



FOREST CERTIFICATION IS AN OBSTACLE TO INTERNATIONAL TRADE:

*How can governments in the
tropics promote trade in wood
products which is sustainable
in all respects?*

By

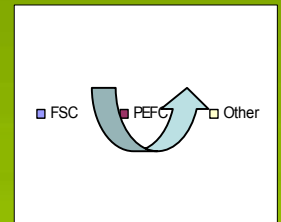
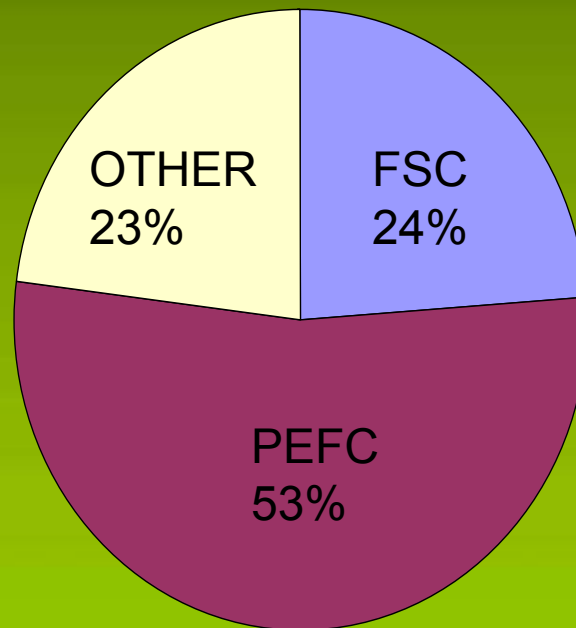
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Trends in forest certification - I



Source: FORM International



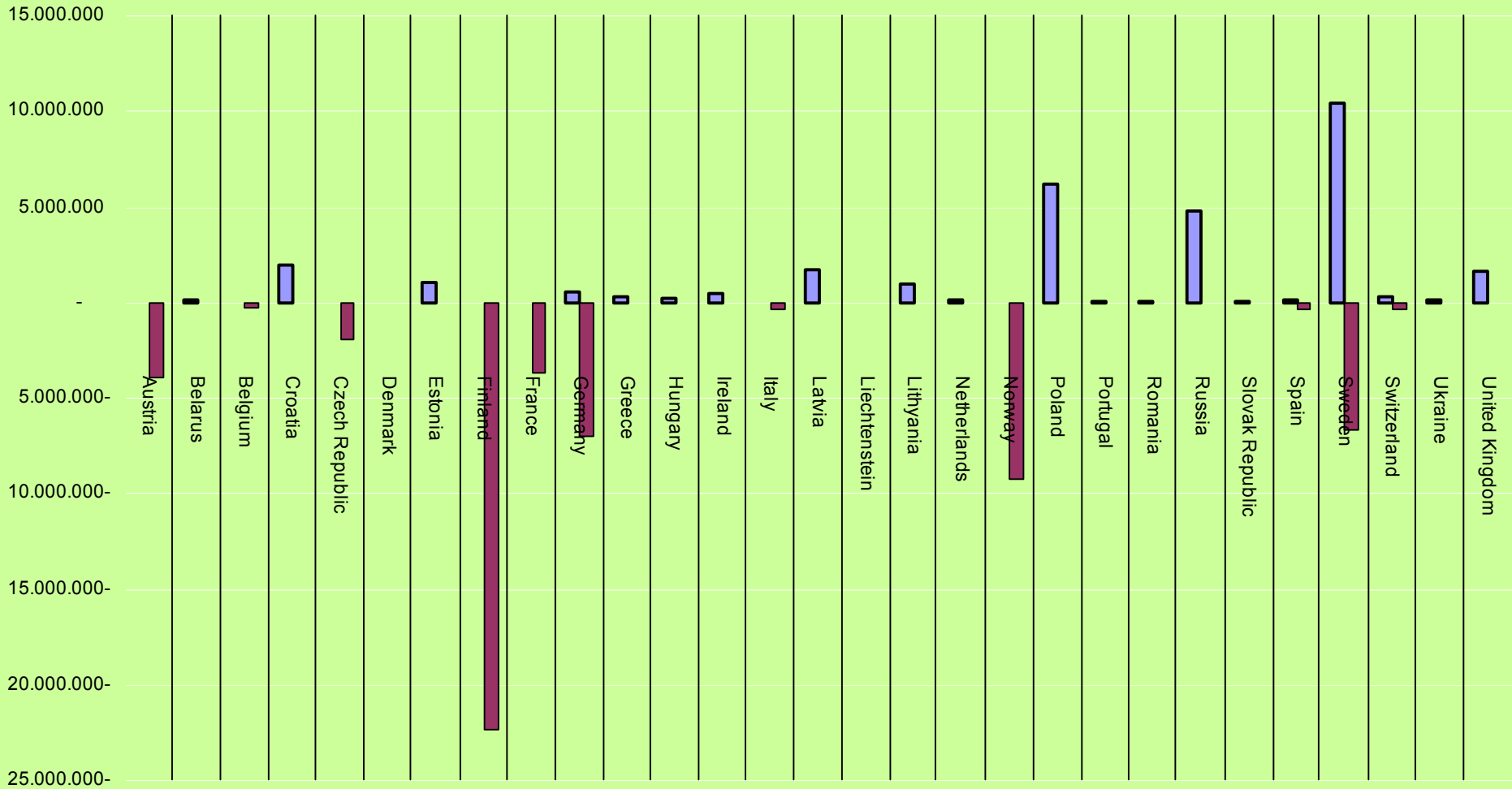
Trends in forest certification - II

	FSC	PEFC	Other
EU	55%	45%	
USA/Canada	25%	52%	91%
Americas	13%	1%	
Asia	2%		9%
Africa	3%		
Oceania	2%	2%	
Total 235 million ha	100%	100%	100%

Source: Form International



Trends in forest certification - III





Implications of Trends in Forest Certification

- Certification is converging on two main schemes – PEFC and FSC, and on a very limited scale SFI; WHY?
- There is high degree of polarization between the two largely accepted schemes among countries; WHY?
- Both of the largely accepted schemes have weak presence in the tropics; WHY?



Certification: Situation in Tropical Areas

- Forest lands remain largely under Government control
- Government forest concession operators are mainly SMEs
- Governments stuck with National Certification Standards due to lack of recognition by ENGOs
- Tropical areas have become stagnant towards forest certification



Fundamental Bottlenecks to Certification in the Tropics

- Land tenure arrangement
- Structure of industry





Land Tenure Arrangement: (A case in Ghana)

- 1919 Land Administration Strategy:
 - 20% Government-controlled for reservation:
 - Timber production
 - Conservation
 - 80% Community-controlled for all other purposes:
 - Infrastructural development
 - Farming
 - Recreation

Ghana's Forest Reserves - I





Ghana's Forest Reserves - II



- Government manages on behalf of traditional authority
- Revenue sharing agreement 60:40 (Government to traditional authority respectively)
- Fringe community access rights to NTFPs by permit
- Pre-existing cash crop farms admitted in the reserves

Ghana's Forest Reserves - III

Management Categories:

- Timber Production = 47%
 - *Timber Harvesting Purposes*
- Conversion = 24%
 - *Plantation Purposes*
- Protection = 22%
 - *Ecological, Wildlife, Watershed*
- Convalescence = 7%
 - *Recover Naturally from Exploitation*



Ghana's Off-reserve areas



- Under the control of traditional authorities
- Not under any specific management plan – i.e., used for all purposes
- Contained substantial amount of timber and accounted for more than 50% of industry's raw material until lately when extreme deforestation (*chainsawing/logging, fire, shifting cultivation, urbanization, etc*) limited that capability
- Accounts for about 10% of Ghana's 28% forest cover

Situation of Industry

- Over-fragmented
- Dominated by SMEs of mainly natives who have greater portion of the forests
- Native SMEs are in serious liquidity problems
- Many companies have closed down due to raw material shortage and financial problems yet industry's overcapacity lingers.
- In spite of difficulties, native companies still prefer solitary existence whereas their foreign counterparts are grouping to enjoy economy of scale





Implications of Fundamental Bottlenecks

- In the short to medium term:
 - *Off-reserve areas may not qualify for certification due to lack of management plans. What happens to concessionaires legally operating in such areas?*
 - *On-reserve areas may meet certification standards but SMEs dominating these areas may not be able to afford. Who pays the bills?*





International and national initiatives in respect of certification

- FLEGT/AFLEG
 - Voluntary Partnership Agreement
 - Government Purchasing Policies
 - International schemes and how they accommodate concerns of tropical
 - National schemes and slow rate of acceptance – the case of the Malaysian Timber Council
 - Independent monitoring and engagement of governments
-
- *Processes for consultation*
 - *Engagement of trade in producer and consumer countries*
 - *Pressure from NGO's in producer and consumer countries*
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Benefits from Certification: – Tropical timber perspective

- Response to global demands
- Channel for forest fringe communities to influence policies
- Increased market share
- Image protection
- Induces further processing
- Facilitates administration of forest laws
- Sustainable Forest Management (SFM) of the resource



Constraints from Certification: – Tropical timber perspective

- Generalized stigmatization of tropical hardwoods
- Timber distributors' reactions to pressure of boycotts by ENGOs. *e.g., emergence of the Responsible Purchasing Policy (RPP) from buyers in the EU*
- Proliferation of policing mechanisms with potential to impede free trade
- Increased production cost will exacerbate domestic wood supply problems
- Exertion of extreme pressure on national budget in the short to medium term



What Tropical Governments can do

- Garner support for the case of Harmonized National Standards to address common problems within the various SFM regional processes through active engagement with ENGOs and trade.
- Map out, negotiate en bloc and fully fund total certification costs of all certifiable areas for the first 5 years
- Set up reliable national systems to control possible dilution of certified products with extraneous materials