



Forest Stewardship Council®



FSC Monitoring & Evaluation Report

Context, figures, effects and impacts

Public Report 2013 (revised version March 2014)



Submitted to ISEAL in compliance with the Impacts Code (third year requirement).

This report points out some of the contributions FSC delivered towards its mission to “promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests”. The scope of potential social, environmental, economic and political contributions towards this mission is as broad as the types of forest ecosystems, forest management types, forest users and their needs and interests in forests. FSC implemented a monitoring and evaluation program to increase the understanding of the complex impacts of the different FSC programs, and to provide a systematic foundation for a transparent, impartial and consistent evaluation of the FSC’s effectiveness in delivering its mission.

FSC’S VISION

The world’s forests meet the social, ecological and economic rights and needs of the present generation without compromising those of future generations.

FSC’S MISSION

FSC shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests

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FSC Monitoring and Evaluation Program

Report 2013 (revised version Feb. 2014)

Contents

FSC's Vision and Mission is Based on a Global Crisis	4
What is FSC's Aim?	5
Forest Management.....	7
Certification of forest management	7
Quality of forest management	10
Promoting responsible forest management politically	11
FSC's Governance structure and stakeholder engagement	11
Consultation processes.....	16
Certificate holders' perspective.....	20
Forest management recertification.....	20
FSC Global Market survey	22
Call for research	24



FSC's Vision and Mission is Based on a Global Crisis

Since the 1980s, scientific researchers have pointed clearly and precisely to the dramatic stress placed on the world's forests. The complex relationship between the natural functioning of forest ecosystems, forest use, and the people involved is a challenging one. Research on the forest area and the biodiversity of forest dependent flora and fauna indicates prevalent deterioration of forest ecosystems, their functions and structures, for multiple, complex reasons, and that the destruction of the tropical forests proceeds at a frightening rate. In many countries political and economic basic conditions lead to a fragmenting of resources instead of favouring and supporting a sustainable use of resources. Data collected on social and socio-economic conditions demonstrate that in many cases traditionally forest dependent people (e.g. communities, indigenous people, and marginalized populations) are facing serious challenges to their reliance on forests for their livelihoods, often because of the change of management of the forest areas.

Yale's School of Forestry & Environmental Studies (B. Cashore et al. (2006)¹) summarized these alarming research findings: *"In the face of this body of knowledge and the consensus that many problems are intensifying, domestic and international governmental responses have been strongly criticized as woefully inadequate and far too slow to address the myriad problems facing global forest management. As a result of this frustration, some of the world's leading environmental groups and their allies decided to sidestep governments and in 1993 created the Forest Stewardship Council (FSC). FSC and its supporters turned to the marketplace to generate incentives for forest businesses to conform to environmentally and socially responsible forest practices. The solution put forward by FSC was relatively simple: develop a set of global sustainable forestry principles and criteria, have national and sub-national multistakeholder committees develop regionally appropriate standards, have third [independent – the editor] parties audit forestry operations for compliance, and certify those who pass the test - providing a badge of honour that, the hope was, would allow certified operations to gain some type of market advantage vis-à-vis their competitors (such as market access, price premiums, and the more abstract notion of a "social license to operate")."*

Unique among other social and environmental initiatives, FSC developed a new kind of certification system that evaluates the practices by which timber and other products from the forests are produced, rather than the environmental performance of the products themselves. This evaluation is based on standards developed jointly by a broad range of stake-

¹ Cashore, B.; Gale, F.; Meidinger, E.; Newsom, D. (2006): Confronting Sustainability: Forest Certification in developing and transitioning countries. In: Environment. Vol 48, Nr 9, Nov 2006, p 6 - 25. <http://www.heldref.org/env.php> © Benjamin Cashore, Fred Gale, Errol Meidinger, and Deanna Newsom, 2006.
http://environment.yale.edu/publication-series/natural_resource_management/2538/confronting_sustainability_forest/



holders that usually do not work on the basis of joint consensus. Since 1993, FSC has evolved and grown tremendously, both in scope and in breadth. Today, twenty years later, FSC is actively promoting responsible forest stewardship in more than 110 countries worldwide through both forest management and chain of custody certification. Through joint efforts of different FSC supporters and constituencies, today more than 190 million hectares of forest are managed and certified according to the high standards of FSC. Around the globe 35 FSC accredited certification bodies are working with committed forest managers and forest product purchasers (see table 1). Consumers, often organized through powerful environmental and social NGOs, are pushing for responsibly managed products.

What is FSC's Aim?

FSC produced the Theory of Change, and then held a public consultation in October 2013 to gather suggestions for intended impacts and indicators to measure its impacts. The forest management-related indicators cover the three areas addressed in FSC's mission (environmental, social and economic effects of forest management) as well as overarching general aspects of forest management. The auditors of FSC's accredited certification bodies continue to monitor elements of FSC's impacts and report on many of these indicators. This information is publicly accessible in the FSC certification reports on our website. Some of the suggested indicators are currently not assessed in forest management audits, but might become reporting requirements for candidates in the modular approach program (MAP), that is – at the time of writing this report - in development for forest management certification. Another set of indicators focus on the tools FSC employs to “promote” responsible forest management politically: in engaging stakeholder groups to develop solutions for conflicting interests in forest management, in contributing to meaningful forest certification (for example through participation in standard development processes and public consultations), and through market-linked activities. While the progress against some of these indicators will be measured regularly, a third set of indicators might be assessed on a sample basis by external researchers.



Table 1: FSC in figures

	End 2000	End 2006	Sept. 2008	End 2013
Forest area certified (million hectares)	24.4	82.6	105.4	190.7
FSC Global South*	6.1	41.4	52.6	94.4
FSC Global North*	18.3	41.2	52.8	96.3
Number of forest management certificates	284	860	944	1,257
FSC Global South*	94	432	483	759
FSC Global North*	190	428	461	498
Number of chain-of-custody certificates	1'138	5'178	11'111	27'054
FSC Global South*	323	1'554	2'582	10'198
FSC Global North*	815	3'624	8'529	16'868
No. of countries where FSC certificates (forest management, chain of custody) are issued	49	73	97	118
Number of accredited certification bodies	5	16	19	35
No. of countries with approved forest stewardship standards	5	26	29	31
Number of FSC International (Asociación Civil) members	357	647	811	831
Number of FSC Network Partners**	19	39	53	43
FSC Regional Offices and Network managers	-	4	4	6 + central coordination

Source: FSC Data base, FSC Literature Review 2009

* FSC Global North and Global South refer to the OECD categories: FSC Global South includes not only all the OECD developing countries, but also the countries in transition from the former Soviet Union, while countries like Australia and New Zealand, situated geographically in the South are economically part of the “FSC Global North”.

** FSC Network Partners: before 2011 called National Initiatives.



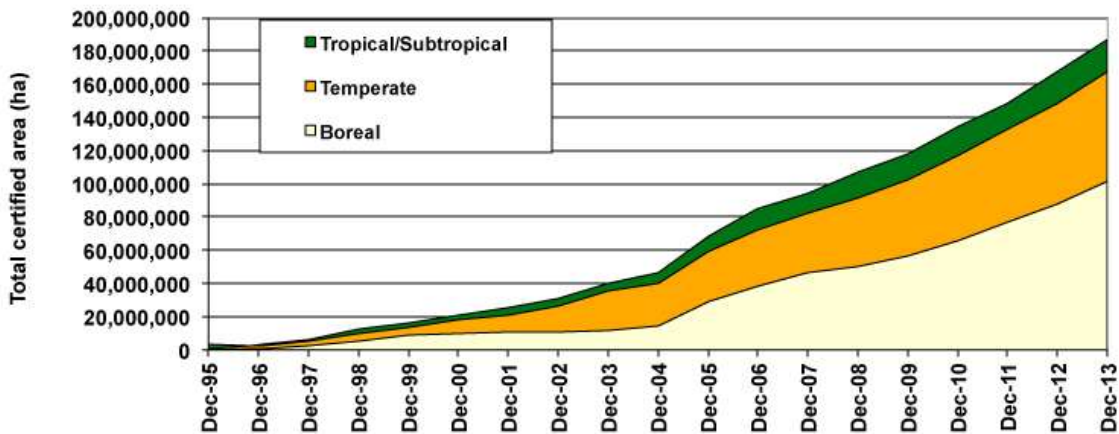
Forest Management

Certification of forest management

A short way to describe FSC’s concept is based on the underlying assumption that each additional hectare certified to FSC standards brings us closer to achieving FSC’s mission: to improve forest management worldwide. **The larger the forest area certified to FSC standards, the larger the forest area that brings evidence that it is managed socially, economically viable and environmentally responsibly.**

Since the inception of FSC, the area of forest operations managed and certified according to FSC standards is continuing to grow at an unprecedented rate. During the five years since 2009, forested area under FSC has grown at a relatively constant rate of 15.5 million hectares per year, equivalent to an average annual growth rate of 11 percent (Figure 1).

Figure 1: Total FSC certified forest management area (1995-2013)



Source: FSC Certificate data base, Dec. 2013

As of 15 December 2013, 1,260 forest management units with a total of 190.8 million hectares were managed and certified according to FSC standards². These certified operations are spread over five continents, over 81 countries, in different climate zones (see table 2).

² “The State of Sustainability Initiatives Review 2014: Standards and the Green Economy” (page 209) estimates that in 2013 “Globally, FSC forest area accounts for approximately 4.5 per cent of forest area, while PEFC forest area accounts for approximately 6 per cent. Conservatively, we estimate certified forest area after accounting for double certification to be about 9 per cent of total forest area.”



Because FSC is a market-linked instrument and its intention is to enable consumers to identify and choose products from responsibly managed forests, FSC reports both certified forest management figures as well as the number of those operations certified to buy and sell FSC certified products in the same overviews. As of mid- December 2013, 27,246 chain of custody (CoC) certificates have been issued, in 114 countries.

These reports and more related information are updated monthly in *FSC Facts & Figures*, and are publicly available on the FSC website (<https://ic.fsc.org/facts-figures.19.htm>). Table 2 shows the distribution of FSC certified area and numbers of forest management operations and of chain of custody certificates over the regions.

Table 2: FSC certified area per continent, number of certified operations

As of 15 Dec. 2013	North America	Europe	Asia	South America & Caribbean	Africa	Oceania
FSC certified area	77,526,654 hectares	81,623,564 hectares	8,959,685 hectares	13,390,488 hectares	6,729,825 hectares	2,550,506 hectares
No. of forest management (FM) operations certified	241 FM certificates in 3 countries (US, CA, MX)	507 FM certificates in 32 countries	181 FM certificates in 13 countries	246 FM certificates in 17 countries	47 FM certificates in 11 countries	38 FM certificates in 5 countries
No. of chain of custody (CoC) operations certified	4,306 CoC certificates in 5 countries	14,104 CoC certificates in 39 countries	6,796 CoC certificates in 27 countries	1,407 CoC certificates in 20 countries	165 CoC certificates in 16 countries	1,463 CoC certificates in 7 countries

Source: FSC certificate Database December 2013

Canada, Russia, the United States and Sweden account for 70 percent of total FSC-certified area (133 million hectares). Canada alone represents about one-third of total FSC-certified area, while Russia represents about one-fifth.

Table 3 shows the forested area certified under FSC by continent or region.

Table 3: Forested area certified under FSC by continents, region

Region	Area
Europe (including Russia)	43%
North America	40%
South America and Caribbean	7%
Asia	5%
Africa	4%
Oceania	1%
% of total FSC certified area	100%

Source: FSC Database December 2013

While FSC has achieved particular success in North American and European countries, FSC coverage is significantly less in tropical regions.

Nevertheless, FSC has succeeded in certifying one percent or more of total forested area in certain countries containing tropical forest, including China, Brazil, Indonesia, Gabon, South Africa and New Zealand.



Table 4: Forested area certified under FSC by biomes in 2008 and in 2013

Biomes	April 2008	December 2013
Boreal forests	49%	54.4%
Temperate forests	38%	35%
Tropical / subtropical	13%	10.6%
% of total certified area	100%	100%

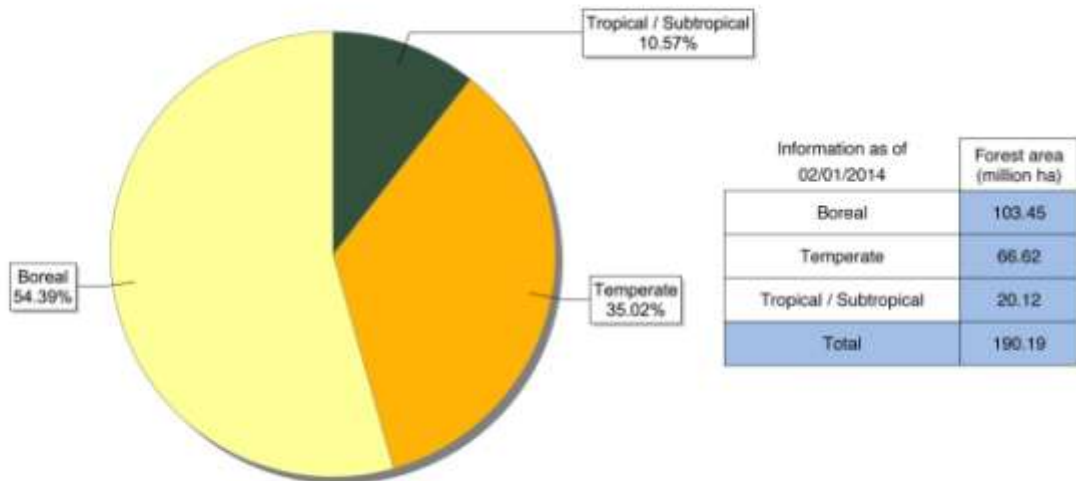
Source: FSC certificate database, Dec. '13, Apr. '08

The concentration of certification in the temperate and boreal forests of North America and Europe is illustrated in Table 4 and Figure 2.

Table 4 compares the breakdowns of the FSC certified area by biome for the years 2008 and 2013, showing very similar figures for these years.

Figure 2: Global FSC certified area, breakdown by biomes

FSC certificates by biomes: global certified area



Source: FSC Facts and figures / certificate data base, Dec. 2013

Table 5: Forested area certified under FSC by forest type in 2008 and 2013

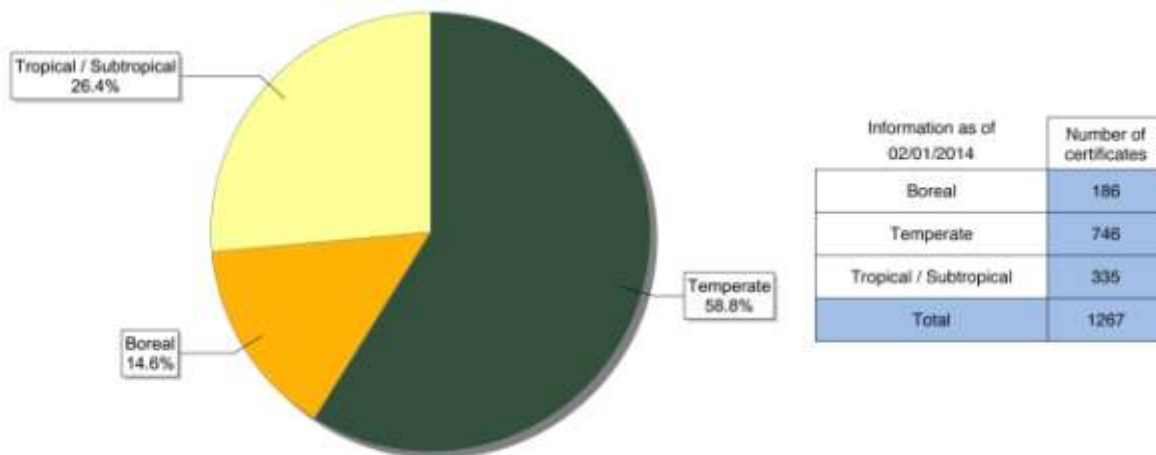
Forests types	April 2008	Dec. 2013
Natural forests	65 %	64%
Semi-natural and/or mix of plantation/natural forest	27.5%	27%
Plantations	7.5%	9%
% of total FSC certified area	100%	100%

Source: FSC certificate database, Dec. '13, Apr. '08

FSC's total certified area is primarily supplied by natural forests, as shown in Table 5 and Figure 3.

Like in the breakdown by biome, the figures for April 2008 and December 2013 are very similar.

Figure 3: Global FSC certified area, breakdown by forest types
 FSC certificates by biomes: number of certificates globally



Source: FSC Database December 2013

Quality of forest management

To evaluate FSC’s impacts and outcomes on the ground, in 2008-2009 FSC’s monitoring and evaluation program reviewed independent research from hundreds of references, including reports, academic journals, books and screened analyses by various NGOs. The full report “*FSC reflected in scientific and professional literature – literature study on the outcomes and impacts of FSC certification*” can be assessed here.

Like other studies referenced in the literature review, the WWF Living Forests Report (2011) found that FSC certification has a positive impact on the overall economic, environmental, and social impact of forest management. Furthermore, it found in tropical forests:

“...an extensive study of Corrective Action Requests (CARs)... looking at FSC certified operations in natural tropical forests concludes that FSC certification has a positive impact particularly in the fields of:

- *health and safety of employees and their families;*
- *management plans;*
- *monitoring;*
- *use of reduced-impact logging;*
- *and protection of rare, threatened species.*

The study found that the number of CARs given in certification assessments was decreasing over time, suggesting that companies have incorporated management activities that are in line with FSC requirements as standard best practice.”

(World Wildlife Foundation, 2011)



Today, FSC works with a variety of research consortia to identify FSC strengths and weaknesses, and intended and unintended outcomes and impacts. For example, FSC’s monitoring and evaluation manager has engaged with the Center for International Forest Research (CIFOR) and WWF International on steering committee level, and as technical advisor on different studies about ecological and social impacts in Russia, as well as countries of Latin America, Africa and Asia.

These impact evaluations are conducted by multi-disciplinary research teams and take long-term perspectives. They include, where possible, first hand data and counterfactual control groups. The Helmholtz Alliance conducts other research projects with other research organizations focusing on earth observation tools to identify options to better evaluate changes in forest cover and use. This evaluation identifies the status, dynamics and disturbance of certified forest areas and the neighboring landscapes. It is run in parallel to on-the-ground monitoring activities in forest management certification to increase transparency in strengthening the reliability of monitoring activities of foresters, auditors, Accreditation Services International (ASI)/FSC and other stakeholders, like environmental NGOs.

An example of a summary of independent research outcomes focusing on “Biodiversity and forest management certification” was presented at the FAO World Forestry Congress 2009 in Argentina. Research papers from a number of organizations including Greenpeace and WWF about FSC’s impacts can be found on the FSC webpage.

Promoting responsible forest management politically

FSC’s Governance structure and stakeholder engagement

Stakeholder engagement on national and international levels, in standard development and forest management certification processes, is important for the acceptance and the improvement of the FSC system. FSC chamber-balanced stakeholder systems encourage interaction and allow solutions for forest management requirements of standards and policies acceptable for all parties to be developed.

FSC Membership at global level

FSC is governed by its members. FSC Asociación Civil (FSC A.C.) is the international membership body. The FSC A.C. membership nominates and votes annually¹ for the FSC Board of Directors. The FSC General Assembly is FSC’s highest decision-making body. Every three years members of the social, environmental and economic chambers, further split into sub-chambers of global North and South, come together to discuss the political direction of FSC. These members may be organizational – representing organizations (like environmental NGOs, furniture companies, or labour unions) - or individuals, such as researchers. Within one chamber all individual members have a total of ten percent of the



voting power of the respective chamber. The number of members per chamber does not influence the voting power of the chambers: each chamber has the same weight. Those applying for FSC membership require supportive letters from existing FSC members, and members pay an annual fee. Individual members pay less than organisational members, members in the economic South less than members from the North. This could be a reason for the relatively high number of individual members in the South Social Chamber.

The number of FSC A.C. members is growing, as the number of participants (members and observers) in the General Assemblies does. FSC interprets this as an indication that it is able to interest people at global level, and that members find their financial and time investment is meaningful and in a trusted system.

There is some undulating growth in the membership: It happens that for different reasons members do not pay their membership fees for a while, thereby losing their voting rights for that time. After three years of reminders the membership will be suspended. In preparation for the General Assemblies many of these members pay the outstanding fees, so that they get their full voting rights back. A deeper analysis of the FSC membership composition and dynamic will be conducted in the coming years. Some independent researchers have requested related information from FSC. In preparation for the General Assembly, we usually see more applicant members.

At the end of 2000, FSC A.C. had 357 members, 647 members in 2006, and 811 members at the end of the General Assembly in 2008, 780 members in 2010, (a General Assembly was held in 2011), and 853 members by end of 2012 (see figure 4).

Figure 4: Development of FSC A.C. membership

Members	375	647	811	780	853
End of year	2000	2006	2008	2010	2012
General Assembly	2002	2005	2008	2011	

In **2006**, of the 647 members, economic and environmental chambers had roughly the same number of members (n: 278 (43 percent) in the economic chamber vs. n: 254 (40 percent) in the environmental chamber), and 111 members (17 percent) in the social chamber. Fifty-one percent of the members represented countries in the economic north, while 49 percent were from the South.

In **2010**, of the total of 780 members 433 were individual members, 347 members represented organizations. Of the 780 members, economic and environmental chambers had roughly the same number of members (329 in economic vs. 310 in the environmental chamber), with 141 members in the social chamber. Of the 780 members, 350 came from countries in the economic north, 430 from the South. (See table 6).



In **2012**, the total of 853 members were almost equally divided into individual (n: 426) and organizational (n: 427) members. Of the 853 members, the economic chamber had the highest number of members (n: 412), the environmental chamber had 286 members, and the social chamber had the lowest number with 155 members. The number of members from northern countries were slightly higher (n: 438) than those representing southern countries (n: 415). (See table 6).

Nevertheless, FSC generally strives for decision-making based on consent, and as explained above, the chamber-balanced voting system helps to avoid that in cases of voting simple majorities within or of one single chamber can rule over other chamber interests.

Table 6: FSC A.C. Membership in 2010 and 2012, divided by type and sub-chambers

FSC A.C. Membership Chamber	Type		Sub-chamber North	Sub-chamber South	Total 2010		Sub-chamber North	Sub-chamber South	Total 2012
Environmental	Individual	2010	32	159	191	2012	41	127	168
	Organiz.		89	30	119		90	28	118
	<i>Subtotal</i>		121	189	310		131	155	286
Economic	Individual		56	95	151		64	94	158
	Organiz.		120	58	178		172	82	254
	<i>Subtotal</i>		176	153	329		236	176	412
Social	Individual		23	68	91		34	67	101
	Organiz.		30	20	50		37	17	54
	<i>Subtotal</i>		53	88	141		71	84	155
Total			350	430	780		438	415	853

Source: FSC database 2013

FSC provides subsidies to assist in facilitating a balance of northern and southern FSC members, especially from the southern social and environmental sub-chambers. The subsidies also help to facilitate a quorum at the General Assembly. FSC allows observers to attend and to contribute to discussions at the General Assembly. Table 7 gives an overview of the development of participation at the General Assemblies, and also shows that there is growing interest in FSC in a growing number of countries.



Table 7: FSC A.C. General Assembly participation of voting members and other stakeholders (observers)

FSC General Assembly	Participants (members, observers)	Countries	Venue
1996, June			Oaxaca, Mexico
1999, 24-25 June	170	32	Oaxaca, Mexico
2002, 24-26 Nov.	200	44	Oaxaca, Mexico
2005, 7-9 Dec.	282	56	Manaus, Brazil
2008, 3-7 Nov.	300	65	Cape Town, South Africa
2011, 25 - 1 July	500	80	Kota Kinabalu, Malaysia
2014, 7-14 Sept			Seville, Spain

Source: FSC Membership Program 2013

FSC Network and membership at national levels

Since the establishment of FSC in 1993, many individuals and organizations have been interested in liaising with FSC in its development and this has resulted in a one of FSC's strongest assets: a group of FSC network partners around the world. Network partners are defined as: "FSC partners on a national level with a cooperation agreement with FSC. This comprises FSC national offices³, FSC national representatives⁴ and FSC national focal points⁵." The deep level of interdependence between FSC and its network partners contributes to FSC's global aims because network partners, among others, agree to the national or regional forest management standards, which contribute to position FSC as the benchmark in forest certification. Network partners also have a crucial role in advocacy on behalf of FSC, maintaining good relationships with local social and environmental groups and in introducing companies to the FSC system at every level of the supply chain. As of December 2013 FSC had 30 national offices, seven national representatives, and six national focal points. In addition, regional offices in Africa, Asia-Pacific, Europe, Russia, China, and Latin America are coordinated through FSC International in Bonn to provide services. Network procedures have been developed to ensure that all partners adhere to the FSC requirements for network partners.

Table 8 provides an overview of the FSC National Offices and the number and chamber affiliation of the national members in these countries.

³ FSC National Office: a legally established and independent FSC partner organization promoting responsible management of the world's forests on behalf of FSC at the national level on the basis of a formal contract (cooperation agreement).

⁴ FSC National Representative: an individual working on behalf of FSC in his/her country to serve as a national point for information and to promote responsible management of the forests under a formal contract (cooperation and service agreement).

⁵ FSC National Focal Point: an individual with a specified and agreed task for his/her country accomplished on a voluntary basis and under a formal contract (agreement). The National Focal Point does not represent FSC.



Table 8: Number of members of National Offices, as of Dec. 2013

Network Partner / National Office	Region	Environmental	Economic	Social	Total members
Australia	Asia Pacific	21	73	16	110
Belgium	Europe	7	17	6	30
Bolivia	Latin America	41	15	14	70
Brazil	Latin America	20	90	17	127
Canada	North America	15	31	14	60
Chile	Latin America	11	23	17	51
Czech Rep.*	Europe	5	9	3	17
Denmark	Europe	5	70	2	77
Ecuador*	Latin America	8	6	6	20
Estonia	Europe	3	3	6	12
Finland	Europe	4	4	3	12
France	Europe	7	53	5	65
Germany	Europe	29	116	23	168
Guatemala*	Latin America	5	8	4	17
Honduras	Latin America	30	26	10	76
Ireland*	Europe	5	10	3	18
Japan*	Asia Pacific	7	15	5	27
Latvia	Europe	5	12	4	21
Luxembourg	Europe	14	20	3	37
Netherlands**	Europe	n/a	n/a.	n/a	304
Nicaragua*	Latin America	23	24	10	57
Peru*	Latin America	10	8	6	24
Poland	Europe	25	21	5	41
Portugal	Europe	5	14	5	24
Russia*	CIS	23	25	7	45
Spain*	Europe	12	15	7	34
Sweden	Europe	2	40	5	47
Switzerland	Europe	5	37	6	58
United Kingdom	Europe	9	18	5	32
United States	North America	25	66	21	112

*: older figures than Dec. 2013

** FSC Netherland membership is not organized in chambers.

Source: FSC Network Unit, 2013



Consultation processes

FSC brings people together to jointly develop solutions

FSC engages with stakeholders on different levels: in forest management certification, for standard development and revision, for long-term strategies through General Assemblies, and for many other issues. FSC has standards and guidelines for such stakeholder engagement processes, in line with ISEAL and ISO requirements or beyond. Consultations are processes which enable the public and relevant organisations to help develop acceptable strategies and solve problems. The aim is to involve everyone who is affected by the issue and who wants to help find the best solution, in FSC's case for the multiple interests in forest management and for the technical challenges of tracing certified materials. Sometimes a consultation will not address a specific problem, but will simply seek feedback and opinions on a topic. In addition, more political documents (Statutes, Theory of Change, Global Strategies, etc) are consulted.

At the international level, the FSC normative framework currently comprises 52 documents: 25 standards, 13 policies and 14 policy documents. A number of additional normative directives and advice notes and guidance documents are related to these documents. The full catalogue with information about document ownership, effective and approval dates, and so on is publicly available on the [FSC website](#). While FSC is working to reduce the number of documents by merging and streamlining them, the number of such documents is not currently decreasing as each political and technical document requires updating in line with new regulations from time to time.

FSC develops, reviews and revises its policies, standards and procedures via stakeholder consultation on a regular basis. In view of the sheer number of consultations, it does not come as a surprise that members and other stakeholders choose to focus on certain topical areas related to their interests (e.g. forest management issues, trademarks aspects and governance). Therefore some topics receive attention from a broad scope of stakeholders (for example, the International Generic Indicators for forest management that address social, environmental and economic aspects), while other more technical standards (for example, chain of custody) are debated by smaller groups of experts. Various FSC units run these consultations as appropriate, and FSC is working to better coordinate the timing of the consultations to avoid stakeholder fatigue. An example for such a consultation process and related documents is available of the [FSC International Generic Indicators website](#). One of the documents is a stakeholder outreach survey [report](#) summarizing findings from interviews conducted to determine stakeholders' major outstanding concerns regarding the FSC principles and criteria and how these should be addressed to their satisfaction in the International Generic Indicators.

The large volume of work of preparing documents for consultation and reflecting the feedback from consultations in the revised documents is in many cases conducted by FSC in cooperation with regional and chamber-balanced expert working groups of FSC members and technical advisors. The members of these committees are experienced in social and environmental standard setting processes nominated through the FSC membership.



In 2013 roughly ten major consultations were conducted publicly on FSC core documents (such as FSC statutes and FSC's global strategic development, or the International Generic Indicators for forest management). Approximately 25 consultations were conducted on more technical standards, advice notes and motions (such as chain of custody evaluation standards, group certification eligibility criteria). For most consultations, the FSC network, certification bodies, FSC members and external expert groups are invited to comment. The ongoing consultation processes are promoted on the [FSC consultations website](#).

An example of a standard revision process in 2013 is the ongoing consultation on controlled wood standards. The standards related are FSC-STD-40-005 V 3-0 requirements for sourcing controlled wood and FSC-STD-30-010 V 3-0 forest management requirements for controlled wood certification. One round of public consultation was conducted in 2013. Based on the FSC board of director's guidance and due to the consultation of the International Generic Indicators in the same time frame, a second round of consultation is planned for early 2014. The details of the results of the first consultation's feedback will be presented to stakeholders with the start of the second consultation. The first consultation was announced through the public FSC News and uploaded on the consultation website. The stakeholders directly contacted are all those subscribed to the mailing lists of the FSC network, the certification body forum, and the FSC's membership. In the first round of consultation 107 stakeholders provided feedback; 38 of the respondents are FSC members (13 representatives of environmental organizations, 26 representatives of economic members (including 10 certification body representatives)); six network partners, one FSC International employee, and 62 other stakeholders.

It is important for FSC to continue to engage stakeholders in consultations, to maintain and enhance its transparent, democratic and inclusive standard setting processes, which result in FSC's authority, and to keep up its good reputation as an important and recognized forum where innovative solutions have become possible through dialogue. Equally important is the aspect that the FSC system learns from the feedback of the stakeholders' expertise. The FSC monitoring and evaluation system now monitors participation in these consultation processes in cooperation with the relevant FSC entities.



National forest stewardship standards

The development of indicators for forest management on a national level within the framework of the FSC principles and criteria for forest stewardship is — politically — a special case of standard development, although the requirements for working group composition and consultation processes are the same. National forest management standards are at the heart of FSC's philosophy of forest stewardship. These processes usually take years of negotiation within the countries. In addition, in many cases the national standards have to go through harmonization processes with neighboring countries. One of the countries engaging very early in this process was Sweden, where WWF Sweden convened a chamber-balanced group to negotiate the standard in 1993. In 1997, Sweden was the first country to have their national forest stewardship standard approved by FSC.

Researchers state that these national processes facilitate participatory forest policy processes and better policy definition, and that they have strong impacts on the ability of civil society and stakeholders to bring issues to the table around worker rights, tenure and health and safety standards in forest management. (see [Literature Review](#)).

Fifteen new or revised national forest management standards (of the current 31 effective national standards) have been approved by FSC Policy and Standards Committee after national consultations in 2012 and 2013.

As of late 2013, FSC registered national Standard Development Groups (SDG)^[1] in 38 countries to develop indicators for forest management. In 31 countries^[2] of these 38 one or more generic forest stewardship standards existed already.

In the majority of cases the membership of the FSC National Offices (see table 8) approves at their General Assemblies the indicators for forest management which have been negotiated among a three chamber SDG and an open consultative forum in their respective countries.

There are a number of countries which have already "Registered Standard Development Groups", but so far no formal national membership system, and not yet national forest management standards: Belarus, China, India, Italy, Kenya, Malaysia, Nepal, South Africa, Taiwan, Tanzania, Uganda, Ukraine, Vietnam. The Congo basin countries (Cameroon, Central

^[1] Registered SDGs in 2013: Australia, Belarus, Bolivia, Brazil, Canada, Chile, China, Colombia, Congo Basin (for Cameroon, Gabon, Republic of Congo, Democratic Republic of Congo, Central African Republic), Denmark, Finland, France, Germany, Ghana, India, Italy, Japan, Kenya, Luxembourg, Malaysia, Nepal Netherlands, New Zealand, Papua New Guinea, Poland, Portugal, Russia, South Africa, Spain, Sweden, Switzerland, Taiwan, Tanzania, Uganda, United Kingdom Ukraine, United States of America, Vietnam.

^[2] Countries with National Forest Stewardship standards (2013): Bolivia, Brazil, Cameroon, Canada, Central Africa Republic, Chile, Colombia, Czech Republic, Denmark, Finland, Gabon, Germany, Ghana, Ireland, Kosovo, Latvia, Luxembourg, Mexico, Netherlands, New Zealand, Papua New Guinea, Peru, Poland, Portugal, Republic of Congo, Russia, Spain, Sweden, Switzerland, United Kingdom, United States of America.



African Republic, Gabon, Republic of Congo, Democratic Republic of Congo) with one joint Standard Development Group, and Ghana, New Zealand, and Papua New Guinea all have a national (or regional) forest management standard, approved by FSC International. (See also the [FSC National Standards page](#)).

In the second quarter of 2013, in 79 countries, 1,208 forest management operations with a total area of 179.8 million hectares were certified by FSC standards. 45 percent of these 79 countries have endorsed national standards. 58 percent of the operations, and 77 percent of the total FSC certified area was certified according to national FSC standards. Where first endorsed, draft or more final versions of national forest stewardship standards exist, these standards are then used for certification. Certification of forest management in countries without national standards is based on the generic indicators the certification bodies add to the FSC principles and criteria.



Certificate holders' perspective

Forest management recertification

The benefits of being certified are sometimes questioned, and the direct and indirect financial investments to comply with FSC requirements and for audit costs are reported to be challenging. Both benefits and challenges depend on many factors, including quality of forest management, experience of foresters, size and location of operations, market demand and market access. **It is assumed that those forest managers who decide to reinvest in recertification at the end of the first term of certification do perceive benefits from being certified, which are at least equal or higher than the costs for certification.**

After successful main evaluation, and subject to annual audits, in most cases a forest management certificate is issued for a five year period. After these five years, the certificate holder can apply for recertification for another five year period.

FSC forest management certification was tested before 1993, and the first forest management certificate was issued in 1993 in Mexico, while the first chain of custody certificate was issued in the US. Since 1996, independent certification bodies are accredited to use the FSC standards, and the first certified and labelled FSC product (a wooden spatula, in the United Kingdom) went on sale that year.

By the end of 2013, 1,302 certified forest management entities (forest manager, forest manager/chain of custody and forest manager/controlled wood) held a valid FSC certificate. Of these, at least 572 were certified a second term or longer. If the certificate had been terminated for any reason, and/or the same forest management entity applied for a new term of certification under a new name and/or if they changed certification body, the older certificates do not show up in the figures below. So in fact more than the 572 certified operations were certified for a longer term than 5 years. Of these 572 recertified operations, more than half (n: 367) are certified for a second term, a third (n: 171) are certified since at least 2003, and 34 have held their certificate since the early days of FSC (see figure 5).

Figure 5: Duration / renewal of forest management certification



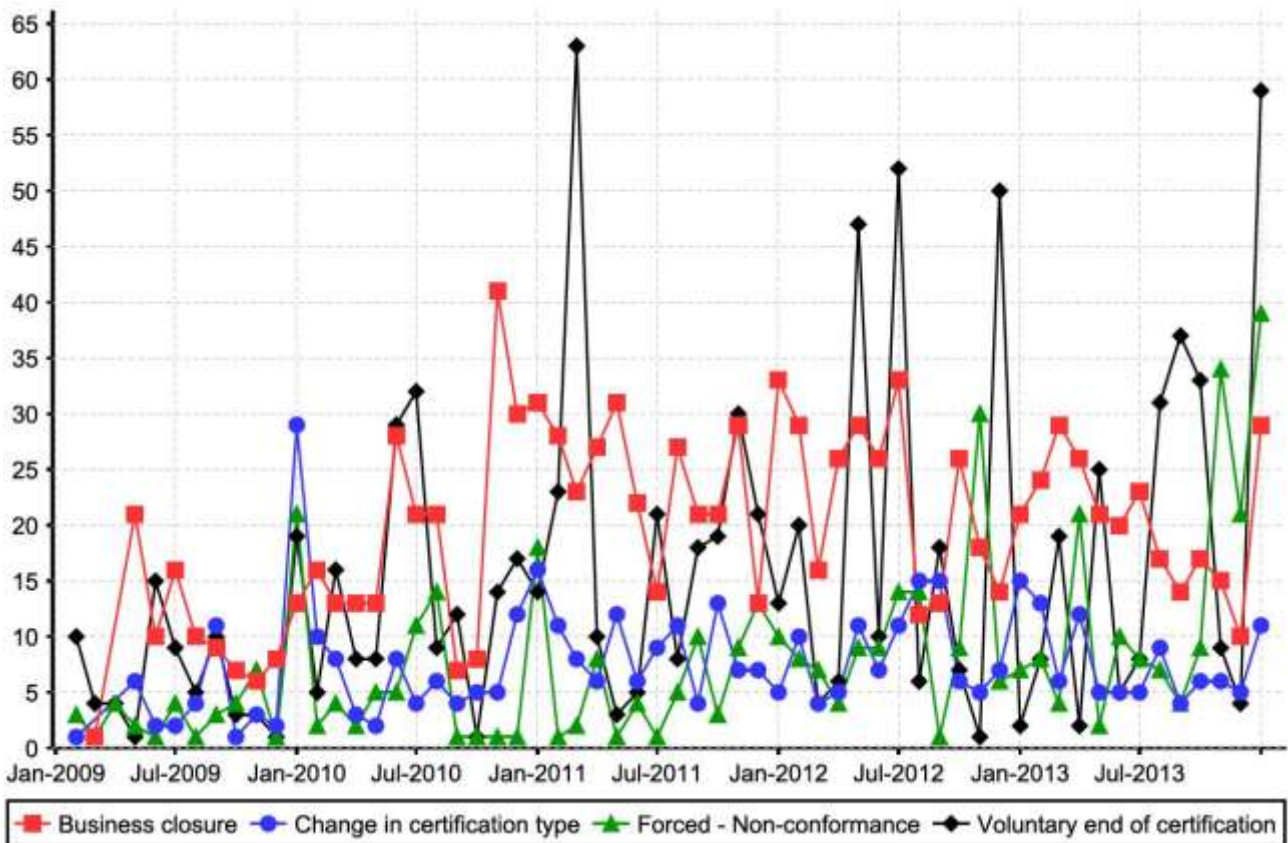
Since the last revision of the reporting formats for forest and chain of custody certifications auditors give reasons for termination of certificates. Figure 6 groups these reasons given since 2009 in the four categories below, which can be further broken down:

- Business closure,
- Change in certification type (for example from individual to group certification),
- Voluntary end of certification (for example because of lack of supply or demand, costs of certification, or without a clear reason “expiry at end of term”).
- Forced termination of certification: (for example because of non-compliance with contractual commitments or certification requirements).

We derive more detailed information why people decide not to continue with certification also directly from impressions of the certificate holders in the “FSC Global Market Survey”.

Figure 6: Reasons reported for termination of forest management and chain of custody certificates

Source: FSC certificate database Dec. 2013





FSC Global Market survey

FSC reaches out to all certificate holders (both forest management and chain of custody) regularly, and the question of the motivation to apply for certification is among the survey questions. The 2012 FSC Global Market Survey was sent in 15 languages to 24,473 certificate holders, and 4,595 certificate holders (18.5 percent) completed the survey. Of the 2012 respondents, 35.2 percent had also participated in the 2011 survey. This response rate reflects the broad scope of FSC certificate holders well, and allows us to draw conclusions that support our decision making. (See more about the statistics of [the FSC Global Market Surveys 2012, 2011, 2010](#) .

Ninety-eight percent of all respondents in the 2012 survey saw the value that FSC certification added to their products and businesses, and planned to keep their FSC certification. This is a great result. We asked respondents for their reason to choose FSC certification, and to rank these reasons according to priority. Maintaining their client base and increasing their potential clients were the main benefits respondents saw in deciding to continue their FSC certification. In addition, companies were increasingly including preferences for certain systems in their procurement policies. In the 2011 Global Market Survey, this had applied to almost half of all respondents. 'Commitment to responsible forestry' also remained an important reason for keeping FSC certification, reflecting the commitment of FSC certificate holders to social, environmental and economic best practices according to the FSC certification standards.

We also asked whether respondents agreed with general statements about certification impacts. The highest-ranked statement was the transparency that certified products came from well-managed sources; this was perceived as particularly important amongst respondents from Latin and Central America. In general, impacts were evenly spread across the three key areas of environmentally appropriate, socially beneficial and economically viable forest management. (See more in table 9 and in the [FSC Global Market Surveys](#).)



Table 9: Agreement of respondents with general statements about impacts of certification

Do you agree with the following statements about the general impacts of FSC certification?	% of respondents in agreement
With the certificate, it becomes transparent that products are from well managed forests.	93.7%
Certification helps to maintain biodiversity in managed forests.	89.9%
Certification helps to increase the environmental value of forests, while not ignoring the economic values.	89.8%
Certification helps to ensure protection of threatened species in the managed area.	89.0%
Certification helps us to fully use the economic value of forests balanced with other values.	83.8%
Certification supports small and community forest users to be better respected.	82.9%
Certification has a positive impact on workers' health, safety and other working conditions.	78.8%

Global Market Survey 2012, completed by 4,595 forest management and chain of custody certificate holders

Ethical consumption has proven to be resilient in the face of the economic downturn, and more companies, among them large paper and print companies, are looking to FSC certification to add value to their products or help measure the success of their sustainability strategies.

Recognition of FSC logo

Consumer awareness is a critical success factor for FSC. When consumers recognize and express a preference for FSC, it is an important pull factor for companies to adopt certification. Surveys on public recognition of the FSC logo were carried out during 2012 in various countries by FSC National Offices or by third parties, with several showing encouraging findings:

- In the UK, **33 percent** of those surveyed had knowingly bought FSC certified products.
- In the Netherlands, **24 percent** of respondents named FSC without prompting when asked if they knew a trademark related to wood.
- In Hong Kong, **29 percent** of respondents recognized the FSC label, compared to 11 percent in 2008 and 16 percent in 2010.
- In Denmark, **35 percent** of respondents recognized the FSC label, compared to 12 percent in 2008 and 28 percent in 2009.

Source: FSC Market Info Pack 2013.



Call for research

A large amount of information about FSC's impacts is generated within the FSC system through certification assessments of forests. Each FSC certified forest management operation must have an annual assessment, resulting in a report that describes the actions the manager or owner has taken to gain, or maintain, their FSC certification. This information of the more than 12000 (in 2013) certified operations is publicly accessible on the [FSC certificate data base](#) in summary reports.

FSC both promotes and follows independent research and case studies carried out by universities, research institutions and other organizations. These studies include a wide variety of information types: analyses of certification reports and corrective action requests; ecological field studies; socio-political case studies; and economic analyses of timber markets.

There are a number of specific areas on which FSC would welcome external research inputs and collaboration. Together with the Social Policy Program, the Monitoring and Evaluation Program has identified the following priority areas for research:

- direct and indirect cost-savings experienced by operations that switch from normal to SLIMF (small and low-intensity management forests) certification
- potential synergies between FSC certification for smallholders and REDD+ (Reducing Emissions from Deforestation and Degradation)
- costs and benefits of dual-certification schemes (eg. FSC and Fair Trade) and their success in the marketplace
- costs and benefits of contractor certification and its potential impact on the certification system

We also encourage case studies on:

- impacts of certification on the safety of forest workers
- impacts of certification on Indigenous land rights
- impacts of certification on economic diversification (e.g. incorporating other revenue streams from forests e.g. non-timber forest products)
- social, financial, environmental and institutional impacts of certification on SLIMFs and communities.

FSC's Monitoring and Evaluation Manager welcomes the submission of any research papers related to FSC certification and processes. Please contact m.karmann@fsc.org.