Forest Certification: An Historical and Future-Looking Perspective

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Outline

• Brief review of historical developments
• Recent developments
• The marketplace
• The future
Certification DPs

• Chapters since 1998
  – Rametsteiner

• Six DPs
  – Covering from 1998-2003
    • Juslin & Forsyth
    • U Helsinki students
Why Are Companies Committing?

- A method for minimizing risk of being targeted
- An idealistic philosophy of “doing the right thing”
- Anticipation of competitive advantage
- Seen as an effective and credible means of communication
Certification Drivers

• Inability to establish self claims as credible
• Some, but not all Environmental Groups
• Forest industry
• Environmental values reflected in purchase policies/building specifications
• Consumers
The Continuing Role of Environmental Groups
Growth in # of WWF Buyers Groups

- 1998: 6
- 1999: 8
- 2000: 14
- 2001: 14
- 2002: 19
Message from the Director

This past spring was a time of promising developments for the Global Forest & Trade Network (GFTN). Among other accomplishments, we received word from the European Community that we are the recipient of a grant to strengthen our forest & trade networks and reduce illegal logging in Asia and Africa. We also entered into a partnership with the Tropical Forest Foundation to accelerate sustainable forest management and reduced-impact logging in Latin America, Asia, and Central Africa. At the same time, government, NGOs, and the media. The members, which include some of Russia’s largest producers of logs, sawn timber, and pulp and paper, manage 1.8 million hectares of FSC-certified forests and a combined forest lease area of over 12 million hectares. The vast majority of these hectares are now committed, through membership in the association, to credible certification over the next 10 years. In addition, there are now a significant number of new applicants to the group, including small, medium, and large producers from all regions in Russia including Siberia and the Russian Far East.

GFTN progress is by no means limited to Russia. We have a

28 Members – consumer- and producer-based
<table>
<thead>
<tr>
<th>Policy</th>
<th>Description</th>
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<tr>
<td><strong>1</strong></td>
<td>The Home Depot will give preference to the purchase of wood and wood products originating from certified well-managed forests wherever feasible.</td>
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<td><strong>2</strong></td>
<td>The Home Depot will eliminate the purchase of wood and wood products from endangered regions around the world by year-end 2002.</td>
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<td><strong>3</strong></td>
<td>The Home Depot will promote the efficient and responsible use of wood and wood products.</td>
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<td><strong>4</strong></td>
<td>The Home Depot will promote and support the development and use of alternative environmental products.</td>
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<td><strong>5</strong></td>
<td>The Home Depot expects its vendors and their suppliers of wood and wood products to maintain compliance with laws and regulations pertaining to their operations and the products they manufacture.</td>
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Other Purchasing Policies

- Large homebuilders
- Office supply retailers
- Financial institutions
- Catalog retailers
Major Catalog Companies

Victoria's Secret mails out more than a million catalogs a day, and the cost of these catalogs isn't sexy—they're printed on paper made from some of the world's last remaining Endangered Forests.

Victoria's Secret isn't so interested in full exposure when it comes to revealing where its catalogs come from. They are printed on paper from the Casuarina Reserve, a forest wilderness larger than the Brazilian Amazon. And most of the paper that Victoria's Secret uses comes directly from forests. Since ForestEthics launched its campaign, Victoria's Secret has started printing 10% of its catalogs on a paper with high recycled content. This is exciting, and the company can do so much more.

The Casuarina Reserve is a key buffer protecting so much global warming and is home to more than a million indigenous people, billions of North America's remaining birds, as well as globally unique and threatened mountain rainforest. It's being cut down at a rate of two acres a minute. In three days, a major rainforest the size of Victoria's Secret is not satisfied with just shipping the forest to China. It is also destroying forests in the Southern US, one of the most biologically diverse regions of our country and the unfortunate source for 35% of the world's paper.

If Victoria's Secret were so dedicated to demanding environmentally responsible paper from its suppliers like International Paper Co. it's time to demanding. It could make a significant contribution to turning around the environmentally devastating paper industry.

To Leslie H. Moon, the CEO of Victoria Secret parent company, Limited Brands, that when it comes to our last remaining forests, less is not more. Insist that the company stop buying paper that comes from endangered forests. That it increase its use of recycled paper to 50%, and that it stop sending so many damn catalogs!

Get involved in ForestEthics' campaign to revolutionize the catalog industry. Visit www.ForestEthics.org
Industry Reaction

- Embrace the FSC model
- OR
- Create a competing system

- Sweden – FSC
- Canada – CSA
- Finland – Finnish Forest Cert. System
- U.S. – SFI
  - Potlatch – breakaway?
Growth in Certified Area

Million hectares

FSC  PEFC  CSA  SFI

1998  1999  2000  2001  2002  2003  2004  2005

UNECE 05 Annual Market Review
Share of Certified Area by System

- CSA: 22%
- PEFC: 27%
- SFI: 24%
- FSC: 27%

UNECE 05 Annual Market Review
Share of Certified Area by System

- PEFC: 22%
- FSC: 78%
Geographical Distribution of FSC Certified Land (May 2005)

- **U.S.**: 14%
- **Sweden**: 18%
- **Poland**: 18%
- **Canada**: 9%
- **Brazil**: 6%
- **Baltics**: 7%
- **S Africa**: 3%
- **UK**: 3%
- **Russia**: 7%
- **Bolivia**: 4%
- **Croatia**: 4%
- **Other**: 13%

- **Total Certificates**: 698
- **Countries**: 66
- **Hectares**: Nearly 54 million hectares
Development in Russia

- Development of several systems
  - Cashore - Yale
- Ilim Pulp pursuing FSC
- ENGOs actively participating
- Retailers actively participating
The Reality of Marketing Certified Products

- Low demand
- Low consumer awareness
- Low willingness-to-pay
- Perceptions of lower quality
- Niche market
- Limited volume available
- Chain-of Custody
- Distributor hesitancy
Demand

• Final consumers are NOT drivers
• No good estimates of demand volume
  – FSC estimates its market at $5 billion
• High level of support for FSC
• Global Forest and Trade Network
• LEED, etc.
LEED: Leadership in Energy and Environmental Design

The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Members of the U.S. Green Building Council representing all segments of the building industry developed LEED and continue to contribute to its evolution. LEED standards are currently available or under development for:

- New commercial construction and major renovation projects (LEED-NC)
- Existing building operations (LEED-EB)
- Commercial interiors projects (LEED-ID)
- Core and shell projects (LEED-CS)
- Homes (LEED-H)
- Neighborhood Development (LEED-ND)

USGBC member committees are actively collaborating on new and existing LEED standards. Check for periodic LEED updates.

LEED was created to:

- define "green building" by establishing a common standard of measurement
- promote integrated, whole-building design practices
- recognize environmental leadership in the building industry
- stimulate green competition
- raise consumer awareness of green building benefits
- transform the building market

LEED provides a complete framework for assessing building performance and meeting sustainability goals. Based on well-founded scientific standards, LEED emphasizes state of the art strategies for sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. LEED recognizes achievements and promotes expertise in green building through a comprehensive system offering project certification, professional accreditation, training and practical resources.

Click below to view the LEED Foundations documents:

- LEED Committee Charters - describes the purpose and scope of each LEED Committee
- LEED Foundations Policy Manual - describes USGBC policy for consensus based development of the LEED family of products
Credit 7  **Certified Wood**  

1 Point

**Intent**

Encourage environmentally responsible forest management.

**Requirement**

**Credit 7.0 (1 point)** Use a minimum of 50% of wood-based materials certified in accordance with the Forest Stewardship Council Guidelines for wood building components including but not limited to structural framing and general dimensional framing, flooring, finishes, furnishings, and non-rented temporary construction applications such as bracing, concrete form work and pedestrian barriers.

**Technologies & Strategies**

Establish a project goal for FSC-certified wood products and identify products and suppliers that can achieve this goal. During construction, ensure that the FSC-certified wood products are installed and quantify the total percentage of FSC-certified wood products installed.
Supply

- No good estimates of supply volume
- Area certified not a good predictor of supply
- Certified area is clearly increasing
- Potlatch 668,000 acres
  - First major U.S. corporate to go with FSC.
The Future

- Mutual recognition
- Certification of hotspots (Russia, Coastal BC)
- ENGO shift in focus to illegal logging
- Review of FSC US regional standards
- Issues to watch:
  - Tropical forests?
  - LEED Standards?
  - PEFC?