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Forest Stewardship Council certification in the development context: lessons from the Solomon Islands

Policy conclusions

- The wider benefits of forest certification should be promoted, e.g. as a management tool, a measure to subsidise environmental protection.
- The financial benefits from certified timber should not be disregarded
- Potential synergies between commercial and community foresters in a region should be explored
- There is scope for FSC certification to be used to promote community based forest management, but there is a need in the FSC standard for more appropriate social criteria that are easier to interpret in developing country circumstances
- The high and increasing management costs involved in certification should be taken into account when promoting certification initiatives

Background

The Forest Stewardship Council's certification scheme was not designed as a development tool. Rather, it was conceived as a means of promoting good forest management. The FSC recognised that sound social policies needed to be in place for this to happen. Because it has been reasonably successful in this regard, expectations of the social impact have often been higher than originally intended.

This paper draws on research conducted by Bill Maynard in the Solomon Islands in 2001. Two very different timber organisations offered their views on FSC certification. At that time, KFPL was owned by the Commonwealth Development Corporation and exported large quantities of exotic timber from its plantation (4,000m³ or more of exotic species round wood logs per month). By contrast, the NGO SWIFT (Solomon Western Islands Fair Trade) worked with numerous community foresters in scattered locations across several of the islands to export annually 0.24% of quantity exported by KFPL, about 200m³ per annum of local species from natural forests scattered over a number of different islands.

Both operations share the difficult challenge of getting to the forest to harvest timber as well as reaching international markets, as they are both relatively remote. In terms of certification however, KFPL, as a highly controlled plantation operation, was at an advantage as it already had a robust management system in place and its senior management was already familiar with Environmental Management Systems and ISO standards, so adapting to the required standards of FSC was not a problem. In contrast the community based SWIFT operation was working in a highly complex diverse set of natural forests, each of which has its own challenges for management leading to the requirement for a more complicated management plan for certification.

At KFPL certification has brought a number of market benefits and has added to the overall asset. Certification has led to improved clarity of management objectives and a more coherent, strategic set of objectives throughout the organisation. It has also ensured that there are clear channels of communication between the local community and KFPL.

For SWIFT, certification has been a costly process, but it has given a clear framework for the management of the forest resource that was not present before.

Policy findings

Certification has brought managerial benefits to commercial and community foresters alike

For relatively little cost, certification of the KFPL operations has led to clearer strategic objectives and consequently more coherent management throughout the organisation. It has also ensured that there are clear channels of communication between the local community and KFPL. For SWIFT, certification has given a clear framework for the management of the forest resource but the cost, covered mostly by external grants, has been high and this approach to community forestry may not be sustainable if external funding were withdrawn.

Even subsidised sustainable community forestry can be a highly cost effective means of protecting the environment

In the SWIFT example, external funding has subsidised each cubic metre of timber by US\$1,000. However, the cost per hectare is only US\$8. In the UK, the woodland grant scheme pays US\$50/ha. To put this into perspective, it costs as much to protect 4,000 ha of conifers in Scotland as it does to protect 25,000 ha of highly complex tropical forest in the Solomon Islands.

Timber from FSC certified forests can attract a market price premium

A proportion of the timber sold by both SWIFT and KFPL has sold for a premium of 30 to 50% above the market price. However, this has only been for the highest quality logs (about 20% of exports). Accessing these premium markets requires substantial investment in equipment to ensure that quality is preserved throughout the export operation: buyers expect very high standards.

There are potential synergies between commercial and community foresters

SWIFT spends up to half its budget on marketing the relatively small amount of timber that it extracts from scattered and remote locations in the Solomon Islands. KFPL, by comparison, exploits substantial economies of scale in its marketing operation and could export at little extra marginal cost. However, as part of its FSC certification, KFPL needs to demonstrate closer links with the natural forest and to pay greater attention to social forestry considerations. Consequently, community based forest managed holds a great deal of attraction. Co-operation between KFPL and SWIFT was being mooted at the time of the research.

FSC social criteria are too simplistic for community based forest management

Clear legalistic interpretation of notions of land ownership do not transfer easily to societies where land rights and occupation are fluid and decided at a community level. Consequently, certification should be undertaken at the appropriate institutional level, in this case at the level of whole communities, rather than households.

FSC certification is flexible enough to cater for community based forest management

SWIFT is operating in a highly complex and diverse set of natural forests. There is very little site-specific baseline information to allow one to know the full extent of the natural resource. The management system, used to carry out basic inventories, has been reduced to the barest minimum in order to reflect the competencies of the local population.

FSC standards are difficult to interpret

FSC standards have emerged from the western scientific and managerial tradition. Even for people who come from western educational backgrounds, it can be difficult to interpret exactly what the FSC standards are demanding in particular circumstances. While this allows some flexibility in interpretation, it nevertheless underlines the need for external assistance to sustainable community forestry initiatives.

The most substantial cost for sustainable community forestry initiatives is likely to be the cost of management

SWIFT staff and consultants worked for two years on a planning and management system that could be adopted by community members. Although, the system was considered adequate at the time of certification, weaknesses in monitoring have led to continuing high costs.

This policy brief was summarised by Chris Collinson and Valerie Nelson from research by Bill Maynard for the Natural Resources and Ethical Trade Programme (NRET) of the Natural Resources Institute (NRI). 2002.

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