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# **Institutional Requirements for Forest Certification - a manual for stakeholders**

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Developing Forest Stewardship Standards - a survival guide

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# **INSTITUTIONAL REQUIREMENTS**

## **FOR FOREST CERTIFICATION**

### **A manual for stakeholders**

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Technische Zusammenarbeit  
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## **Abbreviations**

AB	Accreditation Body
CB	Certification Body
CBD	Convention on Biological Diversity
CI	Consumers International

CSA	Canadian Standard Association
CTBT	Committee on Technical Barriers to Trade
CTE	Committee on Trade and Environment
EMS	Environmental Management System
ENGOS	Environmental Non-Governmental Organisations
FSC	Forest Stewardship Council
GATT	General Agreement on Tariffs and Trade
IAB	International Accreditation Body
IEC	International Electrotechnical Commission
IFF	Intergovernmental Forum on Forest
IIED	International Institute for Environment and Development
IMO	Institut f?kt?ogie
IOCU	International Organisation of Consumers unions
IPF	Intergovernmental Panel on Forest
ISA	International Federation of National Standardizing Association
ISB	International Standardisation Body
ISO	International Organization for Standardization
IUCN	World Conservation Union
NAB	National Accreditation Body
NGOs	Non-Governmental Organisations
NSB	National Standardisation Body
PPMs	Process and Production Methods
RAB	Regional Accreditation Body
RSB	Regional Standardisation Body
SB	Standardisation Body
SD	Sustainable Development
TBT	Agreement on Technical Barriers to Trade
UNCED	United Nations Conference on Environment and Development
UNEP	United Nations Environmental Programme
WCED	World Commission on Environment and Development
WTO	World Trade Organization
WWF	World Wide Fund for Nature

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## Executive Summary

Forest certification is not one operation, but can be divided into three main activities: accreditation, standardisation and certification *per se*. All these disciplines are much older than forests certification itself and have well-established rules. These rules have mostly been drawn up by the International Organization for Standardization (ISO). Because of the impact standardisation and conformity assessment can have on international trade, the World Trade Organization (WTO) has designed additional rules more closely related to trade. In addition to its own rules, the WTO accepts those of the ISO as not creating unnecessary barriers to trade.

In addition to its purely technical dimension, as mentioned above, forest certification is embedded within the framework of environmental declarations. It is also increasingly becoming an environmental policy tool. Therefore, another set of rules derived from ISO documents in relation to environmental declarations, the dynamic of sustainable development and the expectations of public interest groups must be applied to forest certification.

The table below summarises and groups the different elements identified in the different sets of documents related to sustainable development, the multilateral trade framework, conformity assessment and public interest groups' expectations.

**Please note that the framework provided below is not a framework for mutual recognition of different certification systems.** Elements other than institutional ones, which are not addressed in this manual, must be considered for this purpose, e.g. the harmonisation of performances required by the different schemes, at all scales, from local to international levels. Using this framework, or any other one that does not address the performance of different schemes on the ground would create confusion amongst stakeholders and be detrimental to the credibility of forest certification as an indirect incentive for improving forest management.

Institutions, groups or individuals who are dealing with forest certification, be it in the framework of development projects, advocacy work or elaboration of new certification initiatives should check if the system in question complies with these institutional requirements. If the result is positive (i.e. if their initiative corresponds closely to the requirements), they can be sure that all the main ingredients for effectiveness and credibility of the system are included. The application of this framework should allow differentiation between systems that are solely intended for PR purposes and those which are real tools for sustainable development, with the caveat that the required standards in forest management are sufficiently credible to interested parties.

Similarly, existing systems should test their compatibility with this framework and try to resolve any inconsistency, if they wish to maximise the positive role certification can have for improved forest management world-wide.

In using the table below, one should be cautious not to mix the components of forest

certification. Many requirements apply equally to standardisation, certification and accreditation, but some are scale or component specific.

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<b>Principles / Criteria</b>	<b>Indicators</b>	<b>Institutional Source</b>	<b>Applicability</b> <sup>1</sup>
1. Evaluation of forest management that is environmentally sound, socially beneficial and just, and economically viable, thus promoting intergenerational equity and responsibility	1.1 embody the Precautionary Principle	Rio Declaration, CBD, Public interest	All
	1.2 embody a holistic approach to maintain all forest values, products and services	Rio Declaration, Forest Principles, Caring for the Earth	All
	1.3 be equitable and recognise indigenous people and local communities and worker's rights	Rio Declaration, Forest Principles	All
	1.4 be target oriented and effective in reaching its objectives: to improve forest management and to ensure benefits for managers/owners of certified forest units	Public interest, NGO statement	All
2. Credible to a large range of involved parties, including public interest groups; non-misleading and transparent	2.1 be independent and ensure independent third party assessment	Public interest, NGO statement, ISO/IEC guide 2	All
	2.2 be participatory and acceptable to a large range of involved parties, including to consumers, social and environmental NGOs	Rio Declaration, Forest Principles Public interest, ISO/IEC Directives, Guides 2, 59, 61, 62, 65, ISO 14020, WTO TBT Agreement	All
	2.3 be fully transparent to the parties involved and to the public	Public interest, ISO/IEC Directives, Guides 2, 59, 61, 62, 65	All
	2.4 built on consensus, so that to avoid unilateral measures and/or discriminatory trade impacts	Rio Declaration, Forest Principles, Public Interest, ISO/IEC Directives Guides 2, 59, 61, 62, 65, ISO 14020, WTO TBT Agreement	SB, AB

<sup>1</sup> **CB:** Certification Body; **SD:** Standardisation body **NSD:** National Standardisation Body; **RSB:** Regional Standardisation Body; **ISB:** International Standardisation Body; **AB:** Accreditation body, **NAB:** National Accreditation Body; **RAB:** Regional Accreditation body; **IAB:** International Accreditation Body

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Principles / Criteria	Indicators	Institutional Source	Applicability <sup>2</sup>
2. (cont.) Credible to a large range of involved parties, including public interest groups; non-misleading and transparent	2.5 provide objective and measurable criteria and performance standards	Public interest, IPF/IFF, ISO 14020	SB
	2.6 have transparent procedures including clear appeal mechanisms	WTO TBT Agreement, ISO/IEC Guides 59, 61, 62, 65	All
	2.7 should not infer that certification assures sustainable forest management is achieved	ISO/IEC Guides 61, 62, ISO 14020	CB, SB
	2.8 should not infer that certification granted upon system management standards assures that a level of performance has been reached	ISO/IEC guides 61, 62	CB, AB
	2.9 have a quality management system	ISO/IEC Guides 61, 62, 65	CB, AB
	2.10 ensure active commitment of the managers / owners of the certified unit	Public interest, ISO/IEC Guide 65	CB, SB
	2.11 have clear written procedures accessible to stakeholders for writing standards, certifying and accrediting	Rio Declaration, Forest Principles, ISO/IEC Guide 59, 61, 62, 65	All
	2.12 have clear mechanisms making public reports and decisions	ISO/IEC Guide 59, 61, 62, 65, Public interest	All
	2.13 provide draft standards to interested parties, nationally and internationally, and take comments into account	WTO TBT Agreement	SB
	2.14 allow sufficient time for comments on draft standards, nationally and internationally	WTO TBT Agreement	SB
	2.15 encourage transparent use of ecolabelling (i.e. declarations that are precise and verifiable)	Forest Principles, UN Review of Agenda 21, Public interest	All
	3. Equal treatment / non-discriminatory trade impact	3.1 be voluntary in participation	UN Review of Agenda 21, Public interest, WTO TBT Agreement,
3.2 equally applicable to all types of timber and timber products, and regions		Forest Principles, Public Interest	CB, ISB

<sup>2</sup> **CB:** Certification Body; **SD:** Standardisation body **NSD:** National Standardisation Body; **RSB:** Regional Standardisation Body; **ISB:** International Standardisation Body; **AB:** Accreditation body, **NAB:** National Accreditation Body; **RAB:**Regional Accreditation body; **IAB:**International Accreditation Body

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Principles / Criteria	Indicators	Institutional Source	Applicability <sup>3</sup>	
3. (cont.) Equal treatment / non-discriminatory trade impact	3.3 have quantitative and qualitative forestry standards at national and sub-national levels, which recognise national sovereignty while embedded into a global framework that provides internationally recognised and equitable principles and criteria	Rio Declaration, Forest Principles, WTO TBT Agreement, ISO/IEC Guide 59, Public interest	SB	
	3.4 not discriminate between domestic and foreign suppliers	WTO TBT Agreement,	All	
	3.5 have a process to harmonise standards with other similar ones	WTO TBT Agreement, ISO /IEC Guide 59	SB	
	3.6 participate in the work of relevant international standardising bodies	WTO TBT Agreement, ISO/IEC Guide 59	NSB, RSB	
	3.7 have procedures that allow equity of access for all applicants, regardless of their size or location	ISO/IEC Guides 59, 61, 62, 65, Public interest	All	
	4. Cost-effective /Effectiveness	4.1 be target oriented and effective in reaching forest certification objectives	Public interest, NGO statement	All
		4.2 use standards that are adapted to local conditions	WTO TBT Agreement, Public interest	CB
4.3 ensure certification at management level unit that is cost effective and make all efforts to be equitable to small forest owners		Public interest, NGO statement	ALL	
4.4 internalise environmental cost and benefits		Forest Principles, UN Review of Agenda 21	ALL	
4.5 not duplicate the work of other standardising bodies, at the national or international levels		WTO TBT Agreement, ISO/IEC Guide 59	RSB, NSB	
4.6 use the relevant part of international standards as a basis for the standard it is developing		WTO TBT Agreement, ISO/IEC Guide 59	RSB, NSB	

<sup>3</sup> **CB:** Certification Body; **SD:** Standardisation body **NSD:** National Standardisation Body; **RSB:** Regional Standardisation Body; **ISB:** International Standardisation Body; **AB:** Accreditation body, **NAB:** National Accreditation Body; **RAB:** Regional Accreditation body; **IAB:** International Accreditation Body

<b>Principles / Criteria</b>	<b>Indicators</b>	<b>Institutional Source</b>	<b>Applicability</b>
5. Independent from parties with vested interest	5.1 avoid providing consulting services	ISO/IEC Guides 62, 65	CB
	5.2 avoid providing certification services	ISO/IEC Guide 61	AB
	5.3 in case different types of services are provided (certification, standardisation) have clear distinction between services	WTO TBT Agreement, ISO/IEC Guides 61, 62, 65	All
6. Enforcement and complaints handling systems	6.1 ensure compliance with local, national, international laws	Rio Declaration, Forest Principles	All
	6.2 provide effective access to legal / administrative procedures	Rio Declaration	All
	6.3 have procedures to review complaints about their procedures and to take corrective actions	WTO TBT Agreement, ISO/IEC Guide 59	All
	6.4 have a system to carry out periodic surveillance after initial certification or accreditation	ISO/IEC Guides 61, 62	CB, AB
	6.5 have procedures to handle non-compliance or misuse of reference to accredited status, trade mark or logo, including enforcement mechanisms	ISO/IEC Guides 61, 62	CB, AB

<sup>4</sup> **CB:** Certification Body; **SD:** Standardisation body **NSD:** National Standardisation Body; **RSB:** Regional Standardisation Body; **ISB:** International Standardisation Body; **AB:** Accreditation body, **NAB:** National Accreditation Body; **RAB:** Regional Accreditation body; **IAB:** International Accreditation Body

## 1 Introduction

Forest Certification started in 1989 with the SmartWood program. It was designed as an alternative to the boycott of tropical timber that most Environmental Non-Governmental Organisations (ENGOs) were promoting in the 80s. Since then, the proliferation of unverified claims related to "sustainable" forest management has made necessary the creation of an accreditation organisation for ensuring the quality and credibility of good forest management certificates. This is why the Forest Stewardship Council (FSC) was established in 1993. Today, the vast majority of forest certification happens under the FSC accreditation system

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Forest certification is about sharing power: stakeholders define what is their view of good forest management and owners who want to be certified have to abide by this vision. Certification has opened spaces for participation on forest policy making to groups of interest that did not have it before: indigenous and local communities, NGOs etc. Certification is also about disclosure: summaries of certification reports are public. It is thus not very surprising that forest certification has encountered, and still encounters, many opponents.

In addition, concerns that consumers in developed nations might dictate to producers in developing countries their own vision of good forest management has also given rise to criticisms against certification. It is therefore very important that certification does not create discrimination based on geographical considerations.

A recent development, after the harmonising effect brought about by FSC, and the fact that certification has become difficult to avoid, at least to access certain markets, is the creation of different systems and schemes at different levels, thus bringing new confusion. Are "certification schemes" accreditation systems or certification programmes? Are they national, regional or international in scope? To which international framework do they refer, if any? What kind of evaluation standards do they use? There are as many questions as the tools presented in this manual should help to answer.

<sup>5</sup> Certification under ISO 14001 is not considered as forest management certification, since it is not applicable to the forest management itself, but to the environmental management system of companies. For further clarification, see *System and Performance Approach* section.

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## 2 What is in this manual and how it works

This manual is intended to provide a practical and user-friendly guide to the requirements put on forest certification programmes by the international legal framework, which are foremostly the principles of sustainable development, the World Trade Organization and the International Organization for Standardization, and the expectations of public interest groups. This is not an easy task since these documents are mostly a rather boring list of legal or technical clauses.

The option that has been chosen to alleviate this problem is to cover each broad set of rules by one chapter. Each chapter is then divided into two main parts:

- “*Key concepts and principles*”, in which a detailed list of the relevant clauses is given, and
- “*What does this mean for forest certification?*” in which the consequences of the clauses mentioned before for forest certification programmes are summarised.

Readers who wish to save time can go directly to this second part, going back to the

explanatory first part of each chapter to clarify one or several questions they might have.

A graphical table of contents (below) is added and may be useful to find specific information at a glance.

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### **FOREST MANAGEMENT**

**Note:**This does not mean  
that any of the 4 sets of  
requirements necessarily  
has an influence on forest  
management per se, but

### **CERTIFICATION OF GOOD**

that their application to forest management defines what forest certification should be.

However, it is apparent that forest certification has a beneficial influence on forest management.

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## 4 What is Forest Certification?

### 4.1 Definition and elements of forest certification

Forest certification is widely recognised as an economic policy instrument to achieve environmental and economic objectives. Voluntary in nature, forest certification is an incentive to improve forest management in a holistic manner.

Certification of forest can be described as the process by which an independent party (third party) assesses whether the forest management practices, in a specific management unit, fulfil a set of requirements (standard). Ideally, this standard should be locally accepted and compatible with globally agreed principles. If the assessment is positive, a certificate is issued. If there is a system for tracking the timber from the forest to the final product (chain of custody), a label can be applied to the product telling the consumers that the timber in this product comes from a certified forest. The tracking of the chain of custody is a technical operation, which can vary between the very simple to the very complex, depending on circumstances and the final product. It is not, however, part of forest certification per se and this manual does not address it. Different labelling schemes may have different rules for allowing a label to be applied to the product, and the support, or lack of it, of key stakeholders for these rules will be the main factor contributing to the credibility and thus to the effectiveness of the labelling scheme.

Forest certification is often considered as one bloc, while it is clearly an assemblage of different types of operations. The necessity of a standard against which the forest management is evaluated entails that a standardisation process has been achieved to define this standard. In addition, in order to assure consistency and credibility to the assessment itself, certification bodies need to be accredited. This can be done at the national level by national accreditation bodies and/or at the international level. A national accreditation is a legal requirement in most countries, while international accreditation is important for credibility reasons. Thus, bodies playing a role in forest certification should be clearly distinguished according to their activities (accreditation, standardisation or certification). Avoiding this

distinction often leads to attempts to compare institutions that are not comparable, which in turn provokes confusion amongst stakeholders.

#### 4.2 Objectives of forest certification

Most authors coincide on the identification of two main objectives of forest certification:

- to improve the environmental, social and economic quality of forest management,
- to ensure benefits for managers/owners of certified forest units

Although market access is currently the main driving force for certification, other motivations start to appear. They include:

- improvement of multi-stakeholders agreements on how forest should be managed (Elliot 1999)
- improved co-ordination, transparency and trust (Elliott 1999)
- commercial advantages derived from reliable indicators of long-term value of shares based on the quality of the company's management, from the apparent correlation between environmental performance and financial performance, from the reduction of a company's exposure to environmentally related risk and liability, and from the potential increase of total revenue generated from a forest area in the long term (in Taylor et. al. 1999)
- transfer of financial resources by the way of donors support or facilitation (Markopoulos 1998, 1999, Darby 1998, and Irvine 1999)

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- access to funding (e.g. the World Bank – WWF Alliance provides funding for projects that promote forest certification).

#### 4.3 Current status and perceived benefits

Currently, certification has been done almost exclusively under the Forest Stewardship Council - FSC accreditation system and covers more than 17 million hectares.

Its application has confirmed that certification is fulfilling its objectives. Improvements are made in two phases. Usually, forest managers adapt their system in order to make it compatible for certification. It is at this stage that most improvements are made. However, the extent of this improvement is difficult to assess by certification bodies, because it happens

before they have any real contact with the forest in question (Nussbaum, per. com., 1999). The second phase is the audit itself, when auditors demand corrections to be made for the fulfilment of certification conditions or for the continued granting of the certificate. Some benefits related to improved forest management currently identified include:

- the empowerment of local communities (Irvine 1999, IIED in Taylor et. al. 1999)
- the securing of land rights and tenure by indigenous and local communities (Irvine 1999),
- the improvement of communities' and corporate capacity to manage forests (Markopoulos, 1998, Irvine 1999 and Bass and Simula 1999)
- a strengthening of mechanisms for ongoing monitoring and evaluation at the community level (Irvine 1999)
- the improved control of logging operations and a reduction of illegal harvesting (Elliott 1999)
- the global recognition and reward of community forest practices (Bass and Simula 1999)
- a higher recovery of royalties and taxes (Elliott 1999)
- improved efficiency, enforcement and compliance (Taylor et. al. 1999)

Concerning the market benefits, a green premium of 5% on average is achieved, although it has to be noted that important individual variations do exist (Camino and Alfaro 1988, Mikael Eliasson, Assidoman and Karl Buechel, IMO, pers. com. 1999, Bass and Simula 1999). This premium is an expression of the internalisation of environmental costs.

Other benefits have also been identified, including:

- a knock on effect in the updating of national policies and regulations (Darby 1998, Markopoulos 1998, Bass and Simula, 1999),
- the application of the precautionary principle and impacts assessment and mitigation (Bass and Simula 1999)
- the promotion of non-timber forest products and lesser known species (Vallejo and Hauselmann 1999)
- the promotion of new partnerships and coalitions among different stakeholders, particularly between private sector, local communities and ENGOs (Elliott 1999)

#### **4.4 System and performance approaches**

Certification can be based upon two different approaches: system and performance. ISO 14001 (environmental management system) is the best-known example of the system approach in terms of environmental management, including the management system of

forest companies. The Canadian Standard Association (CSA) has developed a forestry sector specific standard, derived from ISO 14001. This is only applicable to Canadian forests.

The Forest Stewardship Council (FSC), on the other hand, is the best-known example of the performance approach <sup>6</sup> applied to forest management.

*4.4.1 Environmental Management System*

An environmental management system is a framework designed to provide direction for an organisation’s activities insofar as they affect the environment. The components of the framework are divided into five categories and are intended to provide a continuous improvement of the system, as described in figure 1 below.

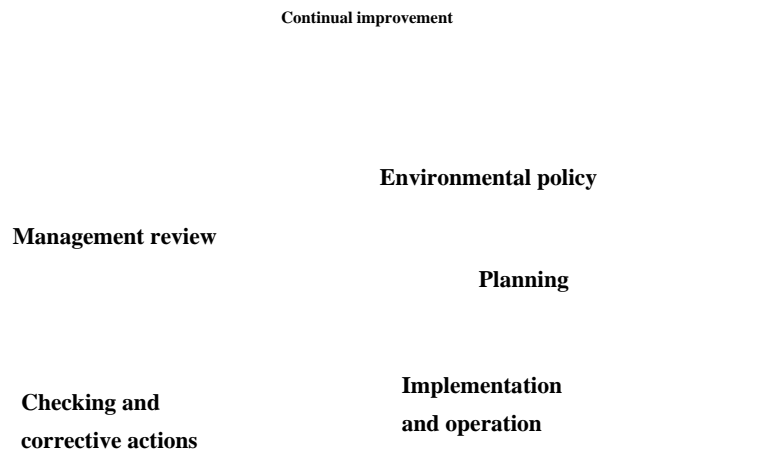


Figure 1 Environmental management system ISO 14001:1996(E)

Each organisation implementing an EMS must define its own environmental objectives.  
*”Thus, two organizations carrying out similar activities but having different environmental performances may both comply with... [the] requirement [of this standard].”* (ISO 1996). No claims concerning the product should be made when using the system approach (see ? on conformity assessment).

The general assumption of an EMS is that, if a good system is operating, it will lead to

satisfactory performances

#### 4.4.2 Performance approach

On the other hand, the performance approach requires that the objectives (the performances) the organisation must reach in order to be awarded the certificate, should be set up independently of the organisation itself. It is thus possible to claim credibly that a sufficient level of environmental (and/or social, and/or economic) performance has been reached. The process by which these performances are determined is rather complex, since it must include the participation of all stakeholders groups, as explained in this manual.

<sup>6</sup> It is important to note that certification carried out under the FSC accreditation is not purely performance based. System elements are included in the FSC, notably in its Management plan, Principle 7

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The general assumption of the performance approach is that if environmental performances are good, a satisfactory system must be in place.

#### 4.4.3 Contradictory or complementary concepts?

An initial opposition between the advocates of the two approaches has characterised the early history of forest certification. This was due to the subtle difference between system and performance with regard to forest management and a lack of understanding between the main actors. However, it was recognised at the Brisbane International Conference on Certification and Labelling of Products from Sustainably Managed Forests (1996) that forest management certification should include components of both concepts. This was the beginning of a less antagonistic and more constructive debate.

The following example, related to legal compliance, illustrates the complementary nature of the two approaches.

In ISO 14001 (1996), the following clauses refer to legal compliance:

4.2 *Top management shall define the organization's environmental policy and ensure that it ...includes a commitment to comply with relevant environmental legislation and regulations...*

4.3.2 *The organization shall establish and maintain a procedure to identify and have access to legal and other requirements...*

4.3.3 *...When establishing and reviewing its objectives, an organization shall*

*consider the legal and other requirements...*

*4.5.1 ... the organization shall establish and maintain a documented procedure for periodically evaluating compliance with relevant environmental legislation and regulations.*

Thus a certification body will verify the existence of the different mechanisms to comply, not the actual compliance with the legal requirements.

In FSC (1999), compliance is addressed under Principle 1:

1.1 Forest management shall respect all national and local laws and administrative requirements.

The two concepts are complementary: The former affirms that a mechanism to reach certain objectives is operational, the latter that these objectives are satisfactory and have been reached.

#### **4.5 Hierarchical Framework**

Certification of forest management implies translating a general and intangible goal (well managed forests) into measurable elements. Dividing it into principles, criteria, indicators and norms does this. Of all the work done to define the inter-relation of these elements, the one by the Tropenbos Foundation (1997) is generally recognised as the most relevant. The hierarchy of elements presented in this work is summarised below. However, the reader is referred to the original publication for deeper analysis.

##### *4.5.1 Principles*

A principle is an essential element or rule of forest management. It elaborates the general goal and divides it into elements that have a significance for the elaboration of a policy. It is a characteristic of an objective or an attitude and must be formulated in such a way that the objective is clear. Prerequisites or verification means should not be formulated at the principle level.

Principles are globally applicable.

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##### *4.5.2 Criteria*

A criterion is a means to evaluate whether a principle is fulfilled. It describes the desired state of the forest or the social system. A criterion should be formulated in such a way that a verdict can be made regarding the level of compliance with its parent principle. Criteria should not

add new requirements than those logically derived from the parent principle.  
Criteria can be globally and/or locally applicable

#### *4.5.3 Indicators*

An indicator is an objectively measurable parameter, in relation with a criterion. It is used to reduce the number of measurements needed to describe an ecosystem or its related social system. Indicators can be quantitative or qualitative and belong to one of the following types:

- **Input:** tests the existence of a characteristic of a management plan or law (e.g. the existence of a legal framework ensuring investment stability)
- **Process:** tests the existence of a human intervention or a process, not their results (e.g. the necessary infrastructure is in place before logging operations start)
- **Outcome:** tests the results of a process (e.g. balance between the growth and the removal of wood)

Indicators should be formulated in such a way that the answer is unambiguous. For this reason, quantitative indicators (e.g. results in %, values or numbers) are preferred to qualitative ones (e.g. good, sufficient or insufficient results). Outcome indicators must be accompanied by threshold values (norms).

Indicators are locally applicable

#### *4.5.4 Norms*

A norm is the threshold given to an indicator (reference value). The comparison between the norm and the measured value allows demonstrating the degree of fulfilment of a criterion and by extension of a principle.

Being directly derived from criteria, norms are locally applicable.

#### *4.5.5 Verifiers*

A verifier is the source of information for the indicator or its reference value.

It describes the way the indicator is measured in the field and can be either vague or very precise, depending on the importance or impact of the measured value.

#### *4.5.6 Links between the international and national levels*

This hierarchical framework highlights the fact that a forest certification standard has both globally and locally applicable elements. Provided there is a horizontal harmonising process between local standards (regional, national or sub-national) and a similar process has been followed to derive the locally applicable elements from the same global principles and criteria, it can be deemed that the different local standards are equivalent.

### **4.6 Product Labelling**

The fundamental assumption of certification is that credible communication of good forest management will bring some advantages to the forest manager. As indicated above, the main driving force is currently the expectation to get better market access and higher prices for timber originating from certified forests. This entails that products made out of certified timber are identifiable as such by consumers. This is the role of labelling.

### Types of Environmental Labels and Declarations according to ISO

Type I Third party (ISO 14024)	Known as eco-labelling schemes, they are voluntary in nature and awarded by an independent third party, based upon established criteria also set by a third party. They identify, within product categories, those products which are less harmful for the environment throughout their whole life cycle (e.g. German Blue Angel, the Nordic White Swan or the US Green Seal).
Type II Self-declaration (ISO 14021)	They are voluntary self-declarations made by manufactures/companies/retailers, claiming that their products have certain single environmental attributes (e.g. biodegradable, recyclable). They are not necessarily based on comparative assessments.
Type III Life Cycle assessment (ISO/TR 14025)	They are based on products information and provide quantitative environmental data, with pre-set categories of parameters, based on Life Cycle Assessment standards (ISO 14040).

See "Conformity Assessment" section below, for further details on the ISO standards referring to environmental labels and declarations.

Forest certification, although related to type 1, only addresses one aspect of the product life cycle. It is called a single-issue label, not to be confused with type 2, which is self-declared. Thus forest certification does not fall into any of these categories.

The credibility of the label rests on the certainty that no wood is sold with the label that is not produced in a certified forest. To ensure this, monitoring and certification of the chain of custody is necessary. This process follows the timber from the forest to the final product and is not free from its own difficulties, for example for products made out of wood from multiple

sources, e.g. paper. It is however not the purpose of this manual to enter into these details. However, product labelling has a direct consequence for forest certification: provisions must be made in the evaluation standards to ensure that the basis for chain of custody monitoring is in place. This includes the proper identification of logs, their origin in the forest, to whom they are sold, etc.

## **5 Sustainable development**

### **5.1 Key concepts and principles**

The objectives and benefits of forest certification mentioned above reflect sustainable development principles and concepts that have emerged since the Stockholm Declaration on Human Environment (1972) and the Brundtland Report (WCED 1987). They were further developed, in the early 90s, by Caring for the Earth (IUCN/UNEP/WWF 1991) and during the UNCED process (1992), which gave a meaning to sustainable development for the first time. Agenda 21, the Rio Declaration on Environment and Development and the Forest Principles are key in that sense. A Global Partnership for their achievement was agreed upon.

The principles and concepts coming from the United Nation resolutions and political declarations, are part of the so-called soft-law instruments (i.e. they are legally non-binding). However, they are a source of international law, along with international conventions and customary international law. Their importance comes from the fact that they represent a

global consensus and a political commitment agreed by a multilateral forum at the highest level.

Many of these principles have been integrated into the international conventions that resulted from the Rio process: the Convention on Biological Diversity and the Framework Convention on Climate Change, as well as into other international negotiation and processes that have taken place later. More recently, the global partnership and the policy documents from UNCED 1992 were reaffirmed in 1997 at the 19<sup>th</sup> special session of the UN General Assembly. The Programme for the Further Implementation of Agenda 21 (A/S-19/29, 27 June, 1997, Annex) emphasised that their implementation remains vitally important and is more urgent now than ever. Governments committed themselves to ensuring that the next comprehensive review in the year 2002 would demonstrate greater measurable progress in achieving sustainable development. It has been recognised that much remains to be done to embody the Rio principles more firmly in law and practices.

#### *5.1.1 Sustainable development: a question of intergenerational equity and responsibility*

The Brundtland Report (WCED 1987) defined sustainable development as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In 1991, IUCN/UNEP/WWF proposed in their "Strategy for Sustainable Living" an understanding of the concept as "improving the quality of human life while living within the carrying capacity of supporting ecosystem". In turn, the Rio declaration (UNCED 1992a) affirmed that "the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations" (Principle 3).

These statements reflect the double responsibility that sustainable development entails. On the one hand, the protection of the environment and the satisfaction of the present generation's needs. On the other hand, the rights and needs of future generations are to be respected.

The Forest Principles (UNCED 1992b) apply these concepts to the use of natural resources by stating that "forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations" (Principle 2.b). This includes all the spectrum of forest products, services and values.

In addition, Article 2 of the Convention on Biological Diversity (CBD), a legally binding agreement, reaffirmed those principles. It defines that "sustainable use means the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations".

*5.1.2 Integrating environmental protection, social and economic development:  
the interdependence between the different factors*

Given their interdependence and mutually reinforcing nature, the integration of environmental and development objectives has been highlighted since Rio, as a precondition to attain the long-term goals of sustainable development.

Principle 1 of the Rio Declaration affirms that "Human beings are at the centre of concerns for sustainable development" and that in achieving it "environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it" (Principle 4).

The imperative need of integrating environment and development concerns has been applied to the use of natural resources and particularly of forest resources. Principle 2 b) of the Forest Principles quoted above clearly establishes this. This need is also reaffirmed by Principle 3 c) as: " All aspects of environmental protection and social and economic development as they relate to forest and forest lands should be integrated and comprehensive".

To achieve this integration and interdependence was also the specific object of chapter 8 of Agenda 21 (UNCED 1992d), in which a set of provisions to this aim were set out.

However, in 1997 the overall review of the implementation of Agenda 21 concluded that progress in this crucial integration had been limited. Additional strategies have been adopted to accelerate progress towards sustainable development. In a call for the implementation of a holistic approach that encompasses all the complexities of what must be considered as part of sustainable development, it is stated that: "Growth can foster development only if its benefits are fully shared. It must therefore also be guided by equity, justice and social and environmental considerations. Development, in turn, must involve measures that improve the human condition and the quality of life itself. Democracy, respect for all human rights and fundamental freedoms..." (United Nations, 1997, paragraph 23).

Some additional programmatic items included:

- encouraging producer responsibility and greater consumer awareness
- promoting measures to internalise environmental costs
- promoting the role of business in shaping more sustainable patterns of consumption
- improving the quality of information regarding the environmental impact of products and to that end encouraging the voluntary and transparent use of eco-labelling
- giving balanced consideration to both the demand side and the supply side of the economy in matching environmental concerns and economic factors.

*5.1.3 Incentives for well managed forests: incorporating environmental costs and benefits*

The Forest Principles specifically affirmed that to avoid discrimination their provisions apply to all types of forest in all regions (Preambular paragraphs e and f). It stresses "the vital role of all types of forest in maintaining the ecological processes and balance at the local, national, regional and global levels..." (Principle 4).

The role of economic incentives, including forest certification is early acknowledged by the Forest Principles. They affirm that the "reduction and removal of tariff barriers and impediments to the provision of better market access and better prices for higher value-added forest products and their local processing should be encouraged to enable countries to better conserve and manage their renewable forest resources" (Principle 13b). It adds that the "incorporation of environmental costs and benefits into market forces and mechanisms, in order to achieve forest conservation and sustainable development, should be encouraged both domestically and internationally" (Principle 13c). "Adequate policies, aimed at the management, conservation and sustainable development of forests, including incentives, should be encouraged" (Principle 13 e).

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#### *5.1.4 Precautionary principle*

Principle 15 of the Rio Declaration establishes that "in order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation".

This important principle was also included for the first time in a legally binding agreement in the preamble paragraph 9 of the CBD. "...Where there is a threat of significant reduction or loss of biological diversity, lack of full scientific certainty should not be used as a reason for postponing measures to avoid or minimise such a threat."

#### *5.1.5 Stakeholder participation in decision-making:*

##### *Empowering people with rights and information*

Principle 10 of the Rio Declaration affirmed that "Environmental issues are best handled with participation of all concerned citizens, at the relevant level... At the national level, each individual shall have appropriate access to information concerning the environment that is held by public authorities, including information on hazardous materials and activities in their communities, and the opportunity to participate in decision-making processes". The right to information implies making information widely available, so that public awareness and participation are facilitated and encouraged. "Effective access to judicial and administrative proceedings, including redress and remedy, shall be provided".

The Forest Principles included the right to reliable information and public participation in the forest policy process. "The provision of timely, reliable and accurate information on forests and forest ecosystems is essential for public understanding and informed decision-making and should be ensured" (Principle 2c). "Governments should promote and provide opportunities for the participation of interested parties, including local communities and indigenous people, industries, labour, non-governmental organisations and individuals, forest

dwellers and women, in the development, implementation and planning of national forest policies” (Principle 2d).

Principle 22 of the Rio Declaration recognises that ”indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognise and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development”.

#### *5.1.6 National Sovereignty and respect for local conditions*

Principle 2 of the Rio Declaration reaffirmed the sovereign rights of countries and their responsibility towards other States. ”States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction”.

Further, Principle 11 of the Rio Declaration expresses sensitivity for policy development that responds to local conditions. ”... Environmental standards, management objectives and priorities should reflect the environmental and development context to which they apply. Standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries”.

Moreover, the Principle 8 d) of the Forest Principles also recognises the importance of using criteria and guidelines at different levels. ”Sustainable forest management and use should be carried out in accordance with national development policies and priorities and on the basis of environmentally sound national guidelines. In the formulation of such guidelines, account should be taken, as appropriate and if applicable, of relevant internationally agreed methodologies and criteria”.

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## **5.2 What does this mean for forest certification?**

The sustainable development (SD) principles highlighted above have very important and practical implications for the development of environmental and economic instruments and policies. It results from them that any certification scheme to be implemented within the frame of SD should:

- be based on the precautionary principle
- exercise intergenerational equity and responsibility
- be environmentally sound, socially beneficial and just, and economically viable

- embody a holistic approach to maintain all forest values, products and services
- equally apply to all types of forest and forest products, and regions
- be established by consensus to avoid unilateral measures and/or discriminatory trade impacts
- be voluntary in participation
- be participatory and acceptable to all stakeholders
- recognise the rights of indigenous people and local communities
- encourage producer responsibility, while ensuring adequate information to and awareness of consumers
- internalise environmental costs and benefits
- encourage the transparent use of environmental claims and labels
- ensure enforcement of local, national and international laws and provide effective access to legal and administrative procedures
- encompass recognition of national sovereignty and be adapted to local conditions in the setting of standards, while fitting into a globally agreed framework.

Undoubtedly, a forest certification scheme that complies with the characteristics listed above would contribute to the achievement of sustainable development by promoting local development, equity and social justice. However, forest certification is just one of many tools and it cannot be expected to realise all the wider goals of society whose implementation depends on different actors. A practical implication for forest management practice is that "it is useful to clarify the needs and wants of stakeholders at an early stage, in order to establish if any group has unrealistic expectations about the forest operation" (Higman et. al. 1999).

## 6 Multilateral Trade Framework (WTO)

### 6.1 What is the WTO?

The World Trade Organization was created as a result of the Uruguay Round of Multilateral Trade Negotiations, which took place from 1986 to 1994. The WTO is the new and permanent organisation that deals with the rules on trade. It has succeeded to the General Agreement on Tariffs and Trade (GATT), which acted as an organisation on an ad hoc basis. The GATT, as an agreement, provided the rules for the trading system since 1948 and was amended in 1994 to be included as part of the WTO's agreements.

Based in Geneva, the WTO was established in January 1995, with the purpose of facilitating free trade. The WTO Agreements cover a broad spectrum of goods, services and intellectual property. They include rules for open markets and establish the procedure for the settlement of disputes. WTO members are governments.

The WTO has no specific agreement dealing with environmental matters, although some trade agreements include provisions relating to the environment. At the outset of the Uruguay Round, trade ministers decided to create the Committee on Trade and Environment (CTE), with the purpose of studying the relationship between trade and environment and recommending any amendment trade agreements may need. This has allowed the WTO to claim to have brought environmental and sustainable developments matters into the mainstream of its work (WTO 1998).

The WTO describes the work of the CTE as being based on the following principles:

- "The WTO is only competent to deal with trade. In other words, in environmental issues its only task is to study questions that arise when environmental policies have a significant importance in trade. WTO is not an environmental agency. Its members do not want it to intervene in national or international environmental policies or to set environmental standards. Other agencies that specialise in environmental issues are better qualified to undertake those tasks.
- If the Committee does identify problems, the solutions must uphold the principles of the WTO trading system" (WTO Ibidem, page 46).

The issue of whether eco-labelling schemes are affected by WTO rules has been debated in the CTE within the context of product related environmental requirements, and in the Committee on Technical Barriers to Trade (CTBT). However, there is no agreement that either eco-labelling, or Forest certification does fall within the remit of any of the agreements that apply. The current agreements or annexes do not include any rules dealing with special requirements for the sector or the issue, the main reason being that these tools are voluntary

in essence.

However it has been recognised by the CTE that further discussion is needed on how to handle environmental labelling based on the process and production methods of products (PPMs), under the TBT agreement<sup>7</sup>.

## 6.2 Key concepts and principles

There are a number of agreements on non-tariff barriers that deal with issues such as technical regulations and standards. However, the agreement that is central to the issue of forest certification is the TBT Agreement. Its purpose is to ensure that regulations, standards

<sup>7</sup> Given the recent failure of the Seattle trade negotiations due mainly to global disagreement on the role of agriculture, and the divergence of opinions between the developed and the developing world, WTO may yet have other priorities than dealing with Eco-labels. Thus, there is a strong probability that this discussion will not be finished by the near future.

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and conformity assessment procedures do not create unnecessary obstacles to trade. Certification is part of conformity assessment.

The TBT Agreement addresses situations where conformity with standards and technical regulations, developed in a given country, is necessary to access all or part of the market in that country. Forest certification systems where standards are developed in a given country, but are accepted in all countries, should not fall under the regulation of the TBT Agreement. Nevertheless, the TBT Agreement and more specifically Annex III, the Code of Good Practices, offer useful guidance on the requirements international trade rules put on standardisation bodies and these would be well advised to follow these requirements.

### 6.2.1 Agreement on Technical Barriers to Trade - TBT

The TBT agreement encourages the development of international standards and conformity assessment systems, given their contribution to improving production efficiency and facilitating international trade (Preambular provisions 3 and 4). However, it expresses the desire to ensure that technical regulations and standards, including packaging, marking and labelling requirements and procedures for assessment of conformity do not create unnecessary obstacles to international trade (Preambular provision 5). In this respect, the application of standards developed by the International Organization for Standardization (ISO) is key (see "Conformity Assessment" section for further information on ISO).

The TBT Agreement further recognises that "no country should be prevented from taking the

necessary measures, at the levels it considers appropriate, to ensure the quality of its exports, the protection of human, animal or plant life or health, of the environment, or for the prevention of deceptive practices...” (Preambular provision 6).

#### Use of international standards as the basis for national technical regulations

A clear distinction is made between technical regulations which are mandatory, and standards which are voluntary (Annex 1). The TBT also differentiates between standards and regulations made by central governments and those made by local governments and non-governmental organisations.

Article 2 covers the rules for the preparation, adoption and application of technical regulations by central government bodies. It establishes that “where technical regulations are required and relevant international standards exist or their completion is imminent, members shall use them, or the relevant parts of them, as a basis for their technical regulations ” (Paragraph 2.4), thus giving a great importance to international standards.

Although, the TBT Agreement does not specifically define what an “international standard” is, it is assumed to represent the consensus of interested parties at the international level. Therefore, the process by which international standards are developed should ensure that this is done in the most democratic manner, in accordance to the relevant rules of the Code of Good Practice.

#### Compliance of local and non-governmental bodies

Article 4 establishes that in the preparation, adoption and application of standards, “members shall ensure that their central government standardizing bodies accept and comply with the Code of Good Practice for the Preparation, Adoption and Application of Standards...”. “They shall take such reasonable measures as may be available to them to ensure that local government and non-governmental standardizing bodies... accept and comply with this Code of Good Practice”. It adds that these obligations shall apply irrespectively of whether or not a standardising body has accepted the Code of Good Practice (Article 4.1).

#### Avoiding discrimination in conformity assessment

With regard to conformity assessment, mainly two clauses of the TBT Agreement are relevant for forest certification.

”Conformity assessment procedures are prepared, adopted and applied so as to grant access for suppliers of like products originating in the territories of other members under conditions no less favourable than those accorded to suppliers of like products of national

origin or originating in any other country, in a comparable situation...” (Article 5.1.1).

A procedure exists to review complaints concerning the operation of a conformity assessment procedure and to take corrective action when a complaint is justified (Article 5.2.8).

#### *6.2.2 Code of Good Practice for the Preparation, Adoption and Application of Standards*

The Code of Good Practice for the Preparation, Adoption and Application of Standards (Annex 3 of the TBT Agreement) applies to any standardisation body located in a member country of the WTO, whether governmental or non-governmental. It describes how local governments and non-governmental bodies should apply their own procedures as follows:

##### Obstacles to trade

”The standardising body shall ensure that standards are not prepared, adopted or applied with a view to, or with the effect of, creating unnecessary obstacles to international trade” (Substantive Provision E).

##### Non duplication of work of international standards

”The standardizing body within the territory of a member shall make every effort to avoid duplication of, or overlap with, the work of other standardizing bodies in the national territory or with the work of relevant international or regional standardizing bodies (Substantive Provision H). In particular, ”where international standards exist or their completion is imminent, the standardizing body shall use them, or the relevant parts of them, as a basis for the standards it develops...” (Substantive Provision F).

##### Harmonisation

Standards must not only not duplicate the work done at the international or regional level but, to avoid distortion and promote harmonisation, ”the standardizing body shall play a full part, within the limits of its resources, in the preparation by relevant international standardizing bodies of [relevant] international standards...”. This should be made through the participation of a delegation of the national standardising body in the work of the international one (Substantive Provision G).

##### Consultation and consensus

The strength of standards as voluntary technical requirements rests on their acceptance by a majority of stakeholders. Therefore, ”before adopting a standard, the standardizing body shall allow a period of at least 60 days for the submission of comments on the draft standard by interested parties within the territory of a Member of the WTO...” (Substantive Provision L). To facilitate the consultation process, the standardisation body must ”promptly provide, or arrange to provide, a copy of a draft standard which it has submitted for comments...”, on the request of any interested party (Substantive Provision M).

”The standardizing body shall take into account, in the further processing of the standard, the comments received during the period for commenting. Comments received through standardizing bodies that have accepted this Code of Good Practice shall, if so requested, be replied to as promptly as possible” (Substantive Provision N). It must also ”make an objective effort to solve any complaints” (Substantive Provision Q).

In addition, standardising bodies must ”make every effort to achieve a national consensus on the standards they develop” (Substantive Provision H).

### 6.3 What does this mean for forest certification?

TBT and its Code of Good Practice for the Preparation, Adoption and Application of Standards provide rules for both conformity assessment (certification) and standardisation. Although there is still some debate over the extent TBT applies to forest certification, organisations establishing or operating a certification programme would be well advised to follow these rules.

In its preamble, TBT recognises the right of countries to ensure the quality of their exports to protect human life and the environment, thus recognising that forest certification standards developed at the national level for exported goods do not create unnecessary obstacles to trade. This can presumably be extended to goods for national consumption.

Certification bodies should:

- Have well documented procedures to review complaints about their procedure and to take corrective actions
- Not discriminate between domestic and foreign suppliers

This provision entails that, for conformity assessments, certification bodies should:

- use standards that are adapted locally
- in case the certificate is linked with an on product declaration, have the same requirements for domestic and foreign suppliers in the assessment of the chain of custody

For the development of standards, the Code stipulates the general principle that standards do not create unnecessary obstacles to trade. Further provisions detail this requirement. The standardising body, including national certification initiatives developing standards, should:

- not duplicate the work of other standardising bodies, at national or international level
- use the relevant part of international standards as a basis for the standard it is developing
- harmonise its standard with other similar ones, including participating in the work of relevant international standardising bodies

- allow sufficient time for comments on a draft standard (60 days), nationally and internationally, and provide the draft standard to interested parties
- take comments into account
- make an objective effort to address complaints and try to reach consensus

The WTO deems that standards developed by international standardising bodies, particularly by the ISO, can be confidently regarded as not creating unnecessary barriers to trade (Eglin 1996). The ISO provides a whole range of guides and standards that are relevant for forest certification and gives more operational indications than TBT. Organisations establishing or operating certification programmes should consider compliance with these ISO requirements. These are detailed in the chapter on "conformity assessment".

## **7 Conformity assessment (ISO)**

Standards (*i.e.* series of specifications aimed at ensuring consistent products, services and processes), and conformity assessment of these standards, are probably as old as trade itself. With the internationalisation of trade, a phenomenon that dramatically developed during the 19<sup>th</sup> century, the need to develop international standards to avoid problems of international market access became evident. Thus, in 1906, the International Electrotechnical Commission (IEC) was created. IEC is still operating. Later on, in 1926, the International Federation of National Standardising Associations (ISA) was established to carry out pioneering work in the field of mechanical engineering standards. ISA activities ceased because of World War II. Right after the war, delegates from 25 nations created the ISO, the International Organization for Standardization, an organisation that has considerable importance today.

### **7.1 What is ISO?**

The International Organization for Standardization is a private body headquartered in Geneva. The ISO's objective is to facilitate the international trade of goods and services, by developing world wide technical agreements that are published as international standards. Today, ISO counts 133 members from as many countries. Members are national standards bodies, which may be either governmental institutions or organisations incorporated under public law. Standards are developed by working groups composed of experts nominated by the members. The vast majority of these experts come from industry, and, at least in the case of environmental management, ISO has been criticised for the lack of participation of representatives from developing nations and civil society (Hauselmann 1997).

As indicated in the chapter on the multilateral trade framework, ISO is closely associated with the WTO TBT Committee work. In 1996, the Director of the WTO Trade and Environment division wrote: *"the use of international standards, and most particularly ISO standards, can...be regarded confidently as the best way of ensuring that technical regulation and standards do not cause technical barriers to trade"* (Eglin 1996). Although ISO standards are normally voluntary, in many countries, including Europe and the USA<sup>8</sup>, national laws refer directly to international standards, thus giving them a mandatory status. This is called the "new approach" in Europe. Thus, relevant ISO guides and standards are worth considering with attention in the development or operation of forest certification schemes or programmes.

## 7.2 Key concepts and principles

As a starting point, it is important to remember that there is **no** ISO standard directly applicable to forest certification. The relevant documents are thus those that indicate how standard development, accreditation and certification should be operated on a general basis. However, these documents form a framework in which more specific programmes should operate. A more specific description of the components of a standard for forest management certification is provided in the chapter "What is forest certification?" Some standards also give indications related to environmental claims and labels. ISO has developed a technical report (i.e. a purely informative document) to help forest companies establish an environmental management system following ISO 14001 (ISO 1998a).

ISO Standards and Guides are copyrighted materials. Copies can be bought from national standardisation bodies. Extracts from the most meaningful clauses are given below for the users of this manual. However, bodies establishing or operating forest management certification programmes are advised to get copies of the relevant documents, including those in effect in the country where they operate or plan to operate.

<sup>8</sup> Actually, in Europe, the standards referred to are CEN standards. However, through the Vienna agreement, ISO standards are simultaneously adopted by CEN as its own standards.

Standardisation, certification and accreditation are three distinct components of conformity assessment. One activity should not be confused with the other, a mistake frequently made when speaking about forest certification. In particular, when addressing the currently hot topic of "mutual recognition", the first step should be to identify at which level recognition is meant (standards, certificates or accreditation?).

#### **Main relevant ISO/IEC documents.**

##### *Standardisation:*

ISO/IEC Guide 59 (ISO/IEC 1994)

##### *Certification:*

Main relevant ISO/IEC documents: ISO/IEC Guide 62, ISO/IEC Guide 65, ISO/IEC 17020 (ISO/IEC 1996), ISO/IEC Draft Guide 66: (ISO/IEC 1998)

##### *Accreditation:*

Main relevant ISO/IEC documents: ISO/IEC Guide 61, ISO/IEC Technical Report 17010 (ISO/IEC 1996)

##### *Environmental management system:*

ISO 14001, ISO 14004 (ISO 1996), ISO technical report 14061 (ISO 1998)

##### *Environmental claims:*

ISO 14020, ISO 14021, ISO 14024.

##### *Others*

ISO 14010, ISO 14011, ISO 14012 (ISO, 1996)

The list of ISO documents given above is not exhaustive. Many other standards and guides might be relevant. However, these are the main ones and reflect the majority of requirements for conformity assessment.

#### *7.2.1 Standardisation*

##### **Standard:**

*Document, established by consensus and approved by a recognised body, that provides rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context (ISO/IEC 1991).*

A standard is a set of requirements against which a certification body assesses a product, service or process. If the requirements are fulfilled, a certificate is awarded. The process by which a standard is developed is of utmost importance to determine the value of the certificate. ISO/IEC Guide 59 (ISO/IEC 1994) indicates the main characteristics that such a process should follow.

Guide 59 repeats many of the general principles enunciated in annex 3 of the TBT Agreement,

which is described in the chapter on the multilateral trade framework, but adds points and clarifications. Only these are indicated below.

#### *Purpose*

*Standards should not be written so as to allow them to mislead consumers and other users of a product, process or service addressed by this standard (guide 59: 5.4).*

#### *Participation*

As stated by ISO/IEC in the foreword of their own procedures for developing standards, *consensus, which requires the resolution of substantial objections, is an essential procedural*

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*principle and a necessary condition for the preparation of international standards that will be accepted and widely used (ISO/IEC 1995).*

To ensure that this consensus is reached amongst relevant stakeholders, *participation in standardization process at all levels shall be accessible to materially and directly interested persons and organizations within a coherent process (guide 59: 6.1).*

#### *Transparency*

For a standard to be credible to its potential users, directly, *e.g.* by certification bodies or indirectly, *e.g.* by buyers who base their purchasing decisions on the certificate, the *procedures of the standardizing body shall be available to interested parties upon request (guide 59: 4.1). These procedures should contain identifiable, realistic and readily available appeal mechanisms for the impartial handling of any substantive and procedural complaints (guide 59: 4.2).*

### *7.2.2 Certification and Accreditation*

#### **Certification**

*Procedure by which a third party gives written assurance that a product, process or service conforms to specified requirements (ISO/IEC 1991)*

The certification process should be as mechanical as possible, *i.e.* given a standard, different certification bodies should arrive at the same conclusion about the same process, product or service. For this to happen, certification bodies should work in a similar way and have a similar system. Such a system is described by ISO/IEC guides 62, 65 and 66 as well as ISO/IEC 17020 (ISO/IEC 1996).

#### **Accreditation**

*Procedure by which an authoritative body gives formal recognition that a body or person is competent to carry out specific tasks (ISO/IEC 1991)*

Accreditation (the certification of certification bodies) aims at ensuring that the system used by certification bodies under the same accreditation fulfils certain minimum requirements.

The aim of ISO/IEC Guide 61 is to "describe accreditation as providing, by means of assessment and subsequent surveillance, an assurance that the market can rely on certificates issued by the accredited bodies"(ISO/IEC, 1996).

Notwithstanding the different levels and specific activities of certification and accreditation, the guidance given by ISO, which is at a general level, is very similar for both. Therefore the main requirements are indicated jointly below. They fall into the following broad categories:

- Equity of access
- Quality management system
- Independence
- Participation
- Transparency
- Reference to accredited status and use of logos
- Surveillance
- Enforcement

#### Equity of access

To ensure equity of access to the programme, whatever the size of the organisation, *the accreditation/certification body shall make its services accessible to all applicants whose activities fall within its declared field of operation* (guides 61 & 62: 2.1.1.2, guide 65: 4.1.2)

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#### Quality management system

The existence and implementation of a quality management system ensures that the accreditation/certification body works according to internationally accepted procedures, thus contributing to the overall credibility of the programme. *The accreditation/certification body shall have a quality system that gives confidence in its ability to operate an accreditation/certification system* (guides 61 & 62: 2.1.2, guide 65: 4.2). *The quality system shall be documented in a quality manual and associated quality procedures* (Guides 61 & 62: 2.1.4, guide 65: 4.5).

Responsibilities should be clearly defined and the *accreditation/certification body shall identify the management (committee, group or person) which will have overall responsibility for, amongst others, the performance of assessments and the decisions on accreditation/certification* (guides 61 & 62: 2.1.2, guide 65: 4.2). Even if the accreditation/certification body decides to subcontract work related to its activities, *it shall take full responsibility for it and maintain responsibility for granting, maintaining or withdrawing the accreditation/certification* (guide 61: 2.1.3 & 2.3.2, guide 62: 2.1.3 & 3.5.2, guide 65: 4.4 & 12.2). In addition, *the conditions for granting, maintaining, extending and reducing accreditation/certification, and the conditions under which it can be suspended or withdrawn shall be specified* (Guides 61 & 62: 2.1.5, Guide 65: 4.6).

To ensure the rigour of the accreditation/certification process, and its duplicability, *the audit team shall assess the applicant's products, process or services against all applicable requirements* (guide 61: 3.3.1, guide 62: 3.3, guide 65: 10). *The accreditation body shall witness fully the on-site activities of one or more assessments conducted by an applicant before an initial accreditation is granted for any function requiring on-site activity by the applicant* (guide 61: 3.3.2). This last clause only refers to accreditation bodies, but should be extended to certification bodies as well.

Accreditation/certification bodies can establish committees to help them in their task, in which case they *shall have formal rules and structure for appointing and operation of any committee involved in the accreditation/certification process* (guide 61 & 62: 2.1.2, guide 65: 4.2).

#### Independence and impartiality

Independence and impartiality are two key elements of credibility. Therefore, *accreditation/certification bodies shall have a documented structure that safeguards impartiality* (guides 61 & 62: 2.1.2, guide 65: 4.2). *Both the senior executive and the staff shall be free from any commercial, financial and other pressure* (guides 61 & 62: 2.1.2, guide 65: 4.2).

*The accreditation/certification body shall not offer or provide, directly or indirectly the services it accredits others to perform, consulting services to obtain or maintain accreditation/certification nor services to design, implement or maintain a certification/quality systems. Other products, services or processes may be offered, provided they do not compromise the confidentiality or objectivity of accreditation/certification* (guides 61 & 62: 2.1.2, guide 65: 4.2). If other activities are carried out, *there shall be policies and procedures that distinguish between accreditation/certification and other activities in which the accreditation/certification body is engaged* (guides 61 & 62: 2.1.2, guide 65: 4.2).

The accreditation/certification body *shall ensure that each decision on accreditation is taken by persons different from those who carried out the assessment* (guides 61: 2.1.2 & 2.3.1, 62: 2.1.2 & 3.5.1, guide 65: 4.2). However, the audit team should make a recommendation to the decision entity that takes the decision on granting a certificate. This entity *shall normally not overturn a negative recommendation by the audit team*. Should this occur anyway, *the basis for this decision shall be documented and justified* (guide 66: 5.5.1)

#### Participation of stakeholders

The structure that safeguards impartiality shall enable the participation of all parties significantly concerned (guides 61 & 62: 2.1.2, guide 65: 4.2).

Committees involved in the accreditation/certification process should *have a structure where members are chosen to provide a balance of interests, where no single interest dominates and which is deemed to be free of undue pressure* (guides 61 & 62: 2.1.2, guide 65: 4.2).

#### Transparency

For the market to have confidence in an accreditation/certification it is important that stakeholders can have access to information about the programme. Thus, *the accreditation/certification body shall document, update regularly and make available on request, inter alia:*

- information on its accreditation/certification system, including its rules and procedures for granting, maintaining, expanding or reducing, suspending and withdrawing accreditation/certification
- a description of the means by which the accreditation/certification body obtains financial support, and information on the fees charged to applicants
- a description of the rights and duties of applicants and accredited/certified bodies, including the conditions on the use of the accreditation/certification body's logo, and on the ways to refer to the accreditation/certification (guides 61 & 62: 2.1.7, guide 65: 4.8).

#### Reference to accredited status and use of certificates and logos

Rules about ways to claim accreditation or certification status, including the use of logos, differ slightly depending on whether they apply to accreditation or to certification bodies. Therefore, they are separated into two distinct headings below.

##### *Reference to accredited status*

An accreditation body, owner of a logo (or mark) intended for use under its accreditation programme, shall have a policy governing its use (guide 61: 2.4.1). The accreditation body shall not allow the use of its logo in any way that implies that the accreditation body itself endorses a product, process or service certified by an accredited certification body (guide 61: 2.4.2 & 3.1.1.2).

##### *Use of certificates and logos*

The certification body shall exercise proper control over the ownership, use and display of its mark (guide 62: 3.7.1, guide 65: 14.1). The supplier may use this logo only as authorised in writing by the certification body. In particular, where certification is granted only with respect to the quality or environmental management system, the logo shall not be used on a product or in any way that may be interpreted as denoting product conformance (combination of guide

61: 2.4.2 & guide 62:3.7.2).

#### Surveillance

The accreditation/certification body shall have an established and documented programme for carrying out periodic surveillance to verify that the accredited body/certified supplier continues to comply with the requirements for accreditation/certification. It is unlikely that a period greater than one year would satisfy this requirement (guide 61: 3.5.1, guide 62: 3.6.1)

#### Non conformity, complaints and enforcement

Another important ingredient of credibility is the accreditation/certification body's ability to deal with non-conformance, and complaints. *Procedures for handling non-conformities and assuring the effectiveness of any corrective action shall be defined. Policies and procedures for handling complaints shall also be defined* (Guides 61 & 62: 2.1.4, guide 65: 4.5).

The existence of enforcement mechanisms is also important for the correct operation of an accreditation/certification programme. *The Accreditation/certification body shall have procedures to grant, maintain withdraw and suspend accreditation/certification* (guide 61 & 62: 2.1.5.2). The reference to the need of enforcement mechanisms is clearer concerning the

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use of logos and the reference to the accreditation/certification status. *Suitable action to deal with incorrect reference to the accreditation/certification system or misleading use of accreditation/certification logos in advertisement, catalogues, etc. shall be taken by the accreditation/certification body. Such action could include corrective action, withdrawal of the certificate, publication of the transgression and, if necessary, other legal action* (guide 61: 2.4.3, guide 62: 3.7.3, guide 65: 14.3)

#### 7.2.3 The ISO 14000 series

##### Environmental management system

ISO 14001 is the only standard in the whole ISO 14000 series that is intended to lead to certification. Such certification attests the existence and implementation of a management system, not the conformity of products with predefined requirements. Therefore, it cannot be used to indicate product conformance. It is aimed at ensuring a continuous improvement of the environmental management system of an organisation through a continuous loop of management steps:

- Policy and planning: the organisation defines its environmental policy and sets its own targets, taking legal requirements into account (e.g. reduce electricity consumption by X%)

- **Implementation:** staff and resources are allocated to implement a programme to meet the targets
- **Monitoring:** mechanisms are in place to monitor the implementation of the programme and propose adjustments if necessary
- **Management review:** the system is reviewed and new targets are set by the organisation (back to step 1).

Although ISO 14001 does not require minimum performance, it can be a useful tool to achieve specified objectives. The difference between system and performance approaches is explained in the chapter "What is forest certification?".

#### Environmental claims and labelling

Forest management certification is often associated with claims made in the market. For this reason ISO standards on environmental claims and declarations are relevant. However, Forest certification is not to be confused with an ecolabel as understood commonly (type 1 labels in ISO terminology): although it is third party and is based on multiple criteria, it only deals with the production of the raw material of timber or other forest products. Therefore forest management certification, if declared in relationship with products, is considered as a single-issue claim. The only fully applicable ISO standard for this category is ISO 14020. However, useful guidelines can be obtained from ISO 14021 on self-declared claims (because they mostly are single issue) and ISO 14024 on life cycle environmental labels (because they are multi-criteria based and third party. People establishing or operating forest accreditation or certification programmes that can lead to the use of logos or trademarks on products are advised to take these guides into account.

ISO 14020 lists 9 principles applicable to all types of environmental labels and declarations. They shall:

- be accurate, verifiable, relevant and not misleading (principle 1).
- not be prepared, adopted, or applied with the view to, or the effect of, creating unnecessary barriers to trade (principle 2).
- be based on scientific methodology that is sufficiently thorough and comprehensive to support the claim and that produces results that are accurate and reproducible (principle 3).

- make the information concerning the procedure, methodology, and any criteria used to support the claim available upon request to all interested parties (principle 4).

- take into consideration all relevant aspects of the life cycle of the product in their development (principle 5).
- not inhibit innovation that maintains or has the potential to improve environmental performance (principle 6).
- limit any administrative requirements or information demand to those necessary to establish conformance with applicable criteria and standards of the labels and declarations (principle 7).
- make sure that information on the environmental aspect of products and services relevant to an environmental label or declaration is made available to purchasers from the party making the claim (principle 9).

In addition,

- the process of developing environmental labels and declarations should include an open, participatory consultation with interested parties. Reasonable effort should be made to achieve a consensus throughout the process (principle 8).

In relation to principles 1 and 3, clause 5.5 of ISO 14021 is particularly relevant, which states: *“At this time there are no definitive methods for measuring sustainability or confirming its accomplishment. Therefore, no claim of sustainability shall be made.”* (ISO, 1999)

Others

ISO has published other documents in the 14000 series that can have relevance for forest management certification. They are indicated below for reference. However, their specificity goes beyond the purpose of this guide.

- ISO 14010:1996 Guidelines for environmental auditing - General principles
- ISO 14011:1996 Guidelines for environmental auditing - Audit procedures - Auditing of environmental management systems
- ISO 14012: 1996 Guidelines for environmental auditing - Qualification criteria for environmental auditors

### **7.3 What does this mean for forest certification?**

The principles and guidelines related to standardisation, certification and accreditation developed by ISO and highlighted above have clear implications for forest certification schemes. These are summarised below.

- The process of writing forest certification standards should be:
  - participatory. Representation of all stakeholders should be sought and every reasonable effort to reach consensus made.
  - transparent. The procedures of the body writing the standard should be clearly written and accessible to all stakeholders.
  - These procedures should include clear mechanisms for appeal.
- Forest certification standards should not be written so as to allow them to mislead

consumers and other users. In particular, they should not infer that the certification according to these standards assures that sustainable forest management has been achieved. They should not create unnecessary barriers to trade.

- Bodies operating accreditation or certification programmes for forest management should:

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- have procedures that allow for equity of access to all applicants, regardless of their size or location.
- have a written quality management system that clearly defines, inter alia:
  - responsibilities,
  - the conditions for granting, maintaining, extending, reducing, suspending or withdrawing the certificate
- be *independent and impartial* and avoid providing services of certification in the case of accreditation bodies or forest management for certification bodies. It should not provide consulting services for these activities either. In case other services than accreditation or certification are provided, a clear distinction between these services and the accreditation or certification services should be drawn.

The person or persons who take the decisions related to accreditation or certification should not have taken part in the audit.

- Allow the participation of all stakeholders
- Have transparent procedures. In particular, the following information should be available to all interested parties:
  - structure of the organisation
  - process and criteria (standards) used for assessments
  - source of revenue
- Have clear rules about the *reference to accredited status and use of logos*. In particular, mechanisms to exercise proper control on the use of logos and trademark should exist. No such logo or trademark should be applied on products if the certification is only based on the existence of a management system.
- Have a system to carry out periodic surveillance to verify the maintenance of the conditions that have allowed accreditation or certification in the first place. This

periodicity should not exceed one year.

- Have procedures to handle non-conformance with requirements or misuse of the reference to accredited status, trademark or logo, including *enforcement* mechanisms. Possible legal actions should be envisaged in these procedures.

## 8 Public interest Groups

Public interest groups are generally understood as those that focus their objectives and activities on the rights, claims, interest and aspirations of society as a whole. Their work goes beyond individual, private or lucrative interests. It includes the advocacy of special causes such as those from poor communities, consumers' rights, healthy and safe environment and gender equality.

Due to different cultural and geographical backgrounds, public interest groups have different political positions and emphases. For the purpose of this manual however, the position of those organisations that are part of a broad coalition around forest certification is considered predominant.

### **8.1 Non-Governmental Organisations – NGOs**

Social and conservation NGOs are playing an increasingly important role in policy development at the national and international levels. Their strength is based on the fact that they reflect public interest goals and objectives of society.

The credibility of NGOs lies in the responsible and constructive role they play in society, as has been recognised by governments (UNCED, 1992e). This credibility was based solely on their capacity, expertise and experience in fields considered by governments to be needed in the implementation of Agenda 21. Thus, they have become vital partners and actors in building sustainable development.

In practice, NGOs' credibility and role go further than that. They are based on their capability to position themselves as innovative actors (beyond their role as pressure groups), to influence the public image of enterprises and government bodies, to affect the economic performance of business and create networks and mobilise support for the causes they defend. Seldom has this been more obvious than in the forest certification debate.

Social and conservation NGOs have been key actors in developing forest certification. They have undertaken the challenge to set up certifications schemes, as the Soil Association and the Rainforest Alliance have done. But they have gone further by setting up an accreditation scheme in partnership with the business sector, i.e. the Forest Stewardship Council.

### **8.2 Key concepts and principles**

To summarise the NGO requirements on forest certification, reference is made below to statement signed by 50 NGOs and trade Unions in March 1999:

Two main objectives are specified:

- *to improve forest management,*
- *to ensure market access for certified wood product*

The following requirements are called for:

- Have national or sub-national quantitative and qualitative forestry standards compatible with generally accepted international principles and criteria
- Be embedded into a global framework that provides internationally recognised, applicable and equitable standards
- Ensure the participation of a broad range of stakeholders
- Be voluntary
- Ensure independent third party assessment
- Provide objective and measurable standards

- Be fully transparent to the parties involved and the public
- Ensure certification at the management unit level but remain cost-effective and make all efforts to be equitable to small forest owners
- Ensure active commitment of the managers/owners of the certified unit
- Be acceptable to a large range of involved parties and credible to consumers, social and environmental NGOs
- Be market driven

### 8.3 Consumer Organisations

The case of consumer organisations is different from the one of other NGOs. They have not played an important role in the issue of forest certification until now, probably because the technicalities of forest management are beyond their direct concerns. However, as forest certification becomes more common, and as labels related to good forest management appear on the market, consumers organisations will have an increasingly important voice in the debate.

Since UNCED, the agenda of consumer organisations has increasingly seen change in consumption patterns as a critical strategy to build a sustainable world. "Consumer organisations can play an important role in initiating and advocating change in consumption patterns, and have the means to provide consumers with information that allows them to make informed choices. Consumers organisations can play a role – and have the skills to do so – in encouraging governments and industry to adopt policies and methods that will promote sustainable consumption" (Consumers International, 1998:1).

Consumer organisations' interest in forest certification is related to the potential of environmental claims and labels to serve as tools to realise key consumers' rights and responsibilities:

- "...**The right to safety** - To be protected against products, production processes and services which are hazardous to health or life.
- **The right to be informed** - To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.
- **The right to choose** - To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality...
- **The right to be heard** - To have consumer interests represented in the making and execution of government policy, and in the development of products and services...
- **The right to a healthy environment** - To live and work in an environment which is non-threatening to the well-being of present and future generations" (Consumer

International, 1999b:1),

- **”Social Concern“:** The responsibility to be aware of the impact of our consumption on other citizens, especially disadvantaged or powerless groups whether in the local, national or international community.
- **Environmental Awareness:** The responsibility to understand the environmental consequences of our consumption. We should recognise our individual and social responsibility to conserve natural resources and protect the Earth for future generations” (IOCU, 1987 in Consumers International, 1999c: 2).

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## 8.4 Key concepts and principles

### 8.4.1 Green claims

As a preamble, it has to be noted that for forest certification to reach consumers awareness, it has to be linked with a label. This serves as an information link between consumers and the quality of the forest management. Therefore consumers organisations are predominantly concerned with the labelling component of forest certification.

For consumers organisations, ”the existence of poorly regulated environmental claims undermines developing markets for products that do less harm to the environment, because it reduces consumers’ ability to exercise informed choice when selecting products or services” (Consumer International, 1999d).

The Green guidance report (Consumers International 1998) presented the main conclusions of a project aimed to promote sustainable consumption by improving the capacity of consumer organisations to provide environmental information to consumers. This report highlighted the problems of confusing and misleading information in green claims and proposed that the application of ISO standard 14021 (self declared environmental claims) by manufacturers would alleviate this problem. In a later phase of the project, CI conducted a survey in shops of 10 countries and recorded any environmental claims found on any products, comparing the claims against the ISO standard (Consumers International, 1999d). The originality of the approach lies in the fact that, although the standard concerns only self declared claims, CI applied it to any type of environmental claim, be they first or third party. Thus, ISO 14021 has a de facto relevance to all type of claims.

From the criticism against certain environmental claims as laid out in ”Green Guidance”, it can be deducted that for consumers organisations, environmental labels, should:

- not mislead consumers with statements that
  - are too general, vague or unconvincing
  - ought to be related to a product's life-cycle and
  - do not give a real idea about the actual superiority of the product during its life-cycle
  - are not verifiable
  - are not relevant to the market in which the product is sold
- Not lead to a profusion of symbols and logos, which would cause confusion among consumers and diminish the overall credibility of labels (Consumers International, 1999a).

Consumer organisations wish to see enhancement of the compatibility of different schemes to:

- prevent trade disputes and their costs for consumers
- minimise market fragmentation and promote sustainable consumption at regional and global levels. (Consumers International, 1999e)

### **8.5 What does this mean for forest certification?**

Because of the important role played by public interest groups in the shaping of sustainable development, the expectations of these groups in relation to forest certification can be legitimately considered as part of the institutional framework for certification.

For public interest groups, forest certification should be:

- target oriented and achieve the two main objectives:
  - to improve forest management,
  - to ensure market access for certified wood products
- embedded into a global framework that provides globally recognised, applicable and equitable standards and does not lead to a proliferation of logos
- non-misleading by
  - ensuring independent third party assessment
  - being fully transparent to the parties involved and to the public
  - ensuring active commitment of the managers/owners of the certified unit
  - providing objective and measurable performance standards
  - making declarations that are precise and verifiable
- equitable by
  - allowing national or sub-national quantitative and qualitative forestry standards
  - ensuring the participation of a broad range of stakeholders
  - ensuring certification at the management unit level but remaining cost-effective and making all efforts to be equitable to small forest owners
  - being acceptable to a large range of involved parties and credible to consumers, social and environmental NGOs
- be voluntary and market driven

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