



March 2015

FSC® AND FLEGT, WORKING HAND IN HAND

The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, launched in 2003, placed its actions “in the context of the overall efforts of the European Community to achieve **sustainable forest management**, both within and outside the EU.” The European Union (EU) shares this goal with the Forest Stewardship Council (FSC), which promotes sustainable forest management through its globally applied forest management and chain of custody (CoC) certification scheme.

FLEGT implementation has mostly focused on fighting illegal harvesting. This again is an objective the EU shares with FSC. Legality is the first of the ten principles the entire FSC forest management certification scheme is built upon. Legality is a first and essential step towards sustainability.

However, legality and sustainability are not identical. National legislation often lacks essential requirements to ensure sustainable natural resource management. Sustainable forest management requires recognition of the customary rights of local populations; it requires ongoing, inclusive multi-stakeholder involvement; and it requires the implementation of standards about social rights and development and environmental protection that often go beyond legality. And, given that sustainable forest management can come with additional investments and costs, it requires customers who are interested in purchasing products based on verified sustainable forest management units.

FSC is instrumental in moving from legality to sustainability.

FSC – Increasingly relevant in promoting sustainable forest management

Currently, over 185 million hectares of the world’s forests are FSC certified. While this area is about 5 percent of total forested area, it represents more than 16 percent of the world’s productive forests¹. FSC is present in all but one² of the major exporters of tropical timber to the EU. Within the EU, 24 percent of productive forests are FSC certified, which is 17 percent of all the FSC certified forests in the world. However, 45 percent of the companies processing and trading FSC-certified materials are based in the EU. This shows that society in the EU is a major supporter of sustainable consumption in terms of buying FSC-certified products.

The FLEGT Action Plan – in particular, its promotion of sustainable public procurement – has certainly contributed to the European success of FSC. In more and more EU member states, national green public procurement policies accept certification as proof of sustainably produced wood for a range of products.

Public procurement represents an important part of demand for sustainably produced wood, and in several countries it has been very helpful for convincing the private sector and consumers to also require certification. The EU is also supporting certification with its criteria for EU Ecolabels, which require evidence of sustainable forest management, and use FSC (or Programme for Endorsement of Forest Certification) certification as a benchmark.

¹ FAO’s *State of the World’s Forests 2011* estimated the total area of forest designated primarily for production to be 1,131,210 hectares.
² Côte d’Ivoire

The EU Timber Regulation: could be using certification better

The EU Timber Regulation (EUTR), an important instrument in the fight against illegal timber, is another outcome of the FLEGT Action Plan. An estimated 82 percent of the EU's timber imports originate from countries with high levels of perceived corruption³. Closing the European market to illegally harvested timber can make a big difference for the forests of the world, and it can inspire other importing countries, as Australia has shown⁴. It also helps to create a better social and economic environment for sustainable forest management and certification in timber producing countries.

The FSC system of certificates, which stretches from the forest through businesses that buy and sell wood products to the end-user, reduces the risk of illegality to low or negligible levels. And the EUTR inspired FSC to adopt a number of amendments and clarifications to its standards which ensure that its scheme conforms entirely with the EUTR requirements. However, the first two years of EUTR enforcement have led to concerns about insufficient appreciation by authorities of EU member states of the role certification plays in reducing the risk of illegal harvesting.

EUTR implementation has clearly had start-up problems. FSC is looking forward to the EUTR review later this year. It calls for improvements such as an enlarged scope, active enforcement in all EU member states, and sufficient capacity and expertise within the 'competent authorities' who implement the regulation. But also wants to see a better – unified and clarified – appreciation of the contribution of (FSC) certification to the due diligence systems that importers and domestic foresters ('operators' in EUTR terminology) have to apply. FSC is keen to work with the Commission and the member states on developing comprehensive guidance on certification and due diligence for implementing authorities.

Better recognition of the strength of the FSC scheme can do much for EUTR, FLEGT and the common mission of sustainable forest management.

FSC and VPAs: can be mutually supportive

Voluntary Partner Agreements (VPAs) are the flagships of FLEGT. They are unique in the way that they promote forest policy reform, establishment of effective enforcement institutions and stakeholder participation. All these elements are preconditions for sustainable forest management. FSC strongly supports VPAs, and FSC certification can help VPA acceptance and realization.

FSC is relevant in VPA countries. In four of the six countries with ratified VPAs, the FSC certified forest area adds up to almost 5.5 million hectares. The VPAs with the Central African Republic, Cameroon, Liberia and the Republic of Congo include the possibility of recognizing private certification of forests as compliant with the FLEGT-Timber Legality Assurance System. In Cameroon and the Republic of Congo, which have considerable timber trade with the EU, FSC has national standards which include the FLEGT legality grid. In 2013, FSC asked the relevant FLEGT authorities for recognition of these standards as FLEGT compliant and in both countries the procedure is ongoing.

Recognition will reduce costs for both foresters and enforcement agencies. A logical next step would be to also recognize the domestic FSC CoC system as FLEGT-compliant, because it ensures that FSC-certified materials leaving the country originate from FSC-certified forests.

³ Rupert Oliver, *Forest Industries Intelligence*, Chatham House 11 February 2013

⁴ *The Australian Illegal Logging Prohibition Act of 28 November 2012, which applies a similar approach as the EU Timber Regulation.*

FSC supporting legality compliance in a VPA country: the Republic of Congo

In 2012, the Congolese government tested 20 Congolese logging companies to see whether they were complying with VPA legality requirements. The two FSC-certified forest companies in the country both passed the test. Of the 18 others, only one succeeded⁵.

At the end of 2014, one of the two FSC-certified companies had one of its certificates temporarily suspended by its certification body. Two of the reasons given for this temporary suspension were partly related to government regulation:

- **A hunting permit for the forest unit concerned was given by authorities to a dubious safari company, operating against FSC requirements and against the will of the logging company.**
- **Delays in reaching consensus with government about management modalities for surveillance teams (Ecoguards) led to an absence of effective surveillance in the field to prevent illegal operations.**

After the suspension was published, the relevant government ministry took immediate positive action to resolve both matters. As a result the hunting permit regime in the country has improved, and the role of the Ecoguards has finally been agreed.

FSC pleads for the option to recognize certification schemes to be included in all further VPAs, both at the forest management and chain of custody levels.

Tropical timber is not popular in the EU, because it is often considered to be linked with illegal practices, environmental destruction and social abuses. Demand has decreased, and may decrease further because of the EUTR. This, combined with an increased demand from countries such as China and India which do not so far have the same requirements regarding legality, means that exporting countries may become less motivated to invest in VPA negotiations and implementation. FSC can play an important role in reversing the negative trend of tropical timber trade towards the EU, as it is recognized by many consumers for its reliability and positive ecological and social sustainability impacts.

In 2015, all existing FSC national standards will be revised in order to comply with the new 2012 FSC Principles and Criteria, for which international generic indicators (IGIs) have been developed to facilitate a harmonized application across the world. During these revisions, civil society organizations, representatives of indigenous peoples, trade unions, companies, and often experts from state forest organizations, will discuss how sustainable forest management is best done in their country, so that it benefits environment and local populations, whilst remaining attractive for foresters to apply.

Where a parallel process exists as part of a VPA – for example, in Vietnam – we believe there already is and can be in the future positive cross-fertilization. FSC can contribute to consensus on what is legally required, as well as assist in efforts to enforce legality. The FLEGT VPA process can profit from the market-oriented interests FSC mobilizes and the experience FSC has in promoting and facilitating stakeholder processes.

FSC – also relevant for smallholders and communities

VPA processes are also important because they can make a difference to local trade, and for smallholders and communities. On the contrary, FSC is often regarded being of interest mainly for large companies.

In reality, some 25 percent of FSC forest management certificates cover small community forests, normally in the form of group certificates. In this way, about 10 percent of the total FSC-certified area is managed by more than 120,000 small and community producers, **more than half of them in the tropics.**

⁵ TERE. 2013. « Test à Blanc de la Légalité des Entreprises Forestières et Analyse des Procédures de Contrôle Associées, République du Congo, Rapport de Synthèse des Tests dans les Sociétés ». EFI, Joensuu

Involving small foresters is a specific objective for FSC, which in 2011 started its Smallholder Support Program (SSP), combining market access and business linkages with training and financial mechanisms. This works through regional and national channels to bring more capacity to the FSC smallholder network. The SSP, which focuses on the South and the tropics, includes⁶ :

- Train the Trainers, targeting the Asia-Pacific region, Latin America and (eventually) Africa, building trainers' capacity on FSC certification and knowledge of business development and market access.
- Small and Community Label Option, introduced in 2012, helps small producers stand out in the marketplace and includes labeling, marketing and supply-chain linkages important in the tropics for small producers' sustainability and profitability.
- FSC Smallholder Fund, started in 2013, under which smallholders and communities apply for financial support to acquire and maintain FSC certification and increase benefits from FSC sales. Fourteen projects in tropical countries have been selected for grants of up to 50,000 euros over three years.

Let's work together!

FSC is keen to further support the implementation of the EU FLEGT Action Plan. It wants to play its role in the implementation of the EUTR on the basis of a more clear, shared, message to the market and enforcement authorities about the role certification is playing. It is ready to work together with authorities and stakeholders in current and future VPA countries, building legality and sustainability on consolidated multi-stakeholder involvement. It is keen to work together for a fair chance for sustainably managed tropical timber on the EU markets. And it offers its cooperation to accomplish sustainable public procurement ambitions of all levels of government in the EU.

The Forest Stewardship Council® (FSC) is an independent organization that promotes environmentally sound, socially beneficial, and economically viable management of the world's forests. Established in 1993 as a response to concerns over global deforestation, FSC is a membership organization with a governance structure based on participation, democracy, equity and transparency.

Our Vision

The world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Our Mission

The Forest Stewardship Council AC (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

Contacts:

FSC Regional Office for Asia Pacific, Alistair Monument, asiapacific@fsc.org

FSC Sub-Regional Coordinator Congo Basin, Mathieu Auger-Schwartzenberg, m.schwartzenberg@fsc.org

FSC Regional Office for Latin America, Pina Gervassi, p.gervassi@fsc.org

FSC Chief Advocacy Officer, John Hontelez, j.hontelez@fsc.org

⁶ See also: <https://ic.fsc.org/smallholder-support.152.htm>.