



DECODING REDD

Effective REDD+ Safeguards: Lessons from Forest Certification

An Asia-Pacific Perspective

Social and environmental safeguards are essential for the success of REDD+. This was a key message from the Copenhagen climate change negotiations. Guidelines for such safeguards are already in place for forest certification schemes. This experience can provide valuable lessons for developing and implementing equitable and sustainable REDD+ in the Asia-Pacific region. To explore these lessons, 19 government, civil society, and forest industry representatives gathered in Sabah, Malaysia from 21 to 23 April 2010.

Key conclusions

- National 'good forestry' standards are urgently needed for REDD+, with effective tools for monitoring compliance. Global standards will necessarily be too broad to be effective at the national level.
- REDD+ will need to provide clear incentives to those responsible for ensuring the required changes in forestry practice and policy. Weak incentives provided by timber markets have slowed the adoption of certification.
- Effective and credible multistakeholder consultations are necessary for the transparent development of standards for certification or REDD+. This will take some time and require considerable investment in capacity building.
- Good forestry practices such as reduced impact logging and effective conservation of fragile forest ecosystems have significant potential to both reduce emissions and enhance forest carbon stocks.

WHAT IS FOREST CERTIFICATION?

Forest certification promotes better forest management, which includes social equity and environmental integrity. It provides consumers with a guarantee *that a certain set of environmental, and social standards have been met in both the management of the forest and the delivery of products from forest to market.*

Prior to certification, consumers lacked the means to make purchases based on social and environmental concerns and this issue was a focus of the 1992 Rio Earth Summit. In response, the Forest Stewardship Council (FSC) was established in 1993 and developed the first widely-recognized international independent verification system of good forest management standards. These standards gave equal emphasis to social, environmental, and economic criteria.

Since then alternative standards have been developed, including the Pan-European Forest Certificate in Europe and the Sustainable Forestry Initiative in North America. The former has since refined its standards, expanding beyond Europe to become the Program for the Endorsement of Forest Certification (PEFC). Governments in the South have also explored forest certification, for example in the Asia-Pacific region, the nationally-specific standards for sustainable forest management developed by the Indonesian Eco-labeling Institute and the Malaysian Timber Certification Council.

Over 80% of certified forest areas are located in Northern temperate countries and more than half of the certificates issued in the global South are for plantation forests. This is partly because current forest management practices in tropical countries generally require much greater adjustments to meet sustainable forest management standards, and plantations are less complicated and less expensive to certify than natural forests. However, the greatest need for improved management practices, and the greatest potential social and environmental gains lie in natural tropical forests. More effort and support is required to bring these areas under certification.

Forest Certification in Practice: Deramakot forest reserve

Located in the state of Sabah Malaysia, Deramakot is a lowland mixed dipterocarp forest covering nearly 55,000 hectares. Originally designated as a forest reserve in 1954, harvesting operations have been permitted there for over 30 years.

In 1989, the Sabah Forestry Department chose Deramakot Forest Reserve as a model site for the sustainable management of logged-over secondary forest. The focus has been to obtain greater value from high-quality and high-priced timber by using reduced impact logging methods, in contrast to conventional logging methods that focused on volume only. Since July 1997, the Reserve has been FSC certified.

Currently in its second 10-year forest management plan, Deramakot has an annual allowable cut of 17,600m³ from a net production area of approximately 42,800 hectares. A further 3,400 hectares has been designated as protected forest. Directional tree felling is used to harvest selected trees. Tree stand improvement and rehabilitation planting are carried out after the completion of the harvest. Today, the forest consists of well-stocked, biodiverse stands capable of supporting regular well-managed harvesting operations.

Every year there are typically three or four sale auctions for Deramakot's sustainably harvested timber. Heavy hardwoods are particularly in demand, especially from buyers in Vietnam sourcing certified logs for furniture exports. On average, these certified heavy hardwoods sell for around 30% more than uncertified timber. The Deramakot experience using FSC environmental safeguards provides useful and practical lessons for REDD+.



FOREST CERTIFICATION EXPERIENCES IN THE ASIA-PACIFIC REGION

Participants shared and discussed their experiences with forest certification schemes in the Asia-Pacific region. The following lessons have been learned:

Enabling environments exist

Legal and institutional frameworks in several countries already provide a basis for including effective environmental and social elements in standards for sustainable forest management. The challenge lies in translating these frameworks effectively into policy and practice. Some frameworks have been crucial for developing national forest certification initiatives, which have been predominantly driven by donor agencies and other external actors. Although the extent of government participation in these initiatives varies, the development process has created opportunities to review and strengthen existing social and environmental safeguards.

Establishing national standards takes time

A national standard setting process is the most effective way to translate generic principles and criteria of international standards into practical, coherent strategies. However, it is a time consuming process, as demonstrated by forest certification initiatives in Indonesia, Malaysia, and Vietnam. For instance, overlaps in institutional jurisdiction and responsibilities need to be clarified and redefined. Timber-producing countries can also find it difficult to reconcile their political and institutional systems with the demands of timber importing countries, especially relating to issues of legality, consultations, and workers' rights.

Use of multistakeholder processes is a new concept

Building consensus through a multistakeholder process is a prerequisite to successful forest certification schemes. This has shifted the balance of power between stakeholders by giving those representing social or cultural concerns a recognized voice in forestry policy development and implementation, perhaps for the first time. Consequently, existing institutional frameworks have to adapt to these changing dynamics.

Existing market incentives for certification are weak

Forest certification is essentially a voluntary market-based mechanism. The most direct and immediate benefit is providing access to particular international markets. For many private forest industries, this is not a sufficient incentive to embrace certification, given that most importers still do not differentiate between certified and non-certified products. International markets also send conflicting or weak signals. Price premiums for certified wood products tend to be an exception rather than the norm, and are mostly found in niche markets and high value-added products such as furniture.

Certification schemes must adapt to regional circumstances

Forest industries are under increasing pressure from international financial institutions and company shareholders to adhere to internationally recognized standards for operations and production. However, some stakeholders view certain certification scheme requirements as inappropriate for developing countries. For example, FSC does not allow for certification of forest plantations established after 1994. This does not take into account national environmental and political circumstances and is considered unfair by many forest stakeholders in the Asia-Pacific region.



ENVIRONMENTAL AND SOCIAL SAFEGUARDS: KEY ISSUES

The forest certification process promotes social and environmental standards as an integral part of good forestry practice. However, experience reveals a number of challenges for effectively and efficiently putting safeguards into practice.

Environmental safeguards

Higher costs: For large-scale forest industries, the costs of complying with environmental standards for certification are significantly greater than the costs of conducting certification audits. Often, the costs of compliance are exacerbated because of poor environmental law enforcement by national and local agencies.

Conflicting policies: Effective implementation of environmental standards is hindered by conflict between certification standards and national or local land-use policies. Overlapping jurisdiction between government agencies does not account for the upstream and downstream environmental links between forest management units and other land-use practices.

Multiple choices for certification bodies: The range of national and international forest certification schemes is effectively multiplied by the number of certification bodies applying them. Each certification body is equipped with its own interpretation of these schemes and some offer certification under multiple schemes. In such circumstances, it is hard to know how robustly environmental standards can be applied in practice.

Inability to monitor national application: Although forest certification standards are established or adapted for the national level, they are designed to monitor implementation by individual forest management units. There is no system to monitor compliance with environmental standards at the national forest estate level.





Social safeguards

Participation in standard setting: Broad stakeholder participation for developing certification standards is essential to ensure well-designed policies are crafted in response to immediate and long-term needs, generate market confidence in certified products, and smooth the way for practical implementation. However, building consensus is a time consuming process and there is a lack of knowledge and practical experience of participatory approaches to national standard development across the Asia-Pacific region.

Consultation in certification processes: Cultivating trust is key for an effective consultation process, but is difficult when local communities and indigenous peoples' rights to land and forest use or tenure are unclear or contested. As of yet, the role and importance of free, prior and informed consent (FPIC) is not widely understood, practiced, or easily verified. Overall many stakeholders lack access to credible and reliable information, which means it is difficult for them to contribute to informed decision-making.

Equity: Implementing and verifying 'equity' in many Asia-Pacific countries is difficult as the concept is not well-understood. This holds especially true when looking at equity in non-financial terms or at the need to address the opportunity costs facing various stakeholders. Different views of equity invariably exist between stakeholders and are made more complicated when they have undefined roles, needs, and negotiating rights; and also when benefit-sharing arrangements are vague.

Rights: Government agencies in this region often have overlapping mandates and this can cause problems with defining and negotiating rights issues in both standard setting and certification processes. Uncoordinated boundary demarcations and land-use planning processes can quickly undo progress on rights secured through certification. Another significant barrier exists when there are direct clashes between national policies and international agreements relating to the rights issues on which many social standards are based. For example, Vietnam has not signed the International Labour Organization's treaty on workers' rights, which underpins a FSC core principle. Finally, the actual implementation of rights is often affected by political realities, limited civil society oversight, and a lack of funds.



LESSONS FOR REDD+

National initiatives

FSC international standards are refined and adapted by FSC National Initiatives to ensure that they are locally relevant, applicable, and enforceable. REDD+ environmental and social safeguards should similarly be anchored in national processes. This requires an enabling environment where legal and institutional frameworks can be established to develop robust standards. Mechanisms to monitor compliance at the national level should also be built into the processes.

National REDD+ working groups comprised of economic, environmental, and social specialists should be developed to oversee this process. Their selection must be transparent and have the trust of their respective constituencies. The working groups should:

- Produce a comprehensive strategy clearly defining multistakeholder roles and responsibilities, including those of implementing agencies or bodies
- Identify gaps in existing institutional structures and recommend appropriate measures to address these gaps
- Monitor the progress of REDD+ strategy development

This process can be very lengthy as was learned by FSC National Initiatives in China, Papua New Guinea, and Vietnam, and by those developing national forest certification systems in Indonesia and Malaysia. Bearing this in mind, REDD+ working groups must avoid setting unattainable goals in the development of the safeguards.

Environmental safeguards

The forest certification process promotes the environmental benefits of responsible forest management practices, particularly those that focus on sustainable production and multiple objectives. The emergence of REDD+ adds a new dimension by potentially offering to financially reward these services. Sustainable forestry practices such as reduced impact logging minimize the loss of carbon stocks, and improved conservation and management can both prevent greenhouse gas emissions and enhance forest carbon stocks. REDD+ may, therefore, enhance the appeal of certification by offering a way for the forest industry to cover the incremental costs associated with meeting environmental standards.

Social safeguards

Transparency and participation lie at the heart of social safeguards. Indigenous peoples and local communities are aware that they need stronger capacity to actively participate in REDD+, particularly in the development of social standards. Raising stakeholder awareness about participatory approaches is essential and requires well-funded and substantial capacity-building efforts at all levels.

National REDD+ working groups should develop multistakeholder mechanisms that:

- Promote broad participation, effective consultation, and recognition of fair and equitable rights, particularly those of local communities and indigenous people
- Clarify benefit-sharing expectations and incentive distribution channels
- Raise awareness of FPIC and how to implement it
- Improve communication channels to enable better access to accurate and credible information, which is essential for informed decision making at all levels

KEY MESSAGES FOR POLICY AND IMPLEMENTATION

The development and implementation of REDD+ will benefit from the experiences of forest certification, particularly for creating robust social and environmental standards. The workshop generated the following recommendations:

For national REDD+ working groups

- Raise awareness of REDD+ across the political spectrum, across government departments and across economic sectors, to secure support at the highest level.
- Incorporate the development of REDD+ safeguards with relevant environmental and social standards already existing both within and outside the forest sector, addressing not only climate change, but all aspects of sustainable development.
- Identify clear and distinct roles and mandates for public and private bodies to monitor compliance with REDD+ safeguards.
- Recognize the key roles of transparency and multistakeholder processes by ensuring broad and effective participation, especially by local communities and indigenous peoples.
- Recognize the importance of clear benefits to securing desired changes in forest and land management practices but taking care to not raise false expectations regarding the likely scale of these benefits.
- Engage sectors outside the forest sector in identifying clear rights to forest and land use and tenure, and to define various categories of rights.
- Ensure credible REDD+ information is readily accessible and widely circulated to all stakeholders, including policymakers at all levels of government, so that informed decisions can be made.
- Conduct training needs assessments and develop capacity-building programs that focus on the participatory approaches needed for effective environmental and social safeguards.
- Develop REDD+ safeguards quickly and efficiently, but not at the expense of full and appropriate deliberation. Safeguards must also include mechanisms to monitor and verify national compliance.

For international negotiators

- Ensure that international REDD+ safeguards are applicable to the full variety of national contexts and can be converted into national REDD+ standards and guidelines that inspire national and local ownership.
- Continue to strive for a 'common ground' while respecting national circumstances.
- Establish clear and attainable goals and timeframes to avoid conflict between international commitments and actual implementation.
- Clearly distinguish between voluntary and compulsory measures to be adopted at the national level.
- Provide information to regional, national, and local stakeholders about issues and outcomes from ongoing international debate.
- Stress the need to keep to internationally agreed deadlines and move forward through 'learning by doing' (experiential learning).
- Clearly distinguish between voluntary and compulsory measures to be adopted at the national level.
- Provide information to regional, national, and local stakeholders about issues and outcomes from ongoing international debate.

DECODING REDD WORKSHOP SERIES

As an international organization focused on people and forests, RECOFTC is concerned with the impact of forest policies and practices on the livelihoods and well-being of forest-dependent people.

Together, RECOFTC and the USAID-supported Responsible Asia Forestry and Trade (RAFT) Program are building a network of government and civil society representatives from Asia and the Pacific to develop and share knowledge and emerging experience on this important climate change strategy.

In 2010, the Decoding REDD workshop series continues to focus on unresolved and new issues, feeding expert knowledge and opinion into national climate change strategy discussions, and into key UNFCCC meetings.

For further information please contact Celina Yong, REDD Learning Network Officer (celina.yong@recoftc.org) or visit RECOFTC's website www.recoftc.org



DISCLAIMER: The findings of this workshop represent the group as a whole and are not necessarily reflective of individuals or their respective organizations of RECOFTC, USAID and TNC.



RECOFTC

PO Box 1111, Kasetsart Post Office
Bangkok 10903, Thailand
Tel: +66 (0)2 940 5700
Fax: +66 (0)2 561 4880
Email: info@recoftc.org
Website: www.recoftc.org