

## WHAT WE ARE READING

### Challenges facing certification and eco-labeling of forest products in developing countries

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Forest certification started in the early 1990s as a market-driven instrument to recognize those forest managers committed to sustainable management practices and, at the same time, give consumers the option of choosing certified forest products. Certification aimed to provide some certainty that the forest products would not come from degraded forests through environmentally damaging processes along the production chain.

Although certification started with a strong focus on tropical forest production, records show that the main implementation has taken place in the temperate and boreal forests of North America and Europe, with only five percent of certified forests located in the tropics. This paper by Durst et al. gives a helpful overview of the constraints that have led to the meager development of certification in developing countries, and opportunities to move forward.

The main constraints facing certification in developing countries, according to Durst et.al, are:

- Insufficient demand for certified products in global markets, with the present demand limited to mainly European and North American markets and little or no demand in developing producer countries and import countries in Asia. There is currently no premium on certified products, which gives little incentive to producers aiming at markets outside North America or Europe;
- A wide gap between existing management standards and what is required for certification, which is often connected to insufficient human or financial resources. In addition, the lack of data and the high diversity of tropical forests make certification in these countries more difficult to achieve;
- Weak ability to formulate appropriate forest sector policies and ensure their effective management. This includes constraints such as weaknesses in implementation, governance structures, forest law enforcement, ownership status and rights, and conflicts with economic development policies or development in other sectors;
- Insufficient capacity to develop national certification standards and certification procedures, leaving many developing countries to rely on international standards. This increases the certification costs and leaves the national stakeholders with standards that might be difficult to adapt to their local context; and
- High direct and indirect costs of certification. Direct costs (such as chain-of custody and monitoring audits) are higher because most certifiers are located in North America and Europe. There are also indirect costs, which are the costs for improving forest management and wood-processing systems to certified levels. The higher complexity and heterogeneity of tropical forests is another factor that increases the costs of sustainable forest management in the tropics. And lastly, the authors mention size as a possible constraint. The smaller the management unit, the greater the unit cost of certification.

From these challenges, the authors discuss key initiatives and developments that could strengthen the advancement of certification in developing countries, such as codes of practice that provide practical guidance to sustainable forest management, stepwise approaches that reward producers who reach milestones on the road to certification, group certification or simplified certification to reduce unit costs for small and low intensity forest owners, and the increasing interest in developing national forest certification standards.

This paper gives some valuable analyses of the current status of certification in tropical countries and presents issues that would need to be further addressed. From a community forestry perspective, it would be important to explore possibilities where small scale forest users could advance in certification. This could include simplified processes adapted to small-

scale realities, improving market access for smaller scale certified producers, and exploring ways of reducing certification costs for these forest users.

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