

HAVE TROPICAL WOODS IN YOUR PRODUCT LINE?
*HOW TO KNOW IF THEY WERE HARVESTED
LEGALLY, RESPONSIBLY*

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Introduction

A number of months ago Dovetail was contacted by an individual who wanted to know if Ipe, the tropical wood increasingly used for decking, is sustainable. The best that we could do was to say that the species is reported to be relatively abundant in the countries of origin and is not on any CITES (Convention on International Trade in Endangered Species) lists. Not knowing anything about the specific supplier and inasmuch as the supplier is not a participant in any certification program; we could not with confidence say that the material had been responsibly harvested. Were this question asked regarding a tree species harvested in the United States it would likely have been much easier to provide a definitive answer. We would have been able to find current and trend data regarding net annual growth and removals for that tree species as well as information about volume by age and size class, and by forest ownership category. There also would be reasonable certainty that harvesting was done in accordance with municipal, county, state, and federal forest management guidelines and regulations. The likelihood of certification of forest management practices by one or more programs would also be higher, thus providing yet another source of information. However, for Ipe, the country of origin, and supplier in question, almost none of this information was available.

In a July 26 statement, the International Tropical Timber Organization (ITTO) reported that only about 5 percent of the tropical forests covered by a recent extensive study are sustainably managed. Therefore, any assumption of responsible harvest and management is today a questionable premise with most tropical species. Yet, companies committed to sustainable forest management do exist in the tropics and responsible harvesting does occur. A challenge for any responsible distributor is validating supplier claims of sustainability, and determining with confidence that a given shipment originated in a responsibly managed and harvested forest unit.

Programs are available that allow distributors to confidently and consistently identify responsibly sourced wood. These programs also provide an incentive to wood suppliers to improve forest management practices. A number of options are available today to firms large and small, and becoming involved is far easier than most people think.

Verifying Responsible Forest Management

Identifying responsible forest management is what forest certification is all about. There are roughly 60 forest certification schemes operating around the world. Many schemes operate at a regional or national scale. In North America, the operational forest certification programs include those of the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), the Canadian Standards Association (CSA), and the American Tree Farm System (ATFS). The SFI and CSA are national scale programs that were recently endorsed by the Programme for the Endorsement of Forest Certification

schemes (PEFC). The PEFC offers a mechanism for regional or national scale certification schemes to receive international recognition of their program and standards. The ATFS is also a national scale program and is expected to apply for PEFC endorsement before the end of 2006. There are some national scale certification programs in tropical countries and some are also endorsed by the PEFC. However, within the world's tropical forests there is only one universally available forest certification option: FSC. Other certification programs are available on a more limited basis.

Forest Certification Programs

Forest Stewardship Council (FSC)

Forest Stewardship Council forest certification is available to forest managers worldwide. This program, which has been the subject of previous Dovetail reports,¹ addresses a broad range of environmental, social, and economic criteria. A chain of custody (COC) program tracks wood from harvest site through the full distribution channel.

Over 73 million hectares in more than 72 countries have been FSC certified since the program began in the early 1990s. The FSC program operates through a network of National Initiatives in more than 34 countries. As of March 2006, FSC has Accredited National Initiatives in several tropical countries, including Argentina, Bolivia, Brazil, Cameroon, Chile, Colombia, Ecuador, Mexico, Papua New Guinea, Peru, South Africa, Vietnam and Zambia. There are FSC certificates that have been issued in many additional tropical countries that do not yet have their own national initiatives, including Belize, Costa Rica, Guatemala, Honduras, Indonesia, Thailand, and Venezuela.

Given the geographic scope of the program, and in view of brand promotion efforts over a period of many years, the FSC brand enjoys wide recognition among North American and European markets including architects and designers.

Information about FSC certified forests and companies is available at:
<http://www.fsc-info.org>

National, Regional, and Community Forest Certification Programs

A number of countries, including several tropical countries have their own forest certification programs and standards. These include the Indonesian *Lembaga Ekolabel Indonesia*, or LEI Certification System for Sustainable Forest Management; the Brazil National Standard Certification program – CERFLOR; the Malaysia Timber Certification Council (MTCC) program; and a new Costa Rican national standard. Other tropical countries are in the process of drafting national forest management standards with the intent of attaining FSC accreditation under National Initiatives guidelines; these include Honduras, Ghana, Guatemala, Mozambique and Nicaragua, among others. At present, the Brazilian CERFLOR program and the Chilean program CertforChile are mutually

¹ http://www.dovetailinc.org/documents/Dovetail3rdParty91504_000.pdf;
<http://www.dovetailinc.org/documents/DovetailFForest0506.pdf>

recognized by the Program for the Endorsement of Forest Certification schemes (PEFC). Additionally the Malaysia program and a program in Gabon are PEFC members and are anticipated to seek endorsement. Community Forest certification programs are also in place in several countries, including Mexico, Honduras, Bolivia, and New Guinea.

Information about PEFC members and endorsed programs is available at: <http://www.pefc.org>

Stepwise Approaches to Forest Certification

A major strength of FSC certification is that associated criteria are quite rigorous. In practice, this is also a weakness. In some cases practices are sufficiently different from the requirements of FSC's forest management, environmental, and social standards that the cost of attaining certification is prohibitive. In other cases firms may be reluctant to commit to pursuit of FSC certification without fully understanding what is involved.

In recognition of these problems, several recent programs have emerged that are designed to systematically lead a company or forest management unit to attainment of FSC certification; all of these programs are available throughout the tropical forest regions. Other programs focus only on forest management practices; the strategy here is to improve environmental performance as rapidly as possible and to leave economic and social issues to other entities.

The SmartStep Program

The SmartWood Program is an independent, third-party forest management certification program of the Rainforest Alliance. The Rainforest Alliance was one of the founders of FSC and has been an FSC-accredited certification services provider for the past decade. Experience over that decade led to recognition that many companies are not in a position to attain FSC certification in a single step. In response the SmartStep Program was designed to provide a systematic pathway to FSC certification and market access for program participants who are progressing toward the certification goal.

Participants in this program first undergo an evaluation of their forest operations (a SmartStep Gap Analysis) to determine differences between current practices and FSC requirements. Where differences exist, the forest management organization develops a multi-year action plan, with measurable milestones and a timetable for achieving them; this plan is submitted to SmartWood for review and approval. Annual or more frequent audits of progress toward stated goals follow. As soon as basic entry requirements for forest operations are met – requirements that encompass fundamental issues related to legality, social responsibility, and environmental protection – and assuming timely progress toward agreed-to milestones, SmartWood provides assistance in accessing global markets. Assistance takes the form of publicly disseminated verification of SmartStep program involvement, documentation for use in business-to-business communication, help in

developing and disseminating messages regarding program involvement, and permitted use of program names in advertising. The program was initiated in 2005 and to date two companies in Bolivia, which together manage more than 100,000 hectares, have enrolled in the process and committed to working toward FSC certification.

Information about SmartStep and participating organizations is available from: <http://www.smartwood.org>

The Global Forest Trade Network (GFTN)

The Global Forest Trade Network is a program of the World Wildlife Fund (WWF). GFTN is described by WWF as an affiliation of regional forest and trade networks made up of companies that are committed to practicing responsible forestry or supporting responsible forestry through purchasing policies. The program is large, with annual forest products sales of participating companies in excess of \$33 billion.

There are five areas of strategic focus of the GFTN and one of these is in defining and monitoring a stepwise approach to forest management and forest products purchasing. Under this program, forest management units and wood products producers work with GFTN staff to develop a plan for how they will become FSC certified within a defined time period. Audits are conducted semi-annually by independent third-party auditors to judge attainment or progress toward specific performance objectives outlined in the plan. Assistance in gaining information and access to certified wood products markets is provided to program participants who are progressing toward attainment of certification. Guidance is also given through the GFTN to forest products distributors, retailers, and specifiers regarding responsible trade.

A list of members and participants in the GFTN is available from WWF at: <http://www.gftn.org/>

Tropical Forest Trust

The Tropical Forest Trust or TFT, is an organization established by companies trading in tropical wood products for the purpose of implementing responsible wood procurement policies in the tropics. Members include manufacturers, distributors, and buyers of wood products; a supporting membership category includes service industries and others who wish to support responsible trade in tropical timber.

TFT helps its members to identify FSC certified forests that meet their product needs or, where these are lacking, what are referred to as Transition Wood Sources

that are implementing or are ready to implement a strictly controlled TFT Certification Action Plan to achieve FSC certification. In a related program, TFT works with member companies to implement Good Wood Control Systems in production facilities for the purpose of verifying that wood used in manufacturing is of legal origin and from known sources.

To become a member of TFT a company must demonstrate a commitment to the mission, goal, and objectives of TFT, make an annual contribution to TFT based on annual wood consumption, commit to excluding all illegal timber from its supply chain. Like SmartWood and GFTN, the TFT program is dedicated to increasing the area of FSC certified forests and the availability of FSC certified raw material. TFT is unique in that it is focused entirely on tropical forests.

In its phased approach to forest certification, managers of a forest management unit must develop, in conjunction with TFT, a Certification Action Plan. Adherence to the plan is subsequently verified through manufacturers' wood control systems. Reward is provided in the marketplace to both TFT manufacturers and buyers of wood produced under this arrangement. Manufacturers can use an approved TFT truth statement and, if selling to TFT buying members, can affix the TFT logo to products.

Information about TFT members is available at:

<http://www.tropicalforesttrust.com/>

Responsible Forest Management Verification Without a Certification Requirement – the Tropical Forest Foundation RIL Verified Program

The Tropical Forest Foundation (TFF) was established to foster dialogue and alliances between industry and environmental organizations, government, and academia for the purpose of improving tropical forest management and enhancing the economic value of tropical forests. Focusing on education and training related to Reduced Impact Logging (RIL), TFF has established field programs operated by country directors in Brazil, Indonesia, Guyana, and Gabon. TFF is dedicated to improving management practices within the tropical forests as rapidly as possible while leaving attention to economic and social issues to other organizations. The focus on forest management practices has allowed TFF to make rapid progress in training significant numbers of forest managers and logging personnel and in changing on-the-ground forest practices. Success is particularly notable in Brazil, where TFF has conducted training/demonstration/and research operations since 1993.

TFF has recently developed an "RIL Verified" program under which forest management units that can demonstrate verifiable legality of timber, conformance with responsible forest management and reduced impact logging standards, and implementation of a third-party verified chain of custody system, can ship products identified by an "RIL-VERIFIED" mark. In this system, candidate firms are identified by TFF personnel, who

then work closely with candidate firms to bring about positive change in forest management practices.

Information about participants in TFF's RIL program is available at:

<http://www.tropicalforestfoundation.org/>

The Bottom Line

Much of the harvesting and management practices occurring within the world's tropical forests fall far short of any reasonable standard of sustainability. Thus, any company in the distribution chain that does not exercise due diligence in examining the source of its tropical wood supplies is highly likely to be involved in irresponsible trade. Programs are available today that allow distributors to confidently and consistently identify responsibly sourced wood and that provide an incentive to wood suppliers to improve forest management practices. With a visit to a website or a single telephone call, any distributor can begin the process of ensuring that the sources of their products meet global standards of responsibility – the time to act is now!

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