

FSC - the Challenges and Benefits

A Safcol Experience

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Abstract

In response to a demand from its customers and in line with its goal of becoming a world class company, SAFCOL has had all its plantations and sawmills certified in terms of the Forestry Stewardship Council (FSC) certification scheme. Main assessments undertaken by a team of three to five experts (both local and foreign) covered a 25% sample of each region (five in total). Four regions were certified after the main assessments and one region had to be reassessed a year later.

The main problem areas in most regions included harvesting practices, roads, riparian zones and socio-economic issues. In almost all the regions, Corrective Action Requests (CARs) were raised in terms of these issues and these are now being addressed through annual surveillance visits. FSC certification has opened new marketing opportunities for the company and it has brought about a change in mindsets in a very short period. It has confirmed environmental management as part of core business and operational activities and it has provided benefits (both financial and environmental) that far outweigh the costs incurred.

Introduction

In response to a demand from its customers and in line with its goal of becoming a world class company, SAFCOL decided in 1996 to have its forestry operations FSC certified. This was a first for a forestry company in South Africa and a new experience for the industry in terms of third party auditing of operations. Forest certification is now a part of SAFCOL's environmental programme where policy objectives are driven through an environmental management system (ISO14001) and third party audits provide a benchmark of conformance and progress. SAFCOL's annual environmental report, furthermore, provides the public and stakeholders with information on this progress.

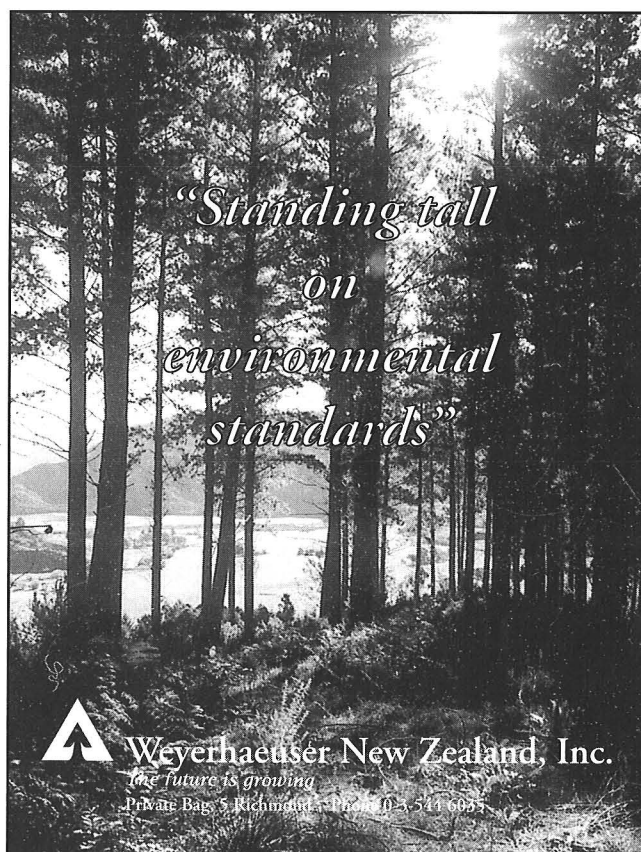
The FSC is an international non-profit organisation founded in 1993 to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests. It is an association of members consisting of a diverse group of representatives from environmental and social groups, the timber trade and the forestry profession, indigenous people's organisations, community forestry groups and forest product certification

organisations from around the world. Membership is open to all who are involved in forestry or forest products and share its aims and objectives.

FSC is run on a day-to-day basis from a head office in the city of Oaxaca, Mexico by an executive director and eight full-time staff. It is controlled by an elected Board, which consists of people from industry, conservation groups, indigenous people's representatives and others. FSC is funded by charitable foundations, government donors, membership subscriptions and accreditation fees. To ensure its independence it does not accept funding from industry.

The FSC is introducing an international labelling scheme for forest products, which provides a credible guarantee that the product comes from a well-managed forest. All forest products carrying the FSC logo have been independently certified as coming from forests that meet the internationally recognised FSC Principles and Criteria of Forest Stewardship. The primary objective is to provide the market place with an incentive for good forest stewardship. The consumer is guaranteed that the product has come from a forest which has been evaluated and certified as being managed according to agreed social, economic and environmental standards.

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Accreditation of Certification Bodies

The Forest Stewardship Council has developed rigorous procedures and standards to evaluate (accreditation) whether organisations (certification bodies) can provide an independent and competent forest evaluation (certification) service. This process is known as 'accreditation'. FSC accredited certification bodies are required to evaluate all forests aiming for certification according to the FSC Principles and Criteria for Forest Stewardship. All accredited certification bodies may operate internationally and may carry out evaluations in any forest type. Certified forests are visited on a regular basis to ensure they continue to comply with the Principles and Criteria. The performance of the certification bodies is closely monitored by FSC. Products originating from forests certified by FSC-accredited certification bodies are eligible to carry the FSC-logo, if the chain-of-custody (tracking of the timber from the forest to the shop) has been checked.

Figure 1: The FSC Logo



Table 1: Status of FSC certified forests as at February 1999 (These figures include both natural forests and plantations) (Source: www.fscoax.org, 1999)

Location	Total area of forestry (ha)	Area Certified (ha)	Ratio of local area certified %	Ratio of total area certified %
Brazil	6 200 000	390 514	6	3
Canada		211 013		2
Malaysia		56 501		.5
New Zealand	1 630 000	45 025	3	.5
South Africa	1 520 000	493 981	32	4
Rest of Africa	630 000	26 123	4	
Sweden		5 490 690		43
United Kingdom		122 268		1
Rest of Europe		2 316 367		18
USA		1 454 199		11
Remainder		2 084 167		17
TOTAL		12 690 848		100

Chain of Custody

Chain of custody is the process by which the source of a timber product is verified. In order for products originating from certified sources to be eligible to carry the FSC Trademark, the timber has to be tracked from the forest through all the steps of the production process until it reaches the end user. Only when this tracking has been independently verified is the product eligible to carry the FSC logo.

The FSC Certification Process

SAFCOL selected SGS from Oxford in the United Kingdom to undertake its assessments. In preparation for this, the author attended a certification course in Oxford. The certification process is initiated through pre-assessments. This is intended to assess whether the organization stands a reasonable chance of being certified. It will highlight certain problem areas, but by no means provide sufficient information to prepare for the main assessment. A pre-assessment for a management unit of $\pm 50\,000$ hectares will take two days. SAFCOL decided to have its five regions certified separately and this proved to be the right decision as the issues and specifically the social ones are very different from region-to-region and it would be unproductive to have a Cape issue holding up the certification of plantations in Mpumalanga. It also emphasizes regional responsibility for addressing specific issues and gives better ownership of the process.

Main assessments were done in each of the five regions and in terms of the requirements of the certification a sample of at least 25% of every region was covered. The assessment team (three to five experts, foreign and local) investigates operations in terms of the FSC principles and would typically take five days per region.

Principle 1 - Compliance with Laws and FSC Principles:

Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

Principle 2 - Tenure and Use Rights and Responsibilities

Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

Principle 3 - Indigenous People's Rights

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.

Principle 4 - Community Relations and Workers' Rights

Forest management operations shall maintain or enhance the long-term social and economic well being of forest workers and local communities.

Principle 5 - Benefits From the Forest

Forest management operations shall encourage the efficient use of the forests' multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

Principle 6 - Environmental Impact

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

Principle 7 - Management Plan

A management plan — appropriate to the scale and intensity of the operations — shall be written, implemented, and kept up to date. The long-term

objectives of management, and the means of achieving them, shall be clearly stated.

Principle 8 - Monitoring and Assessment

Monitoring shall be conducted — appropriate to the scale and intensity of forest management — to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

Principle 9 - Maintenance of high conservation value forests

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

Principle 10 - Plantations

Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

The certification process assesses activities and documentation against these principles. The assessment also controls company policy against any national standards and subsequently activities against such policy and standards. The assessors will, before, during and after the actual assessment, contact parties that may be interested or affected by the organisation's operations. Any issues raised by such parties will be presented to the organisation and, where this is of a serious nature or the organisation cannot provide sufficient explanation, a Corrective Action Request (CAR) may be raised. Where there is consistent non-conformance in any particular field, a "major" CAR will be raised and the organisation cannot be certified until such has been complied with. For lesser non-conformances, a "minor" CAR can be raised and the organisation has to submit an action plan, detailing how they intend addressing the issue. This is specifically followed-up during annual surveillance visits and, where sufficient progress cannot be shown, such a "minor" CAR can be upgraded to a "major" and, unless satisfactory progress is achieved within a time frame set by the assessor, certification can be suspended or canceled. A major reassessment is undertaken every five years.

CORRECTIVE ACTION REQUESTS (CAR'S) FOR SAFCOL OPERATIONS

Harvesting Practices

Harvesting practices raised CARs in all regions and a major in one region. The following problems were specifically identified:

- *Planning of operations not adequate* - SAFCOL has specific standards for the planning of operations and, at operational level, did not comply with these.
- *Unacceptable soil impacts* - This implied the planning

and execution of operations to minimise soil disturbance and compaction. A major problem raised was the standards that were applied (or not applied) in terms of working in wet conditions and the inadequacy of control to stop operations when impacts became severe.

- *Damage to conservation areas* - The felling of trees into conservation areas and the use of such areas for other operational activities.
- *Inadequate post harvesting audits* - These audits are specified in SAFCOL standards and raised concern both in terms of the quality of the audits and consistency thereof.

All the problems raised were in contravention of SAFCOL policies and standards. Monitoring of post harvest audits (to be completed by the Plantation Manager, for every compartment harvested) was improved and this not only solved institutionalised problems, but also raised awareness, the most important aspect in any environmental issue.

Maintenance of Road Networks

The general maintenance of roads was a problem throughout and this could probably be said for most of the South African forestry industry. The road maintenance problem *per se* can not be solved overnight and is likely to remain a permanent challenge. A road monitoring system, especially during wet periods has been instituted and the objective is to identify problem areas (essentially drainage), to rectify immediately where possible and to schedule corrective action for future funding and attention. Record is kept of these monitoring actions and any work that had been undertaken.

Maintenance of riparian zones

SAFCOL's programme of riparian zones establishment and maintenance was acknowledged, but the assessors raised the consistency of application of standards as an issue. The primary issue that had to be addressed was to remove subjectivity in the establishment of riparian zones. SAFCOL uses the Bosch-model to determine such widths and this model does allow for a level of interpretation. SAFCOL's environmental section has now mapped all plantations according to the South African forest industry's Environmental Conservation Data Base (ECDB) standard. During this process, riparian zones are identified and with a person per region applying the standards, the consistency problem is alleviated. One grey area that still needs to be resolved is the question of "when is a water course a stream that must be provided with riparian zone." This remains subjective and such interpretation would not necessarily concur with that of the assessor. The industry is, however, addressing this issue and the assessors will, in the short term, monitor progress.

Maintenance of sites of cultural importance

SAFCOL has a programme whereby sites of cultural importance are recorded as Areas of Special Interest (ASIs). The assessment found that adequate provision is not made

for affected parties to give input into both the identification and subsequent maintenance of such sites and this referred almost exclusively to gravesites. Effort was put into alerting the workforce to the ASI programme. Existing communication fora with the workforce are now being used to gain the required information. Interested parties set maintenance requirements and where such can not be identified, maintenance will do as much as possible without disturbing any of the features on the site. Prescriptions are also in place for buffer zones around such sites.

Monitoring of impacts of plantations on the environment

FSC Principle 8 specifically requires monitoring of significant impacts. The assessment raised the monitoring of impacts on water quality and quantity and soils as areas that have to be covered as a matter of priority. SAFCOL instituted water quality bio-monitoring using the SASS 4 system. The rest of the industry has since adopted this programme and the primary objective is to be proactive in terms of engineering activities to provide for good quality water. A stream flow monitoring programme is currently being implemented in collaboration with the CSIR and the assessor has accepted SAFCOL's progress in this. In terms of soil monitoring, a Permanent Sampling Plot programme has been designed, but has not yet been implemented. The latter will address monitoring of change, if any, in the chemical and structural composition of soils under plantations and the associated changes in soil productiveness.

Spread of Weeds

In one region the Provincial Conservation Authority raised the issue of the spread of weeds beyond the company's land. SAFCOL was presented with a declaration that it should take responsibility for weed encroachment outside its boundaries.

SAFCOL could not accept full and ultimate responsibility for weeds on neighbouring properties as:

- i) the source of such weeds cannot be established unequivocally,
- ii) to accept such responsibility would set a precedent that would have disastrous financial consequences,
- iii) weeds introduced from neighbouring land also present SAFCOL with a problem that it has to deal with at great cost and effort, and
- iv) SAFCOL was already assisting the Working for Water programme intensively in its weed eradication programme.

It was agreed that SAFCOL would enter into discussion with the appropriate parties on the subject and the CAR was adjusted to reflect this.

Social Issues

The most significant social issue that was raised concerned formal contact with communities in terms of:

- i) giving such communities an opportunity to raise

issues of concern,

- ii) ensuring that such concerns are considered in SAFCOL's decision making structure,
- iii) allowing communities to participate in the decision making around SAFCOL's corporate social investment projects.

Formal forums for contact with communities have been set up to address these issues. This does not necessarily cover all affected parties, as these are numerous and geographically spread and it is often difficult to identify representative bodies or individuals with whom to deal with.

THE BENEFITS OF FOREST CERTIFICATION

Financial

Certification has cost SAFCOL approximately Rand 0.19/m³ in 1998 terms. This does not include the cost of operational corrective actions that had to be taken. Operational requirements are not a result of FSC, but should have been in place in terms of SAFCOL's own policies and standards and are thus excluded. Certification has provided SAFCOL with access to environmentally sensitive markets and, although no figures are available for this, it is known that these benefits far outweigh the costs given above. In the process, SAFCOL has also initiated the potential for the branding of a commodity product within South Africa.

Environmental

The major benefit of SAFCOL's FSC certification has been the institutionalizing of a company-wide, responsible approach to the environment. Within a very short period of time brought about a change in mindset that would otherwise have taken much longer. The benefits of good environmental practices became tangible for everyone involved. It has also provided the company with an objective counter to environmental criticisms and is providing proof that the company is serious about instituting and maintaining best practices in its operations. The certification process now also provides external I&AP's with a third party conduit for issues, should they not get satisfactory response from SAFCOL.

Environmental Exposure

Forest certification has not become a reality within South Africa and the exposure value probably is still limited. In the Western world it is, however, highly visible with certification having reached right down to the public making product choices on the shop floor. In these environments, public image is dramatically enhanced through certification. The challenge is to create the same awareness in South Africa.

THE CHALLENGE

Moving of Goal Posts

With certification achieved the first time around, the process does not stop there. Goal posts are being moved

continuously and this is being monitored on a regular basis through surveillance visits. This requires that the company stays ahead of the pack in terms of best practices and is actually innovative in terms of developing and improving such. A good case in point is the monitoring that is required. At the moment relatively little is done in terms of monitoring of species in different habitats. Once the current monitoring of water (quality and quantity) is fully functional, such other monitoring will have to be given attention. Little information about this is available in the forestry context and the Company will most likely be left to both develop and implement such monitoring programmes.

Need for clear standards

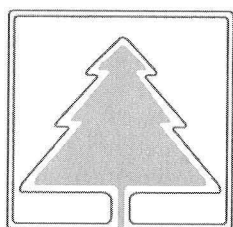
Whilst the South African forestry industry is probably up amongst the best in the world in terms of environmental performance, there are still many grey areas where national standards do not exist or are controversial. Riparian and wetland buffer zone widths and buffer zones around indigenous forests are just a few examples. The industry is currently addressing these with the co-operation of both governmental and non-governmental organizations and the sooner these standards can be established the better it will be for the forest certification programme.

The need for a local certification body

There is currently no local organization accredited to do forest certification. With the exchange rate of the local currency, certification costs R5000 per assessor per day. This is way above the average charged locally by, for example, environmental consultants and it is my opinion that these costs can be brought down significantly if certification could be done through a local organization. The involvement of foreign assessors does, however, provide constructive cross-pollination of ideas and keeps the local industry abreast of developments elsewhere in the world.

Conclusion

The forest certification programme has provided SAFCOL with many benefits at comparatively low cost. It has opened the doors to the public making environmentally informed decisions in their purchases and this will have significant impacts on the way the forestry and other industries operate and consider the environment.



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