

Forest certification in the global market place

Where is it heading and why?

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Agenda

1. Demand-side opportunities
 - New demand-side drivers
 - New players
2. Supply-side «scale-up» challenges
3. Next stepsfinal thoughts

Certification & my biases

1990s

- ISO TC 207 working group
- Mutual Recognition Framework
- FSC National Initiative for NZ plantations

2000s

- The Forests Dialogue
 - ✓ Certification «wars»
 - ✓ Legitimacy Thresholds Model
- WBCSD/WWF Framework Agreement
 - ✓ Certification + HCV Resource Network + address Illegal logging
- World Bank-WWF Alliance
 - ✓ QACC & FCAG

2010s

- WBCSD Forest Solutions Group
 - ✓ Major user dialogues with FSC, PEFC & SFI CEOs
 - ✓ WBCSD leadership statement
 - ✓ FMCG workshops on supply chain risks for paper packaging
 - ✓ Tropical Forest Alliance 2020 launch event in Indonesia
 - ✓ The Consumer Goods Forum's Paper Working Group guidelines
- ✓ PEFC «volunteer» (since August)

Certification is undergoing significant transformation

FROM ---- Choice-Influencing

the use of marketing communications and awareness-raising campaigns to enable and encourage consumers to choose more sustainable products over alternate less sustainable products and/or use products more efficiently and efficiently

TO ----- Choice-Editing

the active removal of unsustainable products, product components and services from the marketplace to purposefully limit consumer choice towards sustainable products

Demand side drivers & opportunities

International environment policy cycle - focus on forests post 2010

The screenshot shows the website for the Convention on Biological Diversity. At the top, there are language options (Arabic, English, Spanish, French, Russian) and a search bar. The main navigation menu includes 'The Convention', 'Cartagena Protocol', 'Nagoya Protocol', 'Programmes', 'Information', and 'Secretariat'. The main content area features a banner for the 'Strategic Plan for Biodiversity 2011-2020' with five images: a sunflower, a person in a field, a beach, a sunset, and baskets of grain. Below the banner, there is a sidebar on the left with links for 'Key Elements', 'Aichi Biodiversity Targets', 'Technical Rationale (and Quick Guides)', 'Implementation', 'Indicators', 'Quick Guides for Aichi Targets', 'Aichi Biodiversity Targets Icons', and 'Other useful resources'. The main content area is titled 'Aichi Biodiversity Targets' and lists five strategic goals (A through E) with brief descriptions. To the right of the goals, there are two boxes: 'National Targets' with a link to find national targets, and 'Biodiversity Champions' with links to 'The Hyderabad call for Biodiversity Champions' and 'The Champions & their Pledges'. At the bottom of the page, there is a footer with the text 'Meeting and Documents' and a small icon.

- Convention on Biological Diversity – Aichi Targets
- G8's The Economics of Ecosystems and Biodiversity (TEEB)
- UNFCCC – emissions from deforestation + REDD+
- Rio + 20 Conference
 - PEFC Forest Certification Declaration
- Germany/UNEP Economics of Land Degradation (ELD)
- The World Bank – Wealth Accounting & Valuation of Ecosystems Services (WAVES)
- Sustainable Development Goals (SDG) for post 2015

UNFCCC Climate Change negotiations

The screenshot shows the UNFCCC website interface. At the top left is the UNFCCC logo and the text "United Nations Framework Convention on Climate Change". To the right is a search bar labeled "UNFCCC Google Search" and social media icons for Facebook, Twitter, and Google+. Below the header is a navigation bar with "Home", "CDM", "JI", "CC:iNet", and "TT:Clear". The main content area is titled "MEETINGS" and features a large banner for the "United Nations Climate Change Conference". Below the banner is the heading "Lima Climate Change Conference - December 2014". The main text states: "The 20th session of the Conference of the Parties and the 10th session of the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol will be held from 1 to 12 December. COP 20/CMP 10 will be hosted by the Government of Peru, in Lima, Peru." To the right of this text is a table of links: Reports, Decisions, Documents, Press, Elections, Schedule of Meetings, Daily Programme, COP 20, CMP 10, SBI 41, SBSTA 41, and ADP 3. On the left side of the page, there is a "NEWSROOM" section with the text "Get News on the Latest Climate Action". Below that is a "NEGOTIATIONS" section with a "Meetings" sub-section containing links for "Upcoming sessions", "UNFCCC Calendar", "Rio Conventions Calendar", and "Webcast & Videos". Further down are sections for "Documents & Decisions", "Bodies", and "FOCUS" with sub-sections for "Overview", "Adaptation", "Climate Finance", and "Mitigation".

- Tropical deforestation
 - Indonesia «pilot» at scale
 - Agriculture commodities major drivers
- REDD+ mechanism on Lima COP 20 agenda
 - UN REDD investments
 - Capacity building
 - Policy reform
 - Payments for verified reductions
- New York Declaration on Forests @ UN Climate Summit, September 23rd
 - Catalyze restoration
 - Deforestation «free» supply chains delivering emissions reductions + biodiversity conservation

Public policy impacts in key markets

- ✓ Public procurement
- ✓ Green building codes
- ✓ ODA investments
- ✓ US Lacey Act
- ✓ FLEGT/VPA
- ✓ EU Timber Regulation
- ✓ EU Agreement on Forests
- ✓ European country level regulations for biomass energy

All seeking independent verification – vigilance on single system selection essential

Global Fast Moving Consumer Goods & Distribution/Retailing Sector



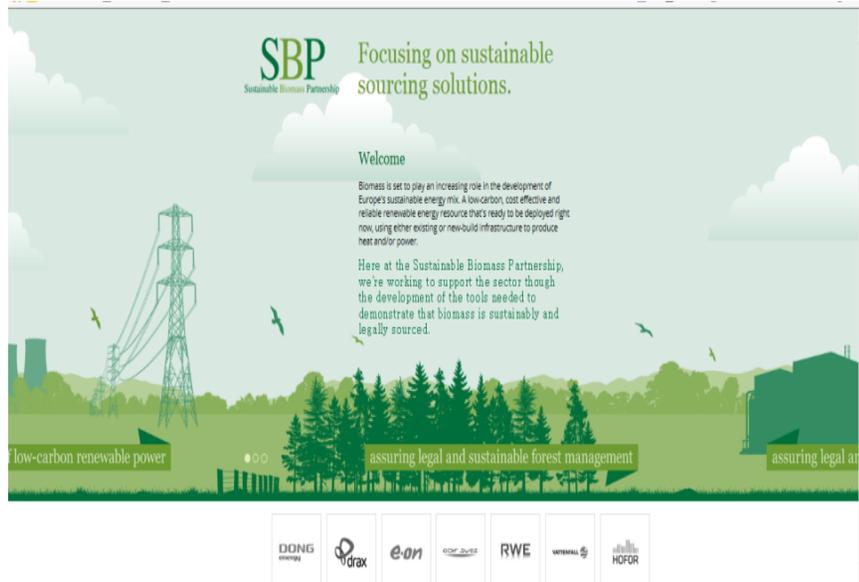
- The Consumer Goods Forum (CGF) – global FMCG + retailers = US\$ 3.5 trillion p.a. sales
- Zero Net Deforestation by 2020 commitment
- «ZND free» supply chains for beef, soya, palm oil & paper – independent verification
- Paper Working Group and Guidelines
- FSC & PEFC certification
 - Risk management
 - Supply chain management
 - Procurement policies

Tropical Forest Alliance (TFA) 2020

- PPP between governments, business and civil society groups
- Key Governments (incl. US) and CGF - with Unilever & Nestlé as THE driving champions with WWF & Greenpeace KEY advisors
- Deforestation free production systems & supply chains by 2020 for beef, soya, palm oil & paper and associated emissions reductions
- Emerging role
 - Advocacy for government & business action at global events (UN Climate Summit)
 - Working groups for Latin America on beef/soya and Indonesia/SE Asia on palm oil/paper
- Call to action – contributing Actions and Signature initiatives
- All certification systems welcome & PEFC first to be accepted as a TFA Partner



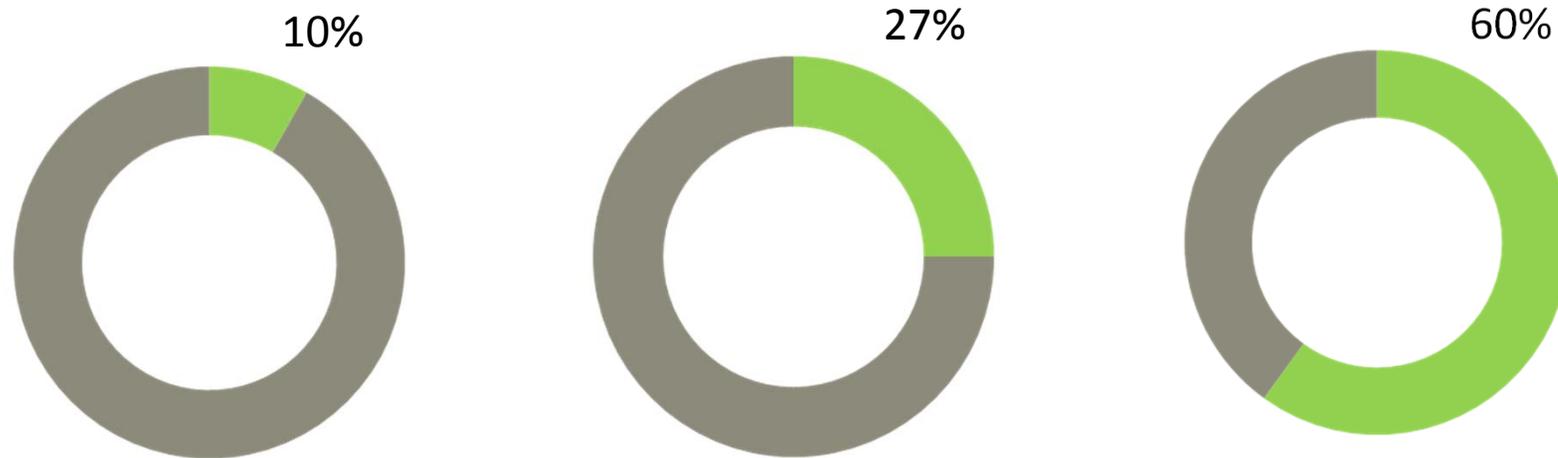
Sustainable Biomass Partnership (SBP)



- Expanding renewable and lower carbon energy generation by switching to woody biomass at-scale
- EU 2020 renewable energy targets
- Seeking to leverage existing certification (FSC+ PEFC + SFI) but filling gaps in standards (GHG C-o-C accounting)
- Independent verification for legal and sustainable feedstock essential to meet national regulatory requirements i.e. access incentives & avoid carbon taxes

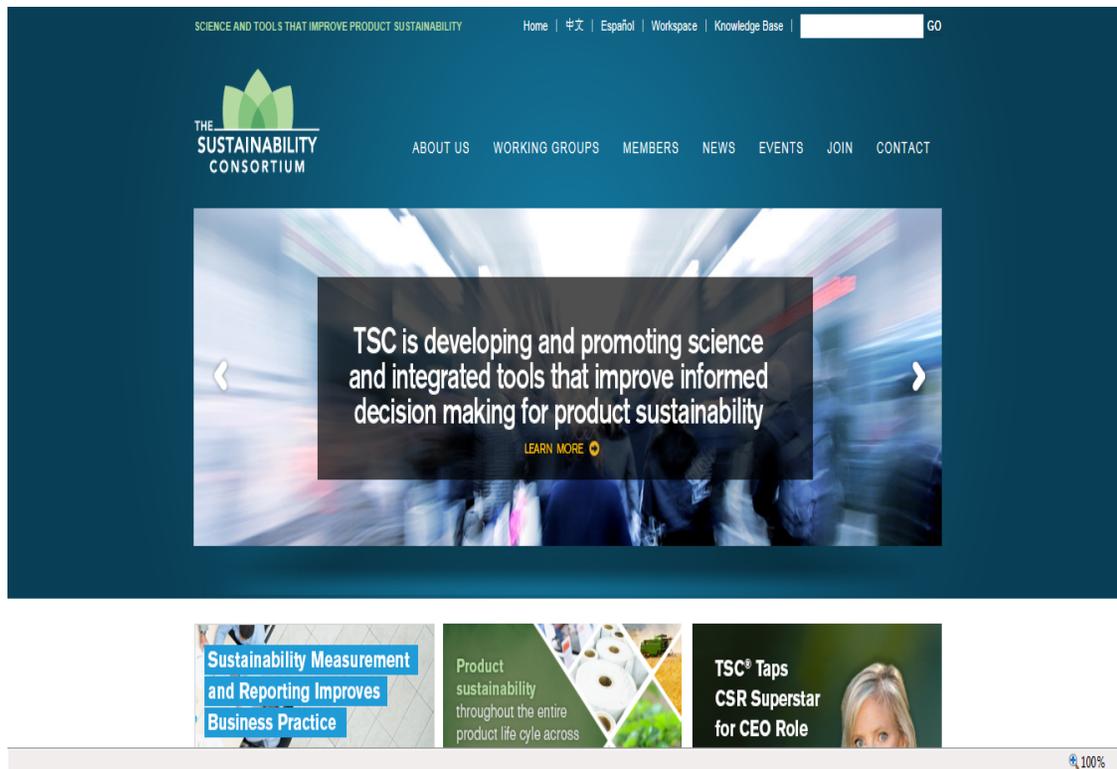
Supply side «scale-up» challenges

Certification Globally



- Only 10 % of the world's forests are certified
- Only 27% of the world's industrial roundwood supply is certified
- 60% of the total area certified to PEFC incl SFI

The Sustainability Consortium



- Improve consumer product sustainability ... across product sectors and at scale
- Product Sustainability Toolkits – methods, tools & strategies, including LCA
- Based on science & enhanced transparency, leveraging new learnings, hosted by 4 universities
- Multistakeholder & disciplinary task teams and working groups
- Includes wood and paper-based product categories – already endorses the value of forest certification

WRI & WBCSD – managing proliferation for procurement managers

Sustainable Forest Products

WORLD RESOURCES INSTITUTE | wbcsd

Home | Overview | 10 Things You Should Know | Guide to the Guides | Additional Resources

Helping Procurement Managers make informed choices.

10 Things You Should Know

- traceability
- information accuracy
- legality
- sustainable forest
- special forests
- climate
- pollution
- recycled content
- other resources
- social issues

Stakeholders matter!!!



The Forests Dialogue

ABOUT

NEWS

INITIATIVES

PUBLICATIONS



Participants at REDD+ Benefit Sharing Dialogue in Mexico Discuss Beneficiaries and Gender

Participants spent two days visiting different field sites where they discussed how benefit sharing mechanisms are designed and implemented with local communities.

Engage!
Explore!
Change!

The Forests Dialogue (TFD) is committed to the conservation and sustainable use of forests.

Upcoming Events & Dialogues

Field Dialogue on
Changing Outlook for

Featured Publication

Co-chairs' Summary: REDD+ Benefit Sharing
Field Dialogue in Ghana
May 2014

Get involved

Want to be added to our network?
Please [sign up!](#)

WBCSD leadership statement on the value & future of Forest Certification

business solutions for a sustainable world



Leadership Statement on the Value and Future of Forest Certification

4 November 2013, Istanbul, Turkey – The World Business Council for Sustainable Development (WBCSD) understands that reducing forest loss and degradation is a global societal priority requiring immediate and concerted action. It is critical we find ways to ensure that more of the world's forests and plantations are sustainably managed and that forest products are used and reused wisely. When sustainably managed, forests generate ecosystem services that make life on earth possible (like fresh water and climate regulation), industrial fibre for a wide range of every day and essential products (from timber and paper to bioenergy), and economic development opportunities for local communities and commercial enterprises – now and into the future.

Forest certification is a voluntary, market-focused mechanism, which supports a broad range of social, economic and environmental benefits associated with sustainable forest management. It is of concern that, according to the Food and Agriculture Organization of the United Nations (FAO), only 10% of the world's forests are independently certified.

Led by 26 global companies along the forest products value chain responsible for nearly 40% of annual global forest, paper and packaging sales, the WBCSD Forest Solutions Group seeks to ensure that the supply of independently-verified sustainable wood and other forest products continues to increase to meet growing demand. To achieve this objective, all WBCSD companies involved in the Forest Solutions Group commit to:

- Work with stakeholders to spread sustainable forest management;
- Support and promote the expansion of forest certification;
- Set 2020 targets to increase the use of certification when sourcing forest products and fiber; and
- Grow markets for certified forest products.

The WBCSD also calls on all forest certification stakeholders to

Supported by all WBCSD Forest Solutions Group companies:

CORE MEMBERS



- Demand is moving well ahead of supply
- Provides an agenda for action for stakeholders & supply chain actors
 - Spread SFM
 - Expand uptake & use of certification, including target setting
 - Grow markets for certified products
- Must haves
 - Reduce costs/improve efficiency
 - Make group certification work
 - Adapted or new approaches for small operators & agroforestry
 - Certification needs to be «ready» for emerging bio-energy and bio-materials markets & cover associated ecosystem services

Next steps

**Scaling-up investments in supply
chain Push/Pull strategies**

Push – supply side investments

Policy frameworks

- Reforming policies that undermine good forestry practices

Capacity building

- Creating the conditions for sustainable forest management

Business case – certification enables the broadest possible market and customer access for the forest owner and processors

Pull – demand side investments

Market development - to pull certified products through supply chains

- Certification trade promotion – events, industry shows & media highlighting benefits & value of certification
- Chain-of-Custody training builds supply chain awareness & capacity to manage certified products

Business case - certification an «enabler» for global Brands and a «choice editing» tool for supply chain managers & distributors/retailers

- Risk management
- Supply chain management
- Performance assurance
- Procurement policies

Certification stakeholders need to better manage both supply and demand strategies

- *Leverage* processes that are creating the conditions for sustainable forest management in key geographies
 - e.g. UNREDD/UNFCCC, TFA2020 in key geographies like Brazil, China, India & Indonesia
- *Catalyze* development of the «infrastructure» for forest certification – take the lead when necessary
 - e.g. institutions, lessons learnt, capacity building, stakeholder engagement platforms, chain-of-custody
- *Investment* in market promotion for certified forest products
 - e.g. trade shows, major events, customer platforms, new segments
- *Innovate* in certification development & delivery
 - e.g. group certification, agroforestry, cost efficiency, IT

Final thoughts – proposing three forest certification «C's»

- ✓ Coverage – expand!!
- ✓ Cost – reduce!!
- ✓ Credibility – enhance!!