



The effects of FSC Certification in Estonia, Germany, Latvia, Russia, Sweden and the UK

An Analysis of Corrective Action Requests Summary report

(to view the detailed country reports please go to www.panda.org/europe/forests or contact hb@wwfdcp.org)

Background and Overview

Five years after forest certification began its rapid expansion in Europe the questions "what benefits have certification brought?" or "what tangible differences are there to forest management because of certification?" are being asked. In an attempt to answer these questions WWF carried out an analysis of forest certification in Europe. The analysis was based on information available on the internet. The benefits of forest certification quoted in this paper refer only to those provided by FSC certification.¹

The analysis was carried out for six countries: Estonia, Germany, Latvia, Russia, Sweden and the UK². It is based upon the publicly available information from audit reports prepared by independent assessors. The *Corrective Action Requests*, listed in the audit reports, provide a summary of the changes that forest managers have had to make to achieve or maintain the forest certification standard. It is important to note however, that improvements made in preparation of the certification audits are not captured in this analysis, so the summary provided almost certainly underestimates the benefits provided.

2817 Corrective Action Requests were reviewed, covering 18million hectares of forest. Together they provide a comprehensive overview of the impacts of forest certification. This report presents the results of this analysis, comparing the trends across all 6 countries whilst drawing important conclusions for key audiences and stakeholders in the debate on certification. The conclusions presented are those based on results from at least three countries, with the majority of observations valid for five or six countries. They therefore present evidence of fundamental system-wide improvements to the management of Europe's forests.

Finally, this report concentrates on the consistent Europe-wide benefits of certification. It is important to note that in addition to the generic results presented in this report, significant country specific improvements were also recorded in all countries. For example,

¹ An original aim of the study was to compare and contrast both FSC and PEFC around Europe. However, it was not possible to find any freely available audit information on PEFC certificates. No conclusions can therefore be made on the impact of PEFC at the forest level, or its suitability to deliver on the key aspects of responsible forest management.

² For the UK it relied upon an earlier report released by the UK Forestry Commission based upon a study carried out by Simon Jeffreys, An Analysis of all Forest Management Certification Corrective Action Requests in the United Kingdom. Tilhill Forestry Ltd. stuart.goodall@forestry.gsi.gov.uk January 2002

- in Sweden, which started from a relatively high level of forest management, FSC certification has led to improved planning and use of forest residues for biomass in order not to compromise biodiversity management, and on social issues the rights of the Sami people are now formally respected and addressed in forest management.
- in Russia employment rights for forest workers have been strengthened with workers now paid on time.

The ability to improve country specific issues in forest management in different national contexts is an important additional conclusion from this analysis, however not covered in detail in this overview.

Overall Findings

The analysis across the 6 countries shows that FSC certification is delivering a number of benefits for a wide range of stakeholders in the forest industry, and provides hard evidence of tangible improvements that the voluntary mechanism of credible certification delivers for society, the environment and the economy.

At a general level FSC is ensuring that forest managers actually do what they should be doing anyway, to meet legal requirements and the wide variety of guidelines and good practice that in many places are rarely enforced in practice.

Over 50% of Corrective Action Requests (CARs) were raised to cover ecological issues. The balance is equally distributed between social and economic issues.

Significant Ecological Improvements

In all 6 countries surveyed, FSC certification improved the conservation status and enhanced biodiversity levels in forests. The most significant improvements were found to be:

- the consistent implementation of Environmental Impact Assessments;
- the identification, mapping and management/protection of long term retentions, natural reserves, key habitats and biotopes;
- the increase in deadwood levels;
- favouring species diversity through natural regeneration, care and thinning;
- the restoration of threatened forest types such as deciduous and wet forests.

In forests with a strong "man-made" character FSC certification has led a move towards the restoration of more natural processes, including lower impact silviculture. Across all surveyed countries forest certification has ensured that operations cause less soil compaction and have improved water management in general through reduced soil cultivation, pollution control and strategies for the reduction of chemical use.

Significant Economic Improvements

In locations where there is a conflict between deer numbers and forest management objectives, forest certification has led managers to develop game management strategies to minimise economic damage.

A common benefit of forest certification has been the improvement in management planning (maps & management plans), and specifically the preparation of management objectives, long-term forest plans and long-term sustainable harvesting production. Consultation with neighbouring forests on harvesting has improved local planning and co-ordination. Formal monitoring of objectives has been implemented allowing feedback mechanisms.

Certification has improved the marketing of forest products and improved income by better matching production to market requirements. The need to implement wood tracing systems has also improved the ability to prevent illegal logging.

The recreational benefits of forests have been improved, through the conservation of sites of historical and cultural significance. This was complemented by better and safer public access.

Significant Social Improvements

Forest certification has led to an improvement across all countries in the implementation of health and safety legislation, including the provision of better equipment and training, the use of safety procedures, and the reliance on properly qualified forest workers. Public safety has also improved through the implementation of risk assessments and better signage of work zones.

Certification has improved the social conditions for forest workers. The employment of local people has been favoured, formal job training has increased and it has also led to better compliance with social & legal requirements. It has avoided the evasion of social contributions and ensured that employment rights are complied with. Finally rural development has been strengthened through the involvement and participation of neighbours, local stakeholders & communities in forest planning and decision-making.

Conclusions for Different Stakeholder Groups

The Public/Recreational Users

For recreational users of forests, FSC certification has made forests a more interesting and a safer place to visit. This has been accomplished through: the development of a more diverse and ecologically rich forest landscape; the protection of rare and endangered habitats such as bird nesting sites; the protection and mapping of sites of cultural and historical importance; and the implementation of safer working practices based on the results of risk assessments.

Forest Workers

Those employed in the forest industry have been some of the biggest beneficiaries of FSC certification, though the improvement in the implementation of legislation and guidelines on health and safety. A reliance on properly qualified staff, backed by improved training, and a compliance with social taxation requirements have all led to improved working conditions for those working in FSC certified forests.

Forest Industry

The forest industry has been slow to adopt FSC certification, but has the potential to benefit in several ways. The improved knowledge on future harvesting production is a key strategic issue especially for the pulp/paper and panel industries as they plan future investments and forecast the supply to their own mills and new competing markets such as biomass. FSC has improved long term planning and the forecasting of future harvesting, providing a strong basis for strategic decision making on long term wood supply availability.

Corporate Social Responsibility (CSR) is of increasing importance to the pulp and paper industry. In addition to tangible improvements to the ecological aspects of forest management, FSC importantly is able to deliver on improvements to the social aspects of the wood supply chain. These latter include safer working conditions, enhanced worker skills, improved involvement with the local communities, and reduced incidence of illegal activity and tax avoidance. This makes FSC an ideal tool for the pulp and paper industry to demonstrate its commitment to CSR.

Governments and the European Commission

FSC has proven its ability to deliver on a variety of priorities that the European Commission and EU Governments have committed to. These include: rural development; the Water Framework Directive; the Acquis Communautaire; and the Lisbon Strategy.

Rural development has been improved by FSC certification through better information and planning for the forest resources, the provision of more local employment and better-trained workers, together

with better social cohesion through a consultation process that involves communities in planning and decision-making.

FSC is delivering on the requirements of the Water Framework Directive through a variety of measures. Forest management operations have improved water management in general through reduced soil cultivation, pollution control and strategies for the reduction of chemical use. The implementation of High Conservation Value Forest processes permits a focus on forest management objectives for water management at a landscape level.

One of the biggest challenges for the new EU member states has been the need to adopt a wide-range of EU legislation. Even in the former EU15, compliance with all EU legislation and guidelines is patchy. In both cases FSC certification has proven to be an effective mechanism for assisting the forest industry in these countries to implement their legal requirements.

A conclusion of this study is a fundamental weakness in the long term planning of Europe's forests. This is surprising, given the long-term nature of the industry. Further uptake of FSC by the pulp & paper industry would improve the long term wood supply planning and integration in the supply chain, and would also increase skill levels. It would further reduce illegal activity and tax avoidance. All these would contribute significantly to the implementation of the *Lisbon Strategy* within the forest sector.

Policy makers should therefore view FSC certification not just as a means to improve the standards of forest management, but as a mechanism to deliver on a wide variety of policy priorities. Incentives could be channelled appropriately.

Forest Owners

Forest owners benefit from all of the above, be they State Forest Services, companies or individual owners. Governments are able to tangibly demonstrate implementation of their international commitments, whilst companies can demonstrate their commitment to CSR goals.

For private individuals, they face a difficult challenge as they seek to balance the responsibility of forest stewardship with the need to deliver profits at the same time as being more transparent to society. A plethora of legislation, guidelines and best practice requires a robust framework to guarantee compliance. FSC certification provides such a framework, and whilst some of its requirements go beyond previously established standards, these have not proven to be onerous in practice. For smaller forest owners without knowledge or skills in forest management FSC certification is a framework that can not only deliver good forest management, but provide the owners with peace of mind that they are doing the best for their forests and future generations.

Concluding Remarks

This analysis provides conclusive positive answers to the question "what benefits have certification brought?" and "what tangible differences are there to forest management because of certification?".

There are systemic gaps in the responsible management of Europe's forests, and certification as a tool has clearly demonstrated the ability to deliver real improvements and tangible benefits.

The results of what FSC has changed in the 6 diverse countries speaks for itself:

- Consistent improvements on ecological, economic and social issues common to all countries as well as
- Specific improvements for national contexts which are not covered in this overview.

Certification to the FSC standards has demonstrated across Europe that it can consistently raise the standard of forest management.