Standards Initiatives for Sustainable Forest Management

The Background
Without forests we would struggle to survive. The livelihoods of more than 1.6 billion people depend on the use of forests and forest products. More than 300 million people worldwide live in forests, a fifth of them members of indigenous groups living in tropical rainforests. The conservation of natural forests and sustainable forest management are key to the sustainable development of rural areas.

Almost a third of the world’s terrestrial surface is still covered by forests, but around 13 million hectares of forest are lost each year. This corresponds to an area roughly one third the size of Germany and larger than Germany’s forest cover. Deforestation is greatest in the tropical rainforest regions. Despite afforestation and reforestation, global net deforestation is still running at more than five million hectares annually.

As a result of world population growth and mounting consumer demand, especially in the economically booming emerging countries, the need for wood as a raw material and for energy continues to increase. This trend is accelerated, especially in Europe, by the growing importance of wood in the renewable energy mix. Safeguarding wood resources for the future and maintaining their availability is therefore becoming increasingly important. This is boosting the demand for credible sustainability standards in the forestry sector to prove that wood does not originate from illegal logging or deforestation.

In the tropics, new agricultural land is created mainly by converting primary and secondary forests. At present, 17% of global greenhouse gas (GHG) emissions are attributable to deforestation and fires. The major importance of forests for the climate has increased awareness worldwide of the many environmental services provided by forest ecosystems, with the upshot that a growing monetary value is placed on these services. As part of the negotiations on climate change mitigation, a mechanism is being developed to provide financial compensation for proven avoidance of emissions from deforestation and degradation (REDD+).

Forestry standards initiatives aim to ensure that management of commercial forests is verifiable and sustainable. They do this by seeking to improve the transparency and management of timber production and timber trade. More and more tropical timber producing countries are negotiating Voluntary Partnership Agreements (VPA) with the European Union (EU) as a central part of the EU FLEGT action plan and as a means of combating illegal logging and associated illegal timber trade. FLEGT stands for Forest Law Enforcement, Governance and Trade. At the centre of each Voluntary Partnership Agreements is a Legality Assurance System. However, these governmental legality systems are not yet operational and have not yet been linked with existing forestry standards systems.
The Congo Basin and its Certified Rainforests

The rainforests of the Congo Basin cover an area of 180 million hectares – around five times the size of Germany. Apart from the Amazon rainforest they form the second-largest contiguous rainforest area in the world. The forestry sector is one of the main sources of employment in the region. The forests are state-owned: by means of concession licences, governments grant national and international companies the right to use large areas of the forest. More and more governments are seeking to introduce certification. A third of the concession forests that have a state-approved management plan are now FSC-certified. These certified forests cover more than five million hectares.
standards systems are developed in an environment of such rapid growth. New markets must be tapped and standards systems need to be further developed to integrate climate protection aspects and environmental services.

The role of standards systems as an instrument for supporting implementation of statutory regulations needs to be addressed further. A key challenge lies in mainstreaming sustainable timber. Thus forest standards systems need to be broadly applicable and producers need to become more easily certified without compromising credibility and assurance.

Our Position
In this context, GIZ takes the following positions:

1. **Standards systems provide incentives for sustainable forest management**

   Forestry standards systems with a high level of credibility create incentives for extending sustainable forest management practices. They safeguard long-term resource availability, thereby promoting forest preservation, and they promote the clarification of land and usage rights. In addition, forestry standards systems provide market access for certified timber and non-timber forest products on international markets, thus increasing monetary value generation from forests. They also provide guidance to forestry businesses and operators along the supply chains as well as governments to shift to sustainable forest management and sustainable procurement of timber products. Finally, forestry standards systems are an important criterion for risk based investment decisions in forestry and on payments for environmental services, for example in voluntary carbon emissions trading.

2. **Forestry standards systems can be used as proof of sustainability**

   With the application of the EU Timber Regulation, trading illegal timber is a punishable offence. Third party certification of wood products from sustainably managed forests can support the due diligence in minimising the risk that wooden and wood-based products are from illegal sources. This could potentially boost the demand for certified wood from robust traceability systems in the chain of custody. Moreover, the EU plans to extend the EU Renewable Energy Directive to cover gaseous and solid biomass – including wood – for energy use. Existing certification systems should be used as evidence that the production of woody biomass for energy feedstock is indeed sustainably sourced.

**Our Recommended Actions**

There is still insufficient broad-based implementation of credible forest certification in forest-rich producing and processing countries. Cross-sectoral land use planning provides an opportunity to make greater use of forest- and climate-related standards systems. Adapting these systems to the needs of small businesses will also widen their applicability.

GIZ considers the following the most important recommendations for action:

1. **Promoting broad-based implementation**

   At present there are few programmes that promote broad-based implementation of credible forest certification systems in forest-rich producing and processing countries. The international REDD and FLEGT processes provide opportunities to maximise synergies with voluntary standard systems. Another instrument for mainstreaming certified timber products is the broad implementation of sustainable building and public procurement including woody biomass products for energy. Another approach is to intensify investment in sustainable land use and value chains. An indicator of a credible standards initiative is membership of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), the umbrella organisation for standards initiatives.

2. **Making verification of legality easier**

   The EU FLEGT partnership countries in Africa and South-East Asia have not yet recognised forest certification as compatible with the legality grids in their national legality assurance systems. Businesses need clarity and incentives to advance to
sustainable forestry. It is therefore essential that national monitoring agencies, businesses and private-sector standards initiatives work together on implementation of robust legality assurance systems.

3. Use of standards instruments in cross-sectoral land use planning

Unregulated land conversion is one of the main causes of deforestation in the tropics. In the majority of countries there is no national cross-sectoral land use strategy. This is an important element in the development of national REDD+ strategies. In implementing REDD+ and ensuring co-benefits, forest and climate-related standard systems should be used. For example, the concept of ‘high conservation value’ (HCV) – is an internationally established tool for identifying and managing high conservation values of a defined area.

4. Reaching small scale businesses

Small processing industries and smallholders in particular face difficulties in complying with and maintaining a high level sustainability standard. The standard requirements are often beyond their capacity and financial resources. It is therefore important to further develop approaches such as group certification, stepwise approaches and climate financing schemes to make them applicable to broad implementation.

5. Increasing work in awareness raising on tropical forest products in Germany

Forestry certification labels are visible more frequently in everyday life. In Germany, the use of tropical timber products is widely associated with forest destruction. It is essential to reach out to politicians, procurers, architects and consumers to increase public awareness about sustainable wood products from tropical countries and positive impacts of certified forest management in the tropics.

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