

International context of a SFM definition for Timber Procurement Policy

I Purpose of this document

Increasingly, sustainability requirements are being incorporated in national Timber Procurement Policies (TPP). Some EU member states have developed criteria to assess evidence for sustainably produced timber. Other member states have not developed national criteria and may refer to standards of certification systems for sustainable forest management. EU frontrunner countries will explore the feasibility of a common structure for developing sustainability criteria in order to improve consistency of TPP among member states. Next to the national standards developed by UK and the Netherlands, existing international standards provide opportune reference. The most appropriate international standards for TPP's of MS's have been developed by respectively the governments of European countries, the International Tropical Timber Organization (ITTO) and civil society. This document presents relevant background and factual information on international definitions and standards for sustainable forest management.

II Summary and Observations

Definitions and standards for SFM, sustainable biomass and legal timber show a great similarity in the topics they address. There is a broad recognition and support for defining sustainable forest management on the three pillars, i.e. environmental, social and economic aspects. Also the EUTR and FLEGT reflect these three pillars of sustainability in defining the scope of applicable legislation. Regarding the social issues the EUTR definition refers to *legal rights concerning use and tenure*. The FLEGT definition refers to *labour and community welfare and respect for tenure and use rights*.

Standards resulting from international governmental processes have been developed for monitoring and reporting at the national level for countries in the specific region. Deforestation and forest degradation were main concerns. Civil society standards were initially developed to advance timber harvesting methods at the FMU level particularly but not exclusively in the tropics. They should be, and indeed are, more specific and detailed than the standards from international governmental processes.

International governmental standards elaborate the socio-economic functions mainly in terms of employment and income, where as civil society standards are much more outspoken on tenure and traditional use rights. The latter are supported by UN Declaration on the Rights of Indigenous Peoples.

For countries in Europe, the six criteria resulting from the Helsinki process, provide the basis for further articulation of sustainable forest management at their FMU levels. Requirements for sustainable timber production in Procurement Policies need also to be meaningful for the specific socio-economic and environmental context of other regions of origin of the wood and for compliance at FMU level.

Complete standards have two components to safeguard the conservation of biodiversity and provision of ecosystem services: *Spatial component*, criteria with a spatial dimension (separation of functions/use) and a *Quality component*, criteria to guide the actual intervention (which trees may be harvested, how and when). Some regulations, i.e. RED, and standards seem mainly to focus on the identification of no-go areas. Criteria for the actual interventions in the production area are then scarcely developed.

Standards developed with a different scope, e.g. biomass for energy versus sustainable timber harvesting, show divergences in requirements for SFM. Such divergence is not desirable because it is confusing and non-compliance with one or the other standard limits the variety of use of the harvested timber. The EC recognizes this problem and includes in its forest strategy the following: *Develop objective, ambitious and demonstrable EU sustainable forest management criteria that can be applied in different policy contexts **regardless of the end use of forest biomass**.*

ISO PC/408 "Sustainability criteria for bio energy" has not formulated straightforward criteria to support the principles. It simply requires a description of the way operators are dealing with specific topics relevant to the principle. Generally this type of defining criteria can be less effective because there is no connection with the actual result on the ground. Instead the wording should match with the purpose of criteria, i.e. a condition to comply with in order to achieve the principle.

III Development of the concept of SFM

Since the UN Conference on Environment and Development (UNCED), Rio de Janeiro, 1992, various international initiatives have started to define sustainable forest management (SFM). Main concerns were the indiscriminate deforestation, conversion to other landuses, and devastating conventional logging methods, specifically but not exclusively in the tropics. Attempts have been made to capture the concept of SFM in one sentence, e.g. ITTO:

SFM means "The process of managing forest to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment".

Two levels for criteria: national and FMU

Such definitions needed to be elaborated to make them operational for monitoring and reporting on progress made towards SFM at the national level. With that objective Governmental processes in different parts of the world started to define SFM in a framework of principles, criteria and indicators. The Montreal process, the Helsinki process, the Tarapoto process, and also ITTO developed a set of criteria and indicators to define SFM reflecting the specifics of the region. The Tarapoto process and ITTO developed not only criteria to be used at the national level but also criteria for sustainable forest management at the forest management unit (FMU). The topics addressed in international governmental SFM standards are the results of policy discussions echoing national governmental interests and legislations.

National level Governmental standards

The international governmental SFM standards show a great similarity in the topics they address, in spite of their different origin. The common topics consist of six thematic issues, in some standards complemented with a topic on legislation and/or a topic on sound forest management procedures:

- **Extent** of forest resources (forest resources security, deforestation)
- Forest **health and vitality**
- **Protective** functions (soil, water, CO₂)
- **Productive** functions (timber, non timber forest products)
- **Biological diversity**
- **Socio-economic** functions (employment, cultural values, recreation)

- **Legal** policy and institutional framework
- **Management**/planning and monitoring

These topics/criteria are elaborated in the various standards reflecting the specifics of different conditions and policy environments. The Ministerial Conference on the Protection of Forests in Europe (MCPFE), presently known as FOREST EUROPE Ministerial Conference, has guided the Helsinki process and has defined SFM through a set of C & I on the same thematic topics:

- Maintenance and appropriate enhancement of forest resources and their contribution to **global carbon cycles**;
- Maintenance of forest ecosystems' **health and vitality**;
- Maintenance and encouragement of **productive** functions of forests (wood and non-wood);
- Maintenance, conservation and appropriate enhancement of **biological diversity** in forest ecosystems;

- Maintenance, conservation and appropriate enhancement of **protective** functions in forest management (notably soil and water); and
- Maintenance of other **socio-economic** functions and conditions

Generally, in these international governmental SFM standards, the socio-economic functions point at employment and income, and are not outspoken on tenure and traditional use rights.

FMU level Private sector standards

Not only governments but also civil society started to develop standards for SFM, first FSC later followed by PEFC. Albeit its world wide application, the FSC standard was developed to advance timber harvesting practices, particularly in the tropics. At the beginning PEFC was focussing at the temperate and boreal forests. Presently the PEFC standard covers all forests world wide. The main purpose of both standards was to provide an operational definition of SFM which could serve, at the level of a FMU, as a reference for assessment actual forest management practices and their impact. Unlike governments, environmental and human right organisations were not restricted by national policies in addressing the topics they found relevant for SFM. Because of the scale of application (FMU) and the development process these civil society standards are more specific and detailed particularly with regard to biodiversity and tenure and use rights of local communities including indigenous people. Since 13 September, 2007, the UN Declaration on the Rights of Indigenous Peoples provides a solid basis for SFM criteria regarding indigenous people.

IV Recent developments

Some recent developments at the international and European level are important for advancing timber procurement policies in the EU member states.

1) Pan European Forest Convention (negotiation phase, June 14, 2013)

Members of the Forest Europe Ministerial Conference, which includes Russia, are drafting a Pan European Forest Convention. It contains a one sentence definition of SFM, comparable with, but slightly different from, the ITTO definition:

“Sustainable forest management” means the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems; (draft 14 June 2013)

This definition has been elaborated in exactly the same six criteria as were established by the Helsinki process. In order to comply with these criteria two or more requirements have been formulated for which parties shall have in place or adopt legislative administrative or other policy measures. (Note that the criteria could be interpreted as being principles and the requirements as being actions to comply with the principles)

2) EU Forest strategy

The EC has sent a draft EU Forest Strategy (COM 2013, 659; 20 September 2013) to the European Parliament and the Council.

The Strategy emphasizes the impact of forest biomass for energy. Forest biomass is currently the most important source of renewable energy and now accounts for around half of the EU's total renewable energy consumption.

Demand for new uses in the bio-economy and in bio-energy should be coordinated with traditional demands, and respect sustainable boundaries.

Guiding principles of the Forest Strategy

- Sustainable forest management and the multifunctional role of forests, delivering multiple goods and services in a balanced way and ensuring forest protection;
- Resource efficiency, optimising the contribution of forests and the forest sector to rural development, growth and job creation.
- Global forest responsibility, promoting sustainable production and consumption of forest products.

Priority areas recognized by the Forest Strategy (relevant selection)

a) Fostering the competitiveness and sustainability of the EU's Forest-based Industries, bio-energy and the wider green economy

Strategic orientations

- **Develop objective, ambitious and demonstrable EU sustainable forest management criteria** that can be applied in different policy contexts **regardless of the end use of forest biomass**, by the end of 2014. Appropriate measures will be presented by the Commission.
- Assess the climate benefits of material and energy substitution by forest biomass and harvested wood products and the effect of incentives for using forest biomass in creating market distortions;

b) Protecting forests and enhancing ecosystem services

Strategic orientations

- enhance forest cover to ensure **soil protection, water quality and quantity regulation**
- achieve a significant and measurable improvement in the **conservation** status of forest **species and habitats**
- implement the Strategic Plan for **Biodiversity 2011-2020**
- strengthen the mechanisms for **protecting forests against pests**,

3) EUTR and FLEGT

EU Timber Regulation (EUTR) (regulation 995/2010) became into force March 3, 2013 with the objective to eliminate illegal timber from the EU market. The EUTR defines legally harvest as follows: *Legally harvest* means harvested in accordance with the applicable (for forest management relevant) legislation in the country of origin.

Applicable legislation means the legislation in force in the country of harvest, covering the following matters:

- **rights to harvest** timber within legally gazetted boundaries
- **payments for harvest rights** and timber including duties related to timber harvesting
- timber harvesting, including **environmental** and forest legislation including **forest management** and **biodiversity conservation**, where directly related to timber harvesting
- third parties' **legal rights** concerning **use and tenure** that are affected by timber harvesting,
- **trade and customs**, in so far as the forest sector is concerned

Forest Law Enforcement Governance and Trade (FLEGT) (ref Briefing notes)

The long term goal of FLEGT is sustainable forest management (SFM). Definitions of legally-produced timber should therefore incorporate laws that address the three pillars of sustainability, i.e. those aimed at economic, environmental and social objectives.

Definition of Legally-produced timber (compliance with legislation that is relevant for SFM and timber trade)

- **rights to harvest** within legally-gazetted boundaries
- requirements regarding forest management, including compliance with relevant **environmental, labour and community welfare** legislation
- taxes, duties, **royalties and fees** related to harvesting and timber trade
- respect for **tenure and use rights** to land and resources, that may be affected by timber harvest rights
- requirements for **trade and exports** procedures

Notably, the FLEGT definition is more pronounced on the social issues than the EUTR. The FLEGT definition refers to *labour* and *community welfare* and *respect* for tenure and use rights. The EUTR definition refers only to *legal rights concerning use and tenure*.

4) Bio-based products and energy

Various standards have been developed or are in the process of development with the focus on the use of biomass for energy and/or bio-based products.

Biofuels

At the European level the Renewable Energy Directive (**RED**) (**Directive 2009/28/EC**) contains sustainability criteria for biofuels and bioliquids. Notably article 17 defines requirements for the origin of the biomass. Criteria exclude areas where biomass may be harvested.

Biofuels and bioliquids shall not be made from raw material obtained from:

- *primary forest*
- *areas designated for nature protection purposes*

Complete standards have two components to safeguard the conservation of biodiversity and provision of ecosystem services: *Spatial component*, criteria with a spatial dimension (separation of functions/use) and a *Quality component*, criteria to guide the actual intervention (which trees may be harvested, how and when). The RED virtually lacks the quality component but is more rigorous on the spatial component than voluntary certification systems such as FSC and the ones endorsed by PEFC. These systems allow interventions in primary forests on the condition that they meet the SFM criteria. Such divergences in requirements are not desirable because non-compliance with one or the other standard limits the variety of uses of the harvested timber. This problem is recognized in the EU forest strategy "*Develop.....sustainable forest management criteria that can be applied in different policy contexts regardless of the end use of forest biomass*".

CEN/TC 383 has elaborated the requirements of Article 17 of RED.

Solid biomass for energy purposes

EC develops a **Directive on Solid biomass** for energy, heating and electricity aiming at consistency with the RED requirements.

At the international level **ISO PC/408** "Sustainability criteria for bio energy" is almost completed. The scope is solid biomass as well as bio-fuels and liquids. It contains principles and criteria for social, economic and environmental aspects. The wording of the principles is meaningful. However the criteria require from the operator mainly a description of the way he is dealing with specific topics relevant to the principle. Most of the wording does not match with the purpose of criteria, i.e. a condition to comply with.

Biobased products

CEN TC/411 "Biobased products" develops sustainability criteria, so far very much along the lines of ISO PC/408.

RSB, Round Table for Sustainable Biomaterials (former Biomass) www.rsb.org; sustainability criteria apply to solid, liquid and gaseous biomass from all types of origin, including wastes & residues, and all its derived products.(e.g.biofuels, biochemical, textiles, food additives).

ISCC– The International Sustainability and Carbon Certification System covers solid, liquid and gaseous biomass from all types of origin, including wastes & residues

Unlike EC directives, like RED, RSB, ISCC, CEN and ISO standards are voluntary standards, unless they are explicitly mentioned in legislation. Parties may be certified, on a voluntary basis, for compliance with these standards. The holder of such a certificate may be recognized in the market for its corporate social responsibility.

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