

COMBINING ORGANIC AND FSC CERTIFICATION OF
NON-TIMBER FOREST PRODUCTS
REDUCING COSTS, INCREASING OPTIONS

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Introduction

Forest Stewardship Council (FSC) certification for forests and organic certification for agriculture would appear to be natural partners in international efforts to promote sustainable land use.

FSC promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests, while the International Federation for Organic Agriculture Movements (IFOAM) supports the worldwide adoption of ecologically, socially and economically sound agricultural systems based on the principles of organic agriculture¹.

The two programs have much in common. Both depend ultimately on the marketing benefits of promoting certified products as being socially and environmentally preferable, with organic labeled products benefiting in addition from perceived health benefits to consumers. Market acceptance of both programs has been impressive, and is increasing rapidly. The market value of certified organic food and FSC labeled forest products is now measured in terms of billions of US dollars worldwide. At the same time, the positive social and environmental impacts of the programs are also becoming increasingly clear in terms of biodiversity, water and soil conservation, working conditions and livelihoods.

Organic and FSC programs generally run side by side, reflecting the often separate worlds of agriculture and forest management. In the case of non-timber forest products (NTFPs) however they overlap.

For NTFP producers and processors there are potential advantages in the existence of two widely recognized and potentially valuable labels: the FSC label and the organic label. On the other hand, the existence of two labels may also represent a risk, if producers are forced to choose between one and the other, or pay increased costs for double-labeling; and manufacturers and consumers may be confused by two apparently competing systems.

Given the common goals and shared values of organic and FSC-based certification there ought to be potential for cooperation between the programs that could reduce costs and increase benefits to producers. While ultimately it will be producers, manufacturers and consumers who decide which (if any) certification program they prefer, it should be in the shared interest of both the organic movement and FSC to cooperate where possible to increase social and environmental gains, as well as benefits to program participants.

This report provides background about both programs; information from recent research into potential collaboration between the two; and suggestions for future efforts to increase the uptake and benefits of combined FSC and organic certification of non-timber forest products.

¹ This paper focuses on the IFOAM international accreditation program, but it should be noted that the organic movement is highly diverse and often government regulated at the national level. Many organic certification bodies do not have international accreditation.

Background

The *IFOAM Norms for organic production and processing* (IFOAM, 2006) is the recognized international benchmark for the certification of organic agriculture, while the *FSC Principles and Criteria for Forest Stewardship* (FSC, 2004) is the recognized international standard for the certification of responsible forest management. The programs are implemented through independent third-party certification carried out by bodies accredited by the International Organic Accreditation Service (IOAS) and Accreditation Services International (ASI) on behalf of IFOAM and FSC respectively. In both cases accreditation is based on compliance with the applicable ISO/IEC standards for accreditation bodies and certification bodies. Globally, over 31 million hectares (76 million acres) of mainly agricultural land is certified under accredited organic programs, and more than 70 million hectares (171 million acres) of forests and tree plantations are certified under the FSC program.

Despite widespread adoption and continued rapid growth, both programs face major challenges. These include the costs of inspection and certification, particularly for small-scale producers and producers in developing countries; the difficulty of developing and maintaining standards for an ever-expanding variety of products in conditions which vary between different countries; the difficulty of protecting the integrity of certification programs in terms of tracking and tracing products from producers to consumers; and the challenge of building value-added markets for certified and labeled products worldwide.

To date, FSC and the organic movement have faced these challenges separately. The social and environmental concerns driving demand for forest certification (e.g. forest degradation, deforestation, land tenure and Indigenous Peoples' rights) are for the most part different in nature to the concerns that have driven demand for organic certification. Agricultural and forest areas are usually managed separately, by different companies, and under different institutional governance and regulatory structures. Agricultural and forest products are rarely processed or manufactured by the same organizations; and while both FSC and IFOAM in fact have broader remits, the great majority of organic labeled agricultural products are food products while the great majority of the FSC labeled products are timber products.

However, in the case of non-timber forest products (NTFPs) the FSC and organic programs can overlap completely. IFOAM standards for 'wild harvesting' allow for the organic certification of products harvested from forests, and FSC standards provide for the certification and labeling of non-timber products, including edible products, from FSC-certified forest areas. An increasing variety of products could have been certified under either or both programs: examples include maple syrup, Brazil nuts and herbal teas, as well as the rapidly growing market for cosmetics based on NTFP-derived oils.

Despite the huge importance of NTFPs to forest management, and in particular to relatively poor or disadvantaged forest dependent people, NTFPs have often been perceived as the poor relation of timber in the FSC program. There are many reasons for this prioritization.

From a purely technical perspective, the development of standards for the certification of individual NTFPs can be challenging, given the difficulty of obtaining reliable information about harvesting, regeneration rates, and impacts of various management practices.

But market and financial considerations are also a serious challenge. Years of campaigning by non-governmental organizations (NGOs) created widespread consumer awareness of the impacts of forest management and their association with the timber trade. This awareness supported the demand for timber from well-managed forests. Consumer awareness of the possible value of a label for 'well-managed NTFPs' is not at the same level. Moreover, although the overall value of the NTFP market is very large it is spread across a wide variety of quite different product groups, and the commercial value of individual NTFPs does not compare to that of timber as a whole. Finally, NTFP managers, especially in developing countries, are very often poor, operate informally or at a small scale, and sell to local markets which are less easily influenced by social/environmental marketing; this is a challenging situation for any certification program which is not financially subsidized in the long term.

A clear conclusion is that the potential for certification of individual NTFPs should be considered case by case. Social/ environmental certification and labeling will only be *financially* beneficial (there may be other, non-financial benefits) where there is likely to be genuine value-added in the label itself, greater than the cost of investing in production standards and certification.

Could cooperation between the FSC and organic programs increase the potential benefits of certification and labeling without a commensurate increase in costs, and thereby increase the value of certification for producers?

Earlier this year the International Social and Environmental Accreditation and Labeling (ISEAL) Alliance sponsored research which sheds light on this question.

The ISEAL study

The ISEAL study was carried out by Equilibrium Consultants, and examined the different elements of the IFOAM organic and FSC systems including standards, inspection, certification and accreditation. The study considered a range of issues, including training/education requirements, certification/accreditation procedures, labeling and costs.

Initial findings were presented at the IFOAM conference on 'organic wild production', which took place in Bosnia Herzegovina in May of this year. The following observations reflect the views of Dovetail authors, and are not necessarily the views of the authors of the ISEAL report, or of either FSC or IFOAM.

Mutual recognition

Perhaps the first observation is that full 'mutual recognition' of FSC/organic *certificates* is unlikely to be possible in theory or practice. There has been a lot of talk about 'mutual recognition' over the past few years, but rather less talk about the level of 'technical equivalence' on which mutual recognition could be based.

There are significant differences in international standards between FSC and IFOAM organic requirements. Perhaps the most obvious is in relation to the use of pesticides - permitted (with restrictions) in the FSC program, but essentially prohibited in organic programs. In other instances FSC standards are currently more demanding than organic standards, for

example incorporating explicit requirements aimed at conserving biodiversity and in relation to land tenure.

Such differences could be resolved by 'harmonizing upwards' - with both FSC and IFOAM incorporating the most demanding aspects of each other's international requirements. There do seem to be opportunities for increased levels of harmonization, such that standards for the certification of NTFPs under each program would be more similar than they are currently. This would greatly facilitate the possibility of voluntary harmonization at the level of individual certification bodies without requiring or implying 'mutual recognition' at the international level. However, full harmonization seems unlikely. It is hard to envisage FSC's membership voting to prohibit all use of pesticides in FSC-certified forests and plantations, or IFOAM's membership voting for obligatory requirements implementing all aspects of FSC's Principles 6 and 9² in relation to conservation, at least in the short or medium terms.

Even if IFOAM and FSC international standards could be harmonized, issues relating to government regulation would remain to be resolved. Use of the word 'organic' (or its translated equivalent) is widely regulated by government. It is regulated in the US by the US Department of Agriculture, and in Europe by European Directives implemented in slightly different ways by national governments.

Although the details vary, governments often require organic certification bodies to be accredited by a single national accreditation body (NAB), in order to issue 'organic' certificates. In some countries only a product certified by a certification body 'accredited' by a government department can use the organic label. Although IOAS accreditation (the system used by IFOAM) is generally recognized as achieving an equal or higher level of quality control than NAB accreditation, and can be international in scope, it is not officially recognized by government. Thus if harmonization between IFOAM and FSC international standards could be achieved, and IFOAM could recognize some FSC certificates as being equivalent on this basis, this would not imply that certificate holders could label their products as organic. Accreditation from a national accreditation body would be required in addition to IFOAM accreditation, with the associated costs.

It would be possible in principle to resolve this problem if governments recognized IOAS (and ASI) accreditation services as being equivalent to NAB accreditation within their areas of specialization - organic agriculture and forest certification respectively. Technical review by the International Accreditation Federation (IAF) or ISEAL would provide a mechanism for this. Although IAF is itself a non-governmental organisation, some governments are prepared to use IAF membership as a basis for recognizing the competence of national accreditation bodies in other countries. In the past, IAF's members (i.e. the national accreditation bodies themselves) did not accept international accreditation bodies such as IOAS in the IAF program. More recent IAF rules would only allow international bodies such as IOAS or ASI to join IAF if other IAF members have the right to operate the IFOAM or FSC accreditation programs - raising a variety of concerns. In short, government policy and

² For background on the FSC Principles, please refer to *Dovetail Report: September 2004, Beginner's Guide to Third-Party Forest Certification: Shining a Light on the Forest Stewardship Council (FSC)*, <http://www.dovetailinc.org/DovetailFSCReport.html>

IAF member interests currently create barriers for official FSC and IFOAM recognition at the level of accreditation.

Overall, full 'mutual recognition' at the levels of FSC and IFOAM is unlikely, except as a very long-term prospect. However, increasing harmonization could reduce costs even short of full mutual recognition.

Combined inspection

Understanding that full mutual recognition faces major barriers, the ISEAL study focused on the possibility of combining FSC and organic inspections at the field level. Combined inspection would mean, for example, that an organic inspector could carry out an evaluation of the woodland on an organic farm to verify FSC compliance, or an FSC-accredited inspector could carry out an evaluation of organic standards for NTFPs as part of forest certification, such that the results of the inspection could satisfy both FSC and IFOAM requirements.

If a combined inspection could satisfy the separate requirements of both FSC and IFOAM it should reduce costs and increase opportunities for producers.

In fact, combined FSC and organic inspections can and do take place already. Some of the earliest forest inspections carried out in the Netherlands by Skal were based on both FSC and organic standards, and the Soil Association Woodmark program has carried out combined organic and FSC inspections of non-timber forest products in Denmark. However, combined inspections have been very much the exception rather than the rule.

Other certification bodies have teamed up to carry out simultaneous FSC and organic inspections - in which a team of inspectors from an FSC-accredited and an organic-accredited certification body carry out their evaluations at the same time, leading to the issue of separate certificates by each certification body. These simultaneous, parallel inspections have improved the practical understanding of the challenges and possibilities of combined inspections, but as conducted, such inspections offer little potential for reducing either the cost or complexity of inspection and certification.

The following sections focus on the possibilities for facilitating combined certification in relation to five elements: forest level standards; inspection; certification decision making; accreditation; and chain of custody and labeling. For each of these elements one can ask 'what would it take to carry out a single, combined inspection?' and 'what options might there be for reducing the costs of such a combined inspection?'

Forest level standards

A key variable in relation to the cost of an inspection is the number and variety of requirements that need to be evaluated. Clearly this also affects the cost of compliance for the client.

For combined certification inspectors must use:

- a single harmonized standard which meets both FSC and organic requirements; or,
- two separate standards; or,
- a 'common' standard, plus one or more sets of 'additional' requirements necessary to comply with organic only, FSC only, or both organic and FSC requirements.

An additional complication is that neither the IFOAM Basic Standards nor the FSC Principles and Criteria are implemented directly in the field or forest. In the case of IFOAM, the Basic Standards define the minimum requirements against which a certification body's own standard is evaluated. In the case of FSC an additional set of national indicators must be specified, either by the certification body or through a national standards development process.

Thus, even if IFOAM and FSC requirements were identical at the international level, there would still be room for variation at the national level. This is not necessarily problematic, but it would require that FSC and IFOAM recognize their respective procedures for confirming that certification bodies' standards and/or national indicators comply with the higher level international requirements.

Notwithstanding these complexities, the greater the harmonization between standards at the international level, the greater is the potential for harmonizing at the national and/or certification body levels, and the easier it becomes to offer a combined certification option. If there are few differences between FSC and organic requirements, then the cost of complying with both standards will be similar to the cost of complying with one or other standard on its own.

The difference in costs can be significant: one study concluded that 'organic only' certification of maple syrup would be much cheaper than 'FSC only' or combined organic and FSC certification - essentially it was determined that it would be easier and cheaper in this case to show that an NTFP comes from an 'organic' forest habitat, than that it comes from an FSC-certified forest habitat.

The most flexible approach may be to produce a combined standard, in which specific requirements are identified as being required by one scheme, the other, or both. Inspectors can then inspect using only the necessary requirements, and clients can choose whether they wish to comply with the requirements of one scheme or both. Electronic versions of standards permit some automation of such a process and the associated reporting.

Inspection Process

A certification body carrying out joint inspection must ensure that the inspection process complies with all the requirements of both programs.

Basic requirements include the qualifications of inspectors, consultation requirements, formats for report writing, and provision of public information. The possibility of harmonizing these requirements themselves is considered below. But certification bodies themselves could reduce the costs of combined inspection by designing inspection procedures which simultaneously meet the requirements of both FSC and organic accreditation, even when these are not completely harmonized at the international level.

Where there is overlap between the requirements of both programs, combined inspection should lead to savings since these requirements are implemented only once, but satisfy the needs of both programs simultaneously. Again, the greater the extent of harmonization, the greater the scope for reducing costs through combined inspection.

Conversely, when combined inspection incorporates procedures that are required only by one of the programs, it will be more expensive than an inspection designed to implement the requirements of one program only. If the difference in costs between single and combined inspection is significant, the certification body would likely need to maintain the option of an inspection designed to meet only the requirements of one or other program, for those clients who do not want certification under both programs.

One key cost variable is the number of inspectors needed to carry out the evaluation. Significant savings should be possible by using inspectors who are qualified as both organic and FSC inspectors³. However, this does require an investment in inspector training.

Certification decision making

In order to issue FSC and organic certificates a certification body would have to ensure that its certification decision making procedures comply with the requirements of both FSC and organic accreditation bodies.

Basic requirements are that the body making the certification decision: 1) includes individuals with appropriate qualifications and who do not have financial interests in the decision; 2) is independent of the supplier applying for certification; and 3) is composed of people who were not involved in the inspection itself.

It should be relatively simple and inexpensive for a certification body to establish a combined certification decision-making body, capable of taking both organic and FSC certification decisions. This would require either individuals with training and experience in the requirements of both schemes, or inclusion on the decision making body of people who have such experience between them. Decision-making would clearly be greatly facilitated if the elements on which the decision is based (reports and standards, for example) were previously harmonized. The savings resulting from a combined body are unlikely to be very significant since the cost itself is not that great, but simultaneous decision making could reduce bureaucracy and delays.

³ For more information about FSC's requirements for auditor skills and experience, please see Dovetail's Report, "Forest Certification Auditor Qualifications", available at: <http://www.dovetailinc.org/DovetailAuditors0406.html>

Accreditation

To maximize the efficiency of combined certification, the certification body that issues the certificate would need to be accredited by both ASI and an applicable national or international (i.e. IOAS) organic accreditation body.

Both IOAS and ASI (operating organic and FSC accreditation services respectively) base their requirements on ISO/IEC Guide 17011, which should provide a strong basis for harmonization or indeed recognition of quality systems aspects of each other's programs.

Familiarity and compliance with the common requirements of ISO/IEC Guide 65 should make it easier for a certification body to expand its scope to include accreditation for additional schemes. A certification body that already complies with ISO/IEC Guide 65 should have little administrative difficulty in expanding its scope, though it would need to bring in appropriate additional technical expertise.

Both FSC and IFOAM specify requirements that go beyond the minimum requirements of ISO/IEC Guide 65, for example in relation to transparency, consultation, reporting, training of inspectors, use of standards, etc. The cost and complexity of achieving dual accreditation could be reduced if these additional requirements could be harmonized.

The cost of dual accreditation could be reduced further if IOAS and ASI were to recognize each other's requirements for monitoring in the field, though this is likely to be more difficult because of the need for specialist technical skill and experience in relation to forest management and organic agriculture.

Chain of custody and labeling

Similar issues of harmonization apply to inspection, certification and accreditation of chain of custody standards (referred to as 'processing standards' in organic programs) as for agricultural production or forest management. However, in addition to the general considerations already discussed, there are further regulatory requirements relating to food safety and labeling.

If a certification body has both FSC and organic accreditation, then combined chain of custody certification and labeling should be possible, as described above. The specific areas of expertise in relation to standards, training and experience of inspectors will of course be different, but the same principles should apply.

Conclusions

There is no 'magic bullet' which will massively reduce the costs of combined organic and FSC certification of NTFPs. Full mutual recognition between FSC and organic inspection systems is unlikely in the short or medium term. However, it appears to be possible to reduce the complexity and costs of combined certification by taking action both at the international level and by certification bodies at the national level.

At the international level, FSC and IFOAM could seek opportunities for increasing harmonization of standards applicable to 'small and low intensity managed forests' (of the kind which may occur on organic farms, or which may be managed primarily for the extraction of non-timber forest products), and in relation to non-timber forest products or 'wild harvested' products. Full harmonization is probably impossible, but the fewer and smaller the differences, the lower the potential cost of combined certification. Increasing harmonization of accreditation requirements may also be possible.

Some duplication and associated costs at the level of accreditation will remain unless governments are prepared to recognize the validity of the IOAS and ASI accreditation programs. Currently, government's exclusive recognition of national accreditation bodies precludes the potential cost savings that could accrue from international accreditation, and from any recognition between international bodies such as IOAS and ASI. Only government recognition of IOAS and/or ASI accreditation competence can eliminate these costs.

At the national level the greatest reductions in cost and complexity can probably be made by certification bodies themselves. However, the potential for savings will be limited by the extent to which combined certification can simultaneously meet the FSC and organic standards and accreditation requirements - largely but not entirely a function of the level of international harmonization.

The development of harmonized requirements and systems requires investment both at the international level and by individual certification bodies. Whether this takes place depends on the perception of market demand and on the potential for support from funding bodies.

About the Author

Matthew Wenban-Smith has been involved with the development of forest certification since 1994, with the Forest Stewardship Council (FSC) and the Woodmark forest certification programme. He now serves on the Technical Advisory Board of the Marine Stewardship Council (MSC) and is Director of OneWorldStandards Ltd, an independent consultancy advising on all aspects of social and environmental standards and standard setting. For more information, please visit: <http://www.oneworldstandards.com>

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