

“Forest Certification: Commodification for Sustainable Forest Management”

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Abstract

Conservation, protection of forests through market mechanisms has renewed momentum in India with the certification standard developed by Network for certification and conservation of forests getting global recognition. The forest certification approval and recognition comes at a time when the draft national forest policy of 2018 aims to thrust the development and adoption of certification scheme mechanisms for sustainable management and optimum valuation of forest products. This propels a need to revisit and highlight the current legislative framework, rules and practices in India that adopt and further forest certification for both timber and non-timber produce. The paper would explore the lacuna's of the current certification schemes in incorporating and harmonizing chain of command and forest management. In the broader context of conservation, the paper would highlight the deliberations on justness of using market mechanisms as a means to further protection of forests and effectiveness of certification schemes in resolving, reconciling the economic, social and environmental trade-offs.

Introduction

The State of the World Forest Report, 2020 highlights increased rate of deforestation and forest degradation from forest based activities like timber logging, fuelwood collection in countries with expansive forest area, like India.¹ Observing the importance of changing the governance and management of exploitation of forest produce, the report recommends incorporation and implementation of activities, standards and products furthering sustainable forest management as the starting step for restricting degradation of forests.

Reframing management of forest produce and resources has thus become the prime focus for pursuing their sustainable growth and forest conservation. The stakeholders involved or dependent on forest produce range from traditional dwellers, government departments, small scale industries to large multi-national conglomerates. Given the almost homogenous historical expropriation and exploitation of forest resources world over, the newer models of sustainability argue for adoption of market tools rather than command and control measures for pursuing conservation of forests.² Amongst the market-based tools, forest certification has received a renewed focus especially in India to sustainably manage forests. In the larger context of conservation, forest certification reflects a payment for ecosystem services process or the executive term for it is a green procurement process. The rationale is to encourage legitimate, limited and regenerative process of production of forest produce, while ensuring that the users of expropriated produce pay adequate price for the same.

¹ FAO, *The State Of the Worlds Forest Report* (2020).

² Priyan Parera, Richard P. Vlosky, *A history OF forest certification*, WORKING PAPER I, LOUISIANA FOREST PRODUCT DEVELOPMENT CENTER (2006); Naka, K., Hammett, A.L stuart, *Forest certification: stakeholders, constraints and effects*, 5(4) pp 475-481 LOCAL ENVIRONMENT (2000).

The recently promulgated Draft National Forest policy, 2018 also aims to incorporate forest certification as a tool to thrust sustainable forest management in India. Before the development and subsequent recognition of forest certification standard by PEFC, forest produce has been largely governed by segmented, scattered criteria and indicators. Further, state departments have often been ineffective in incorporation of C&I in the working plans thus leading to continued degeneration of our forests.

This propels a need to revisit and highlight the current legislative framework, rules and practices in India that adopt and further forest certification for both timber and non-timber produce. The paper would explore the lacuna's of the current certification schemes in incorporating and harmonizing chain of command and forest management. In the broader context of conservation, the paper would highlight the deliberations on justness of using market mechanisms as a means to further protection of forests and effectiveness of certification schemes in resolving, reconciling the economic, social and environmental trade-offs.

Forest Certification: International development of certification principles

Sustainable management of forest produce is largely dominated by bureaucratic hues, with government department spearheading governance through command and control measures. The rationale for pursuing state management was the ineffectiveness of public ownership and control of natural resources, forests in the present case, as was captured in tragedy of the commons. However, when even governmental measures proved ineffective, parties in 1992 Rio conference moved towards incorporation of market-based tools for furthering sustainability in different paradigms of natural resources and their management. Market based tools derived theoretical support from the idea of payment for ecosystem services as environmental economics argued for incorporation of monetary valuation for ecosystem services, including but not limited to utilisation and expropriation of forest produce.

Forest certification is one of the aforementioned market-based tool that initiated adoption of standards, criteria and indicators for forest produce that reflects a responsible, legitimate production and chain of command process.³ The individuals, communities or companies adopting the same are remunerated with higher premiums than they would originally get for the same produce or product. It essentially involved two kinds of certification processes, management of forest according to prescribed standards and chain of command verifying transparent, exclusion production of the certified material or product.⁴

With the aim of furthering green procurement, certification standards aim to increase awareness and illicit behavioural change amongst consumers towards sustainable forest produce. At the international level, development of certification standards was pioneered by

³ S. Guéneau, Certification as a new private global forest governance system: The regulatory potential of the Forest Stewardship Council, . IN A. PETERS, L. KOEHLIN, T. FÖRSTER, & G. FENNER ZINKERNAGEL , NON-STATE ACTORS AS STANDARD SETTERS pp. 379-408 (Cambridge: Cambridge University Press 2009).

⁴ FAO, *Forest Certification*, SUSTAINABLE FOREST MANAGEMENT MODULE

the Forest Stewardship Council in the 1990s. Another prominent international organisation adjudicating and approving recognition and legitimacy to certification schemes is the Programme for Endorsement of Forest Certification. Both bodies have played a crucial role in mobilising governments, industries and communities across the globe to pursue forest certification. Aside from the above two, there are nation based certification standards which have gained prominence over the years, and were later endorsed by either of the aforementioned organisations, thus giving them legitimacy and recognition at the international trade markets.⁵

FSC is more focussed on certifying other agencies, individuals or bodies for pursuing incorporation of certification standards, monitoring, auditing, based on a centralised standard provided by it. PEFC on the other hand aims to recognise nationally developed certification standards and create synergy between its principle and those adopted by national governments/ country specific certification bodies.⁶ The certification of product and process aims to inculcate and resolve the trade-offs between the three pillars of sustainability aiming for ecological stability, economic optimum exploitation and improvement in social developmental indicators.

Indian context: Current certification framework for management of forest produce

The rationale governing management of forests has undergone drastic changes from an economic, exploitative end to the prevailing attempt to adopt and incorporate an ecologically sustainable end as prevalent in the 1998 National Forest Policy of India. The impact of such change becomes prominent as the recently concluded Forest Survey Report highlights a comparative improvement in the forest area of India⁷, making it closer to the goal of achieving 25% forest cover in the country.

Despite the limited improvement in our forest cover, our continued dependence on forest produce threatens to disrupt and create an impasse in not only our conservation but economic development measures as well. Over the past couple of years as developed countries have incorporated and enforced stringent certification standards for forest-based produce. In the absence of national recognised framework in India, forest-based industries have been voicing their concerns over losing the competitive edge for trading in the international market with their uncertified, unrecognised products.

The first concrete effort to introduce sustainable management of forest was made in 1999, with a workshop on 'Development of National Level Criteria and Indicators for the Sustainable Management of Dry Forests in Asia' with the collaboration and support of IIFM Bhopal, UNFAO, UNEP, US Department of agriculture and forest service and ITTO.⁸ This

⁵ SUPRA Note 4.

⁶ DANIEL J VOGT, BRUCE C LARSON, JOHN C GORDON, ANNA FANZERES, FOREST CERTIFICATION: ROOTS, ISSUES, CHALLENGES, AND BENEFITS, (1999)

⁷ FSI, *India State Of Forest Report* (2019)

⁸ Tajbar S. Rawat, B. L. Menaria, D. Dugaya, P. C. Kotwal, Sustainable Forest Management In India, 94 CURRENT SCIENCE (APRIL 2008).

initiated the 'Dry forest in Asia process', which involved adoption of criteria and indicators of sustainability by 10 regional Asian countries.⁹ MOEFCC in collaboration with ITTO and IIFM initiated a task force for sustainable management of forest framework, leading to adoption of 51 criteria and indicators specific to forestry conditions in India.¹⁰ In 2005, the Bhopal India process C&I was further revised, refining it to a set of 8 criteria and 43 indicators.¹¹

In 2014 working plan Code and Agroforestry guidelines were formulated to further sustainable forest management, expanding guidelines to include non-wood forest produce,¹² streamlining C&I for forest management at the state and national level.¹³ Post the Paris Climate Summit in 2015, multiple stakeholders influence, dependent or concerned about forest-based industries and practices came together to formulate an independent certification body called the Network For Certification and Conservation of Forests. The body was endorsed by the MoEFCC and two of their officials placed on the board to deliberate with other stakeholders and arrive at concrete standards for forest-based products and their production process.

Aside from the aforementioned prominent developments specifically for furthering certification in India, multiple attendant organisations, schemes and independent bodies have also played a role in creating awareness regarding sustainable forest management in India. Since 2009, WWF along with FSC has been spreading awareness and convincing forest - based industries in India to get themselves FSC certified.¹⁴ In 2012, the QCI signed a MOU with FSC, recognising and acknowledging the importance for forest based industries in India to get FSC certified for furthering accessibility of the produce to international trade markets.¹⁵

Specifically, with respect to the Non-Wood Forest Produce, Indian government has launched centralised schemes like the van dhan scheme for mainstreaming collection, production and marketability of minor forest produce. Through community involvement, formation of self help groups and incorporation of C&I, the ministry of tribal affairs as a nodal agency is trying to capture the predatory markets, thus improving sustenance and cash income of the tribals. Additionally, there are also schemes regulating operationalisation of C&I in other forest-based industries/livelihood like the handicraft industry with Export Council For Handicrafts

⁹ IIFM, *Proceedings of the National Technical Workshop for Evolving Criteria and Indicators for Sustainable Forest Management in India*, INDIAN INSTITUTE OF FOREST MANAGEMENT (IIFM Bhopal, 1999).

¹⁰ Tajbar S. Rawat, B. L. Menaria, D. Dugaya, P. C. Kotwal, *Sustainable Forest Management In India*, 94 CURRENT SCIENCE (APRIL 2008).

¹¹ IIFM, *Proceedings – National Workshop on Refining Indicators of Bhopal-India Process and Implementation Strategy of C&I for SFM in India* (Indian Institute of Forest Management, Bhopal, 2005; P.C.Kotwal, M.D.Omprakash, Sanjay Gairola, D.Dugaya, *Ecological indicators: Imperative to sustainable forest management*, Vol 8 ECOLOGICAL INDICATORS, (Jan 2008)

¹² Manoj Kumar, Madan P. Singh, Hukum Singh, P.M Dhakate, NH Ravindranath, *Forest working plan for the sustainable management of forest and biodiversity in India*, 39 JOURNAL OF SUSTAINABLE FORESTRY (2020).

¹³ NWPC, *National Working Plan Code - 2014 (for sustainable management of forests and biodiversity in India)*, FOREST RESEARCH INSTITUTE, MINISTRY OF ENVIRONMENT AND FORESTS, GOVERNMENT OF INDIA

¹⁴ www. WWFIndia. Org (Last Visited 24th May , 2020).

¹⁵ www. FSC.org (Last Visited 24th May 2020).

launching the VRIKSH scheme, which aims to incorporate certification standards for improving their accessibility to markets of developed economies.

The national framework for sustainable forest management was thus largely governed by C&I developed and incorporated by the Working Plans. The attendant ministries, state governments and industry players have tried to incorporate certification standards but the consequent impact has been limited to a few private players and their plantations. In this background, the recent approval of certification standard developed by Indian based NCCF is a golden step for tackling the current lacuna's and impasse we are facing in furthering effective, economic and ecologically sustainable management of our forests.

Forest certification in India: challenges and Opportunities

Indian certification challenges differ with respect to management of timber based products and for NTFP. For the former, the primary concerns involve wood mafia's, illegal export and largely import of non-certified wood. The root cause for this is differing cost dynamics of certified and non-certified products. Although ITTO has done a commendable job in ensuring certified and legitimate timber trade, there continues to be lacuna in domestic monitoring and regulation of wood based industries in the country.

The awareness and efforts for incorporation of NTFP in forest produce Management has been fairly recent. Given the socio-economic, cultural importance of NTFP in developing countries like India,¹⁶ it becomes crucial to regularise and operationalise guidelines for their utilization, exploitation and commercialisation. In the case of India, the prevalent 2014 working plans has failed to encapsulate the dynamics involved in the management of NTFP. Given India's geographical- social diversity and variability, developing nationalised guidelines to effectively reflect this diversity, although a challenge should be the prime concern for evolving an effective sustainable management program for NTFP.¹⁷ In the absence of the same, there will be limited efforts by the state government to provide adequate remuneration for the gathered produce, leading to a vicious cycle of increasing and unsustainable gathering, utilisation and exploitation of non-timber forest produce. An improved scientifically managed and effective standard will capture the regional dynamics while allowing the universal principle of sustainable management to continue to guide standardisation of NTFP practices and products.

The flip side of adoption of certification standards has always been the danger of costs outweighing the benefits of certification, especially in the case of NTFP in tropical developing countries like India.¹⁸ This concern was also highlighted in the recently organised stakeholder seminar by NCCF in the month of May to analyse and deliberate on how to operationalise the standard recognised by PEFC. The costing challenge becomes worse in

¹⁶ *Report of the Working Group on National Resource Management*, Vol 1 PLANNING COMMISSION, GOVERNMENT OF INDIA (2007).

¹⁷ Yadav, M., Dugaya, D, *Non-timber forest products certification in India: opportunities and challenges*, 15 ENVIRONMENT DEVELOPMENT AND SUSTAINABILITY (2013).

¹⁸ MANMOHAN YADAV, HANDBOOK ON FOREST CERTIFICATION (New Delhi: TERI 2016)

pandemics like the present one as market barriers increase and consumption of most products decline. To combat the declining incomes of forest dependent communities, recently Home Ministry has to ease restrictions to allow them to continue with their activities. Further, a new MSP was introduced and state governments like Chhattisgarh and Odisha took upon themselves to buy the produce in the absence of consumer demand for the same.

At the same time, there is also opinion that given the transparency and standardisation of production process due to certification, consumers might lean more towards green products including during emergent time like covid. The absence of certification was the reason for worsening of their sustenance and cash incomes. The deliberation on this remains inconclusive as one still continues to analyse the patterns and consumer behaviour for tilt towards green procurement might have conclusive, positive results in the future.

The costing and institutional dynamics going against certification refer to the initial impetus in shifting and adopting certification standards. Additional costs are also invested for capacity building of the workers, better working conditions, adoption of superior green technology, monitoring of the operations, auditing and transportation logistics.¹⁹ While it may be easier for larger conglomerates to incorporate these standards while continuing to get remunerative prices for the consequent product, the brunt of such measures is faced by the local communities and the Small & Medium Enterprises Thus, Price parity for forest produce especially from developing countries would harshly affect the sustenance of SME's in the international and even the domestic market.

Another crucial governance challenged faced in countries like India is the constant tension between the forest department officials and the local communities. Despite legislative measures like the Forest rights Act of 2006, bureaucratised and state specific control and regulation of forests and its associated activities continues to dominate the Indian forest governance scenario. It remains to be seen how cooperative, transparent will the forest department be if independent bodies and accreditation standards are incorporated.

Concluding Remarks

The constitutional imperative under 48A furthering protection of forests and wildlife in the country warrants the state to take more concrete efforts for incorporation and implementation of requisite certification standards. In furtherance of this directive, a major overhaul is required for creating synergy between the existing C&I guidelines in the working plans and the NCCF certification guidelines.

Operationalisation of the certification standards would also involve promulgation of a national framework by the government, infusing funds for smoother transition to a more sustainable based production process. A renewed form of transnational and domestic democratic governance would be developed in forest management as third party independent

¹⁹ RUTH NUSSBAUM, MARAKKU SIMULA, THE FOREST CERTIFICATION HANDBOOK, (2nd ed. 2005)

accreditation bodies spearhead effective, efficient and environmentally conscious production of forest produce through multi-stakeholder participation.²⁰

A bottom up approach for incorporation of standards requires extensive research, scientific assessment, identifying accreditation bodies and stakeholder mapping in the initial stage of developing guidelines for operationalising the standards. It would also require participation from commerce ministry to deliberate on reframing legal mechanisms with respect to import and export of forest produce. A scale up of domestic production of forest based produce would only be able to capture the international market if there is structured but phased implementation of guidelines, with active engagement of the local communities to not only further a remunerative, dynamic and ecologically sustainable forest produce industries but also mitigate climate change in the larger context of conservation of environment.

²⁰ Meidinger, *Forest certification and democracy*, 130, pp. 407–419 European Journal of Forest Resource (2011).