



# THE FORESTS DIALOGUE

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## 2nd international stakeholder dialogue on Forest Certification

19-21 October 2004 - Maidenhead, England, United Kingdom

### Co-Chairs' Summary Report

Scott Wallinger and Nigel Sizer

On October 19-21, 2004, The Forests Dialogue (TFD) convened a dialogue in Maidenhead, England "to foster interactive dialogue on the creation of market conditions that encourage informed choices about the acceptability of the growing number of forest certification systems in the marketplace."

This statement was prepared by the two co-chairs for the Dialogue. It reflects their perceptions of the key themes that emerged from the discussion and is consistent with notes recorded at the meeting. This summary has been reviewed by the participants; however, it is not a consensus statement of all participants and should not be viewed as such. The dialogue was conducted under "Chatham House Rules" in which we do not attribute comments to any individual.

### Background

In 2002, TFD convened its first international dialogue on forest certification in Geneva. That dialogue brought together, for the first time, the senior executives and lead supporters of five well established certification systems. It produced consensus that multiple forest certification systems will continue to exist. That dialogue also focused on the concept of "legitimacy," or how different stakeholders perceived the credibility of "their" particular system compared to others and how the users of their systems viewed them. The report on that dialogue is available on the TFD web site at:

[www.theforestsdialogue.org/certification.html](http://www.theforestsdialogue.org/certification.html).

Those discussions catalyzed the development of the Legitimacy Thresholds Model (LTM) by the Sustainable Forest Products Industry Working Group (SFPI) within the World Business Council for Sustainable Development (WBCSD), in discussion with a range of forestry stakeholders including some customers, environment groups and inter-governmental agencies. Recently, the SFPI and WWF International announced their intention to continue development of the LTM concept within a "framework agreement" between those two parties.

During 2004, TFD convened two preparatory meetings which resulted in commissioning a paper by Ruth Nussbaum of ProForest and Markku Simula of InduFor to examine the impacts of certification over the last 10+ years, and to examine four certification assessment frameworks that had recently been developed by different stakeholders to compare and assess certification systems. Upon completion of their work, that group proposed that a larger dialogue occur while LTM is still in a conceptual state rather than attempt to create an actual model and then seek broader discussion.

The Maidenhead dialogue brought together approximately 60 leaders from certification systems, conservation and social NGOs, intergovernmental organizations, forest products companies, private forest owners, forest products retailers and corporate users

of forest products. It was a productive, open, and respectful discussion that brought to light considerable evolution in the thinking of users about forest certification. Although it did not produce a broad consensus on the LTM model, it helped to focus thinking on the concept and it produced three clear "themes" that should be taken into account by the forest certification community.

## Commissioned Paper

Ruth Nussbaum and Markku Simula gave a summary presentation of their report on the impacts of forest certification to date, their findings regarding the attributes that four prominent "assessment frameworks" use to compare and contrast forest certification systems, and a summary of the LTM concept. The report and the frameworks are available on the TFD web site at [www.theforestsdialogue.org/certification.html](http://www.theforestsdialogue.org/certification.html)

### *Certification Impact Assessment*

The "impact assessment" concluded the following, based on systematic research, anecdotal evidence and individual cases:

- ➔ Different certification systems respond to needs of different users.
- ➔ Impact of forest certification on different groups and on equity, especially for private forest owners and community groups, is very limited.
- ➔ The major impacts have been on large-scale industrial and state-run forests in the temperate and boreal zones.
- ➔ Emphasis to date has been mostly on environmental rather than social issues.
- ➔ Impact on the market is growing. The impact on buying behavior is mostly observed in business-to-business trade and is emerging in public procurement, but the impact on end consumers is very limited.
- ➔ Impacts on values, beliefs, awareness and perceptions are mostly related to direct stakeholders rather than the public at large.

### *Comparison of Four Assessment Frameworks*

The four frameworks evaluated in the commissioned paper are:

- Comparative Matrix by European Confederation of the Paper Industry (CEPI)
- International Framework for Mutual Recognition by International Forest Industry Roundtable (IFIR)
- Questionnaire for Assessing the Comprehensiveness of Certification Schemes/Systems by World Bank/WWF Alliance.
- "Footprints in the Forest" by FERN in Europe.

The authors identified 48 system attributes from the four frameworks, ranging from process (governance, standard setting, auditor accreditation, conduct of certification audits, chain of custody claims, etc.) to the scope and definition of standards and criteria, and concluded the following:

- ➔ Sixteen attributes were addressed with significant explicit or implicit commonality across the four frameworks.
- ➔ Fourteen attributes were not common to all four frameworks, either not addressed by all systems or addressed with significant differences in requirements for each framework.

This led to their conclusion that, "Despite the continuing controversy which surrounds the different forest certification schemes, there appear to be many areas where there is broad agreement between different stakeholder groups on the way in which certification schemes should be designed and run. Nevertheless, there remain significant differences to be addressed."

### **Legitimacy Thresholds Model**

The LTM is a conceptual model that recognizes different stakeholder groups hold different underlying values that provide the basis for determining acceptable thresholds for standards and other features of forest certification programs. Each system reflects the values of its sponsors and the stakeholders it involved in its creation.

However, broader groups of system users often have values and needs that accept core elements of several systems but something less than their entirety. Their "threshold of legitimacy" extends system legitimacy beyond their respective sponsors. In addition, various parties and systems often accept lower, initial thresholds with stepwise implementation. This leads to the idea of "legitimacy thresholds" above which systems compete to sell the merits of their full array of values and requirements.

Further development of the LTM concept could provide a means for greater transparency regarding those underlying values, improved understanding between stakeholder groups, and, potentially, greater agreement on acceptable thresholds of credibility and legitimacy. For more information on the LTM please see [www.theforestsdialogue.org/certification.html](http://www.theforestsdialogue.org/certification.html)

### **Discussion**

Following the presentations by Simula and Nussbaum, there was a question and answer session so that participants could clarify points from the analysis. Significant discussion indicated that, for various reasons, there is not a universal consensus on the value or need for the LTM. In analyzing those discussions, it became clear that there are very different views about LTM between many managers and key proponents of various systems compared to the views among the users of such systems.

Differences of opinion about whether to further develop the LTM concept tended to focus on two important concerns:

1. The time, energy and effort it would take to implement the concept in comparison to the value that it would yield.
2. The 'traditional' split between FSC vs. other certification programs and the desire to protect or expand market share by emphasizing differences in the case of FSC or similarities in the case of other forest certification programs.

The participants concluded that it is unlikely that all of the various systems and their key proponents would be willing to enter into discussions to create a common "threshold" for system legitimacy. Their respective processes and standards reflect their own thresholds, and each competes on the basis of their values. Their challenge is to extend their views of the "legitimacy" of their respective systems to a diverse number of users who often have other values and priorities.

Forest products retailers, corporate purchasers and major manufacturers indicated that they make their choices based on their own institutional values and strategies, preferences, priorities and approaches. Recurring comments from a large cross section of users suggested that their own needs are being met in Europe and North America by several systems, while none of the systems are going far to meet their needs in developing or transitional economies that include Russia, China, Southeast Asia, much of Latin America and Africa, and especially the Congo Basin.

Therefore, with respect to the idea of the LTM, while the dialogue did not produce a broad consensus it did produce the following outcomes:

- ➔ It found greater interest among many system users than among system managers and their respective proponents in applying the model.
- ➔ It served as an informative "focus group" for those interested in pursuing development of the LTM concept into a working model.
- ➔ It identified a number of individuals and organizations interested in working on or funding development of the model.
- ➔ There was recognition that a model-based on experience of those who have invested many years in understanding and applying the various certification systems could have value to users who are just beginning to explore and consider certification in their organizational activities.

In addition to the LTM discussion, three significant "themes" emerged from the dialogue:

#### *Fair Competition*

First, there was broad discussion about the ways that certification systems and their proponents compete publicly to advance their respective systems to the various users and, ultimately, to consumers and "the market."

There is a significant opportunity for further dialogue among system proponents and users about appropriate ways for individual systems to compete in the market. Such discussions could include better understanding of what adds or subtracts value in the market for forest owners and users, including things such as the validity of competing claims, values, behaviors, etc. These points focus more on the more ardent proponents of competing systems rather than the managers and employees of those systems. This reflects a concern that the publicly viewed claims and counterclaims among system proponents may ultimately dissuade the public and consumers about the merits of certification rather than promote it as something potentially valuable to them.

#### *Application of Certification in Developing Economies*

Second, there was an almost universal agreement that none of the systems have had very much impact on critical forest-related issues in the developing economies. Many companies and other users are shifting their energy from the debate over standards in Europe and North America to their business needs in the developing world. Debate on which system is "better" at the high end becomes meaningless to them when it is unclear whether some countries or areas meet preconditions to even begin a journey towards certification. Emphasis focused on issues related to illegal logging (corruption, laws, enforcement, etc.) and basic social needs and human rights (rights of indigenous peoples, worker rights and safety, etc.).

This suggested a significant opportunity for certification schemes and their users to collaborate to develop common "starting points" for phased approaches to certification. Realistic expectations need to be developed about degrees of sophistication and potential rates of progress toward typical standards in the absence of requisite infrastructure from "rule of law" to availability of enforcement, technology, research, trained personnel, etc.

#### *Application of Certification to Small Private Landowners*

Third, there was a broadly held view among many certification users that none of the systems has developed effective concepts and protocols to apply forest certification to the large numbers of private forest owners in much of the United States and eastern Canada. There is some experience in the

Nordic countries with forest owner associations that may provide guidance more broadly. But so far, with the exception of Western Europe, the systems are finding it challenging to reach those forest owners who supply much of the wood used by forest products manufacturers.

There is a significant opportunity for certification schemes and their users to collaborate to develop common approaches to private forest owner certification that appropriately reflect the ranges in size of ownerships, appropriate scope and intensity of certification standards and audits for such properties, ways to conduct certifications economically so they do not become a market barrier, etc. It is important to find ways that accommodate the values of forest owners more fully and not just the values of certification systems themselves. If each system develops and uses completely different approaches, this only engenders confusion among forest owners and less acceptance of the potential values of forest certification that are not currently apparent to most of them.

## Conclusion

TFD seeks to provide a forum in which dialogue such as this can occur and to identify ways to break impasses or overcome impediments to progress related to forests. We hope that the new insights from the dialogue among more than 60 individuals who are all leaders in the field of certification may lead to new approaches. It is not necessarily the role of TFD to initiate or convene all discussions to address the themes that emerged. The results of this dialogue may motivate some of the participants and others to develop independent initiatives to address the above issues.

The TFD Steering Committee will carefully assess the results of this dialogue and the impressions of the twelve members of the Steering Committee who participated in it. Comprehensive notes (that will not be made public in the spirit of Chatham House Rules) will enable us to reflect more specifically on points made in the discussions.

Questions about the Maidenhead Dialogue should be address to the Co-Chairs of TFD's Maidenhead Dialogue: Nigel Sizer of The Nature Conservancy, Scott Wallinger who is retired from MeadWestvaco; Gary Dunning, the Executive Director of the TFD Secretariat based at Yale University; and Tim Mealey of the Meridian Institute, who served as facilitator of the Maidenhead Dialogue. Contact information:

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