营林生产
P5 Forest operation and production

5.1 经济可行性和必要投入 Economic viability and necessary inputs
5.2 林区的多种经营 Diversity management
5.3 种苗生产 Seed and seedling production
5.4 森林树种的选择 Species selection
5.5 森林设计与作业 Design and layout
5.6 采集和更新 Harvest and regeneration
5.7 保护天然林 Protection and Restoration of Natural Forest
5.8 减少资源浪费 Minimize waste
5.9 林产品的最佳利用和深加工 Optimal use and deep processing of forest products

原则6 生物多样性保护
P6 Biodiversity protection

6.1 保护珍稀物种及其栖息地 Protection of rare and endangered species and habitats
6.2 狩猎与采集管理 Hunting and collecting management
6.3 典型生态系统的保护 Protection of representative ecosystem
6.4 采取营林措施恢复、保持和提高生物多样性 Forest management measures for biodiversity protection

原则7 环境影响
P7 Environmental Impact

7.1 环境影响评估 Environmental Impact Assessment
7.2 水土保持 Protection of water and soil resources
7.3 化学制剂的使用 Chemical use
7.4 控制和监测外来物种 Exotic species
7.5 提高森林环境服务功能 Forest environmental service function

原则8 森林保护
P8 Forest protection

8.1 病虫害防治 Pest and disease control
8.2 森林防火 Forest fire control

原则9 森林监测
P9 Forest monitoring

9.1 建立森林监测机制 Forest monitoring system
9.2 森林监测的内容 Forest monitoring contents
9.3 经营单位内部的林产品流通监测 Chain of Custody
9.4 监测结果的应用 Use of monitoring results
9.5 公开监测结果概要 Public monitoring summary
The UKWAS Example: How to Develop a National Certification Standard – Stuart Goodall

The UKWAS Example
How to develop a national certification standard

Introduction
Stuart Goodall
UK Forestry Commission
Facilitator for UKWAS

UKWAS
- Recognised by FSC and PEFC
- Owned by UK stakeholders
- A standard not a scheme
- Owners can choose either FSC or PEFC
- Successful because there is demand

Today’s presentation
- Explain how to develop a standard – linked to my experience in the UK
- Suggest where you can get further advice
- Highlight key issues to be aware of when developing a standard

Credibility is everything!
Broad participation provides credibility

Start right
- If possible appoint a trusted facilitator
- Be clear about what kind of standard to develop
- Contact relevant international certification schemes
Help in developing a standard

- Developing Forest Stewardship Standards – A Survival Guide (Scrase and Lindhe)
- Forest Certification Handbook (Nussbaum, et al)

UK experience

- Initial mistrust of certification gone
- Certification has improved forest management
- Allows timber industry to promote wood as environmentally friendly
Certification in Cambodia

- Although Cambodia hasn’t officially started with forest certification, they are very interested in it.
- A lot of the requirements for certification are already included in the Cambodian Forest Legislation.
- They are interested in certification for the export prospects that certification can bring, especially for the European and North American markets.
- Certification could possibly create demand for timber from Cambodia.

Certification in Myanmar

- Myanmar has a forest certification committee.
- They have already developed criteria and indicators for sustainable forest management and a CoC standard.
- They have received quite positive responses to their forest management and standard, however there are other issues that are currently creating bottlenecks to the full implementation of certification in Myanmar.
- They have also developed a code of practice for forest harvesting, on the basis of the FAO code.
- Both the certification standard and the CoP are currently being field tested in the FAO Model forest project area.
- On the basis of the results of this meeting Mr. Saw Eh Dah will recommend to the Myanmar government to proceed with their development of certification.

Certification in Vietnam

- Vietnam has a considerable export of value added products. Certification is quite important for them.
- Vietnam began the process of developing a forest certification scheme in 1998.
- They have established a national working group, that has been officially recognized by FSC.
- They are currently in the process of developing a national certification standard on the basis of the FSC model.
Group two  
23 July 2004

Introduction
23 representatives should be involved, actually 16 people attended, including Mr. Gary Man

Discussion in two parts:
- Part one: Achievements and Opinions on the organization & topics of the workshop
- Part two: Discussion on how to develop forest certification in China

Achievements and Opinions on the organization & topics of the workshop

- About 1/3 representatives just come to know forest certification
- Everyone feels a lot of learning from the workshop
- Almost everybody think that the workshop was well organized with good topics; with the top leaders from well known certification schemes attended the workshop and made a presentation on behalf of their own system

How to develop forest certification in China

- 1. policy
- 2. technology
- 3. market
- 4. Criteria & Schemes
1. policy
- China government pay much attention to forest certification.
- Government departments (between all industries and within department of forestry) should cooperate each other, the whole community participate in and improve forest certification.
- China forest certification is still in the beginning, the government should give favorable policy arrangement, such as put into much money for certification field testing, conducting research or paying part expenses of certification.

2. technology
- Criteria: national level criteria & indicators will be issued, regional one should be developed as China has a far-flung terrain
- Understanding: Importance of forest certification (leaders and mass)
- Dissemination: strengthen propaganda
- Improving: strengthen capacity building
- Research: strengthen research, government should input much money, at the moment very limited.

3. market
- Cost: Refers to Schemes & Criteria, as well as the supply and need between number of certification body and application units
- Consumer's desire: big in Europe and small in Asia, even small in China
- Driving force: export market

4. Criteria & Schemes (keystone)
- Criteria:
  - Take into account the difference between regions and practicability
  - Developing Criteria special for China
  - Taking into account the situation of the country and forest status
- Schemes:
  - Majority think China should develop its own Schemes
  - Pay attention to sameness and differences between different Schemes

Several points of view on Schemes
- Some people think Criteria should be there, system is not important, UK has two Criteria, Without any Scheme
- International accreditation is very important, in China there is a sign on Green Food, but it has not been accredited.
- It is worth to learn from MTCC
- Phase objective can set up:
- At the moment, the major pressure comes from market, FSC Scheme has some influence in Chinese market.
- Attention should be payed to the problem that enterprise factor, of course, China own standard play important role.
  - In the near future: exploring the applicability of different Schemes in China, conducting field test, Start think about establishing national Scheme.
  - Metaphase: begin to develop national Scheme (pay attention to the situation of the country and the status of forestry)
  - Long term: national Scheme has been established, and try for endorsing by international

Thank you!
Main Topic:
1. How to develop forest certification actively in China
2. How to be endorsed by international Scheme

Topic 1
Most people believe:
- Forest certification in China should be led by government
- Be in line with State requirements on certification and accreditation
- To issue state certification standard
- To train auditors
- To set up certification body of China
- To conduct experimental test and demonstration
- To strengthen the propaganda

Some people believe:
- According to the situation of country and forestry in China, Forest Certification should be combined with management of finance on natural forest protection programme and cutting quota
- Forest certification in China should be implemented compulsively

Topic 1
Difficulty in developing forest certification in China:
- Lacking of internal driving force;
- Lacking of finance input from government
- In the near future, China’s own forest certification Scheme could not meets the requirement of enterprises for accessing to international market
Topic 2
UKWAS experience for endorsement by FSC

Endorsement by FSC
Way one:
FSC HQ
PEFC HQ
Way two:
FSC NI
National standard
Regional Criteria 1
Regional Criteria 2
Regional Criteria n

Endorsement by PEFC
National Accreditation Body
National standard
Certification body

Strengthen cooperation with MTCC, SFI, LEI
- Using the experience and lesson of other countries for reference
- Expediting the process of multi-recognize

Thank You
Uncut diamonds: Some Suggestions for China

Suggestions for China

• Applaud - First of all we applaud the efforts being made by China in forest certification.
• Influence on International Markets – Buying timber from other sources? We would like to suggest that China use its influence on the international timber market wisely. While will be able to improve local forest management, they can also have a great impact on the countries from which they import their timber.
• Regulatory body for monitoring where logs are coming from.

Suggestions for China

• Stakeholders - We recognize the importance of the government in the development of forest certification, however, we recommend that they try to encourage as wide a participation of stakeholders as possible.
• Other products - It is good that China is considering other products such as food and bamboo.
• Domestic timber certification –
• Environment - There are some long term benefits for China in certification. One of the benefits will be from the improved environmental image as a result of certification.
Appendix 4: Certification websites and information resources

Certification initiatives
Forest Stewardship Council (FSC): http://www.fsc.org
Lembaga Ekolabel Indonesia (LEI): http://www.lei.or.id/english/index.php
Malaysian Timber Certification Council (MTCC): http://www.mtcc.com.my
Programme for the Endorsement of Forest Certification schemes (PEFC): http://www.pefc.org
Sustainable Forestry Board (SFB): http://www.aboutsfb.org
Sustainable Forestry Initiative (SFI): http://www.aboutsfi.org
United Kingdom Woodland Assurance Scheme (UKWAS): http://www.forestry.gov.uk/forestry/HCOU-4UFP7F

Information about certification
Asia Pacific Forest Certification Information: http://www.forestandtradeasia.org
European Institute of Forestry: Certification Information System: http://www.efi.fi/cis/english/
FAO Forestry Department: http://www.fao.org/forestry
FSC certified forests: http://www.certified-forests.org
GTZ Forest Certification Project: http://www2.gtz.de/forest_certification/english/
ITTO Policy papers and guidelines: http://www.itto.or.jp/live/PageDisplayHandler?pageId=201
PEFC interactive database: http://www.pefc.cz/register
ProForest: http://www.proforest.net

Over the past decade, China has become one of the world’s leading importers and exporters of wood products. China has made substantial investments to significantly increase its production capacity and to modernize its processing facilities. Large quantities of all kinds of wood products are currently being produced, and China is quickly becoming a leading producer of value-added products for export. Certification is becoming an increasingly important issue for China in order to maintain and increase its market share, particularly in Europe and North America.

China is interested in developing a single, coherent national certification strategy and is exploring various different options for certification. Therefore, the State Forest Administration of China (SFA) requested FAO to assist in organizing a meeting in which these options could be explored with various stakeholders involved in forest management in China.

FAO, SFA and the USDA Forest service organized the meeting “Forest Certification in China: Latest developments and future strategies” in Hangzhou, China, 21-23 July 2004. This workshop report summarizes the presentations and discussion from the meeting.