

Forest Certification on Tribal Land

**A Resource Manual for
Native American
Forest Management Operations
and Forest Product Enterprises**

First Nations Development Institute

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**Prepared by
Common Ground
Community & Landscape Planning**

**Jan-Willem Jansens
Eliza Kretzmann
Steven Harrington**

**for
First Nations Development Institute
The Stores Building, 11917 Main Street
Fredericksburg, Virginia 22408**

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About the First Nations Development Institute

This work is a project of First Nations Development Institute (FNDI), a not-for-profit organization, founded in 1980 to help tribes build sound, sustainable reservation economies. FNDI's focus is on assets and the ways that tribes and Native communities can control, create, leverage and retain them. Assets are more than income; they include people, land, water, material goods, knowledge, culture, environment, homes, schools, and

spirituality. Through its Sustainable Forestry Fund (SFF), FNDI awards grants related to sustainable forestry and forest certification on Native lands.

1. Introduction

Welcome to “Forest Certification on Tribal Land”

In opening this manual, you may wonder:

- *Why was this book written, and what is in it?*
- *Why would I want to read this?*
- *Why would forest certification be interesting and useful to me and my community?*

This manual was written to offer a decision-making tool and a resource guide to Native communities and tribes in the U.S. that are interested in sustainable forestry and in obtaining some form of public recognition for their forestry practices through a third-party forest certification¹ program.

The manual clarifies the objectives of third-party forest certification and puts them in the historical and political context of sustainable forestry initiatives on Native forest lands in the U.S. The manual also describes how certification works, who is involved, what the successes and failures have been, and where the movement is headed. The document explores the potential of certification for Native communities and tribes in the U.S. so that resource managers can weigh their options more effectively.

Readers may be interested in this document because it not only explains the forest certification process from a Native American perspective, it also provides helpful references to websites, publications, funding programs, education opportunities, and sources of technical assistance in sustainable forestry and certification.

Forest certification is one of the most powerful tools to attract attention to excellence in forest management. Certification is a form of public recognition or award for forest managers who have a solid track record in sustainable, holistic forest management, which typically is the way Native communities have managed their forests for centuries. Certification can, for example, help generate marketing opportunities, recommendations for management innovations, and public trust in a tribe's current management practices.

Read on to find out more!

Dream and Awakening

Many Native people, in North America and beyond, share the dream of being part of a community that lives in harmony with the animate world surrounding them, while providing amply for current and future generations. Similarly, Native communities with forests share a dream of good forestry that supports the community and expresses people's perpetual connection with the land. For some this relationship to the forest is one of stewardship, while for others it even includes an awareness of kinship to the entire world around them.

Since time immemorial, forests have been important sources of subsistence, trade products and culture for Native people around the globe. Yet, worldwide, many Native people have witnessed centuries of massive forest destruction and deprivation of access rights to forest lands. Just in the last few decades, however, Native communities are regaining access to and control over their forest lands. In 2002, local communities exerted control over nearly 20% of the world's forest resources, according to David Kaimowitz of the Center for International Forestry Research². This trend indicates that, globally, forest reform and particularly community-driven forest management dominates the international land reform movement of the 1990s and the twenty first century. Native communities play a central role in the forest reform movement both worldwide and in the U.S. Often they are a small but

¹ An in-depth explanation of third-party forest certification is provided in Chapter 2.

² David Kaimowitz, Presentation at the 2002 Forest Leadership Forum, Atlanta, Georgia. April 25-27, 2002.

persistent partner in movements and conferences that advocate good forestry. Native community forestry advocates have influenced agendas and outcomes in worldwide movements such as the 1992 United Nations Conference on Environment and Development (UNCED), a.k.a. the "Earth Summit," held in Rio de Janeiro, Brazil, and the 2002 follow-up conference in Johannesburg, South Africa. Native communities addressed issues such as sustainability, water, income, employment, fuel, culture and the spiritual aspects of Native people's lands. Native communities have also played an important role in global movements for the protection of tropical and temperate forests, such as the global community forestry and forestry certification movements. In the U.S., tribes and Native communities achieved the establishment of a ten-year, recurring federal assessment and support system through the National Indian Forest Resources Management Act (NIFRMA, Title III, P.L. 101-630, 1990), in addition to many successful forest land acquisitions and collaborative pilot programs on community-based forest restoration with private and public partners.

Participating in these national and international movements and programs, Native communities and tribes in the U.S. are developing a medicine of increasing potency against forest destruction and racial discrimination resulting from practices related to the increasing corporatization of businesses and governments. This medicine has proven to be more effective than boycotts, militant uprisings, and isolation. The contemporary Native community forestry movement seeks respect and support for Native people's relation to the forest and for Native economies through collaboration, education, comprehensive economic development programs, lobbying activities, and, as an ultimate resort, court battles.

Despite breakthroughs in user rights and economic opportunities, Native forest-based communities and tribes in the U.S. continue to face persistent obstacles to further advancement. Systemic shortages in funding, limitations in workforce power, complex decision making procedures in Native communities, lack of information and differences in opinion about the

most desirable future for individual communities and Indian Country as a whole seem to impair the effectiveness and speed of the Native community forestry movement in the U.S.

Increasing self-determination coupled with the subsequent awakening to persistent obstacles has inspired many Native foresters, government agencies and non-profit groups to take on the challenges of bringing Native community forestry in the U.S. to full fruition. For example, the *Intertribal Timber Council (ITC)*, established in 1977, has been growing steadily and has strengthened its focus and activities after the issuance of the first report of the *Indian Forest Management Assessment Team (IFMAT)* in 1993, mandated under NIFRMA. In the last decade, ITC effectively facilitated the education of many tribal foresters, the building of relationships between tribes and public and private partners, and the implementation of the second IFMAT process in 2001-2002.

Simultaneously, tribal foresters became involved in movements that sought to improve forest management planning, forest restoration and conservation, and forest products marketing. One such movement that experienced steady growth was that of third-party forest certification, as provided by the international *Forest Stewardship Council (FSC)*.

In 1996, a group of dedicated tribal foresters and program officers with the *Ford Foundation* and the *First Nations Development Institute (FNDI)* saw their dreams come together in the idea for a funding and technical assistance strategy that would help Native American forestry programs achieve excellence in sustainable forestry. The group formulated a grant program within FNDI that would provide financial and technical assistance to tribes and other Native communities with significant forest resources to help them improve their forests and economic development opportunities through independent, third-party certification of their forestry programs under the auspices of the FSC.

The Sustainable Forestry Fund

With a general information workshop held in conjunction with the annual ITC Symposium in 1998 in Hon-Dah, Arizona, and with funding from the Ford and Surdna Foundations, FNDI launched the *Sustainable Forestry Fund (SFF)* to implement the strategy for excellence in tribal forestry. The SFF program featured an applicant-friendly grant making program that covered all steps related to obtaining FSC certification. In addition, the SFF offered a forest certification resource book ("Forest Products Certification, A Source Book for Tribal Forest Management Operations and Tribal Forest Enterprises") and free technical assistance services. In 1999, FNDI expanded the SFF grant making program with funding categories for scholarships, training grants, and technical assistance grants.

Over the years, the Sustainable Forestry Fund has provided information on FSC certification to foresters and community leaders of at least fifty different Native communities in the U.S. The SFF grants program provided scholarships and grants for training and technical assistance. As a result, most tribal forestry programs are well informed about opportunities and obstacles related to pursuing FSC certification.

Over time, FNDI expanded the SFF program with a comprehensive outreach and technical assistance program on sustainable forestry and forest certification. The program included a traveling workshop series, a suite of eight Technical Resource Guides, several research papers, this updated version of the resource book on tribal forest certification, and ongoing technical assistance services. FNDI held two-day training workshops in collaboration with the Menominee Nation (Wisconsin) in 1999, the Confederated Tribes of Warm Springs (Oregon) in 1999, the Pueblo of Zuni (New Mexico) in 2000, the Penobscot Nation (Maine) in 2001, and Native Hawaiian forestry organizations (Hawaii) in 2002. In 2002, FNDI also co-hosted two training workshops for FSC certification assessors in collaboration with SmartWood: one near Vancouver, British Columbia, Canada, and another one on the San Carlos Apache reservation in Arizona.

Increasing Options for Forest Conservation

Since the late 1990s, the sustainable forestry movement, and particularly the forest certification movement, has grown and changed considerably, both internationally and in the U.S. A multitude of new funding and assistance programs in the field of forest conservation and restoration, coupled with a strong increase in corporate interest in certification schemes, strengthened the sustainable forestry movement. In addition, recent years have seen the rise of new verification schemes, such as the *Sustainable Forestry Initiative (SFI)* of the *American Forest and Paper Association (AF&PA)* which provides an association-backed verification program of sustainable forestry practices of its members, and new international systems for market-driven forest conservation, such as trade in carbon credits sequestered in forest conservation projects. Native community forestry programs now have many different options for pursuing sustainable forestry practices while increasing their chances of generating revenues from such activities.

Third-party certification under the auspices of the *Forest Stewardship Council (FSC)* is widely considered the most globally recognized, holistic, integrated, and market-driven forest protection program currently available. However, FSC certification is not designed to be a panacea for all ills in forestry and community development. FSC certification is just one of many strategies that are available to Native communities to protect their forests while generating revenues and other community values from the forests. FSC certification should not be pursued as an end in itself, but rather as part of a larger strategy for long-term ecological and economic sustainability.

In the last decade, the FSC certification program's benefits, and in particular the potential benefits for Native communities, have become much clearer in the context of the growth of the entire sustainable forestry movement. Initially, FSC certification advocates boasted potential financial and market benefits, forest management planning improvements, and public recognition benefits

derived from an internationally-acclaimed track record in good forestry. More recently, claims of specific benefits have been softened in favor of advice to interested parties that they identify their own specific benefits based on community or company goals. Such benefits may vary from market diversification to increased information management, and long-term ecosystem health.

FSC certification is continuously evolving and maturing, based on the incorporation of experience from the growing body of assessments. The FSC certification movement is working hard to find solutions to challenges such as linking certified wood supply to markets, incorporating and balancing social and economic concerns in the certification process, and reducing the relatively high costs for small forest owners and small businesses to achieve and maintain certification status, to name a few. The independent FSC certifiers, such as *SmartWood* and *Scientific Certification Systems (SCS)*, also appear committed to improving the satisfaction of their customers and to responding to the increasing number of options that forest managers have in seeking public recognition and marketing advantages.

In the wake of the rapid changes in the field of forestry certification and forest conservation worldwide, most tribal forestry programs in the U.S. are actively exploring and considering the different options that are available to them. With time, tribes and Native communities may be able to identify the best and most culturally appropriate strategy for pursuing dreams of further developing viable communities in harmony with the forest landscapes that they have lived in for centuries. This manual can help communities to do so.

The Purpose of this Resource Manual

This resource manual is designed to be a decision-making tool and a resource guide for Native communities and tribes in the U.S. that are interested in sustainable forestry and forest

certification. Certification encompasses the complexities of sustainable forestry, the forest products trade, and market innovations on a global scale, and can be a bewildering topic. It is important for parties interested in pursuing forest certification to be able to gain a clear perspective on the different aspects of existing certification schemes. This document focuses in particular on different aspects of FSC certification for a Native American audience.

This manual attempts to provide clarity on what the objectives of FSC certification are, who is involved, how certification works, what the successes and failures have been, and where the movement is headed. More importantly, it explores the potential for native communities and tribes in the U.S. to access and benefit from certification, in order to enable resource managers to weigh their options most effectively.

This document is a re-write of the first, 1998 edition, with updated information and some streamlining of the original texts. It is designed to address ongoing development and change in the global and national certification movement, particularly in FSC certification, and provide useful, up-to-date information. This new document provides an overview of forestry certification in general terms, based on experiences from the SFF program and conversations with insiders in the FSC program. It is not the intention of the authors to provide an exhaustive, complete, and scientifically sound evaluation of the forest certification movement and the FSC program, but rather a story that gives some informed insights into the certification process for an interested Native audience. More time-sensitive, anecdotal, and specific research information on aspects of FSC certification is included in appendices. The document contains references to websites of major organizations involved in forest certification to guide readers to updated, detailed information on specific topics.



Photo 1: Rebecca Seib of First Nations Development Institute and Bill Wilkinson of the Forest Stewardship Council answer questions at a forest certification workshop in Hawaii in February of 2002.

Chapter Descriptions

Chapter 1 is this introduction.

Chapter 2 provides a comprehensive overview of forest certification. The historical development of the movement is described, and the organizational framework and the process of certification are explained. The benefits and costs of certification are discussed and current market conditions characterized.

Chapter 3 outlines the opportunities and challenges that lay before tribes interested in certification. The results of a study of tribal forests and forest management are analyzed in order to highlight the likely benefits of certification and to identify potential obstacles that tribes may need to surmount in order to be certified. The experience of tribes with certification to date is presented.

Chapter 4 outlines the certification process from the point of view of tribes as well as the process followed by the certification bodies.

Chapter 5 describes different sources of financial and technical assistance available to assist tribes with certification. The chapter makes many references to appendices and other sources that provide more in-depth information.

Appendices contain extensive lists of involved individuals, organizations, and companies, and more details on issues related to forest certification.

2. An Overview of Forest Certification

Definition and History

Readers who have not heard about forest certification as well as readers who are familiar with the term may wonder: What precisely is forest certification? Why was it developed, and who developed it? Readers may also wonder: How does forest certification work? What are the benefits and costs of forest certification? This chapter offers some answers to these kinds of questions about forest certification.

A Working Definition

Few documents have ventured to define environmental or “green” certification of forestry operations. This may be due to the diversity of processes referred to as “certification” and the rapid changes in the field of certification related to forest management. The authors of this document also stay away from providing a formal definition because of the challenges in defining forest certification mentioned above. Rather, in this chapter, readers will be led to an understanding of forest certification through a brief description of its history and its diversity in programs and organizations. For quick reference purposes, a working definition is included in a side bar on this page, along with two definitions by international organizations³.

History

The concept of certification has arisen out of a number of trends, including international protests against deforestation of tropical forests and public interest in sustainable development. Many authors on the subject believe that certification as a tool to reduce worldwide deforestation emerged out of society’s growing awareness in the 1980s that cutting rates of tropical forests had reached unacceptable levels. Growing environmental awareness during the last 40 years of the 20th century culminated in the 1992 United Nations Conference on Environment and Development (UNCED), the “Earth Summit,” held in Rio de Janeiro, Brazil, where the world’s governments affirmed that healthy environments and

A Working Definition of Forest Certification

In this document, the terms “forest certification,” “forest products certification,” or “certification” refer to a verification and labeling process of forest management practices and product tracking systems in the manufacturing and marketing chain of forest products. Management practices are measured against specific standards of forest stewardship. For example, forestry operations that are awarded FSC certification may label their products as originating from well-managed forests and carry the FSC certification label.

Other Definitions of Forest Certification

WWF:

“Forest certification is a system of forest monitoring, tracing and labeling timber, wood and pulp products and non timber forest products, where the quality of management from environmental, social, and economic perspectives is judged against a series of agreed standards.”

GTZ:

“Forest certification is widely recognized as an economic policy instrument to achieve environmental and economic objectives. Voluntary in nature, forest certification is an incentive to improve forest management in a holistic manner.”

³ WWF. 2002. *Forest Certification*. Position Paper, February 2002. And: Vallejo, Nancy and Pierre Hauselmann. 2000. *Institutional Requirements for Forest Certification. A manual for stakeholders*. Ed.: GTZ Programme Office for Social and Ecological Standards. Forest Certification Working Paper No. 2. Eschborn, Germany.

sound economies are inextricably linked⁴. Sustainable development emerged as one of the most important issues at the UNCED, and forest certification was identified as an important tool to achieve sustainable economics in the forestry industry. After UNCED, different parties came together to define the first sets of principles, criteria, and indicators of sustainable forestry and forest certification⁵.

While the need for sustainable timber harvest was affirmed, levels of concern about unsustainable forest practices, especially in the tropics, were rising. Boycotts of tropical timber were considered, but rejected because of the potentially adverse effects on tropical forest products operations that were using sustainable practices, including those of some indigenous groups. In addition, it was believed that a boycott of tropical timber could actually accelerate deforestation, if entire forests were cleared to allow for other agricultural activities, which were not boycotted.

Instead of a boycott, methods of enabling consumers to purchase wood from responsibly managed forests were suggested. Such methods fall under the heading of "green marketing" or "environmental marketing." One definition of environmental marketing is "gaining profit from identifying and providing for the wants and needs of consumers while recognizing and minimizing impacts to the environment"⁶. Examples of products for which there are green marketing programs include organic food, dolphin-safe tuna, and recycled or organic fibers for clothes, ropes and paper.

Forest products certification brings products derived from well-managed forests to the attention of the general public. Environmentally-concerned consumers receive assurance that forest products they buy are derived from sustainably managed forests, and can "vote with their pocketbooks" to promote forest stewardship practices. Forest management operations using sound stewardship methods are rewarded for their efforts, and the principles of sustainable development are affirmed.

Interest in forest certification in the U.S. grew in the late 1980s and early 1990s as a result of increasing protests against large-scale clear cuts of temperate rain forests in the Pacific Northwest and California and legal challenges brought to the U.S. Forest Service in relation to the protection of endangered species such as the spotted owl. Economic downturns in the timber industry after 1987 coupled with increasing pressure from environmental organizations led forestry consultants, timber producers, and the two main certification bodies in the U.S., Rainforest Alliance's SmartWood Program and Scientific Certifications Systems' Green Cross Program, to consider the potential market advantages of forest certification for timber operations in the U.S. In 1993, in collaboration with international partners, these organizations played a pivotal role in the establishment of the international Forest Stewardship Council (FSC), and in the promotion of FSC certification in the U.S. In 1992, Menominee Tribal Enterprises had become the first timber company in the U.S. to be certified with certifications from both SmartWood and SCS/Green Cross. Several years later these certifications were endorsed by FSC.

After 1993, forest management operations gradually began applying for FSC certification. Collins Pine Company, a California-based family firm, was the first private forest management operation to be certified under the auspices of the FSC in the United States, in 1993. Since that time, the number of FSC certified forest management operations and

⁴ UNCED specifically addressed forest issues in its "Forest Principles" document and in the "Combating Deforestation" chapter of the Agenda 21 document.

⁵ Vogt, Kristiina A., et al. 2000. *Forest Certification. Roots, Issues, Challenges, and Benefits*. CRC Press. Pp. 11-20.

⁶ Hansen, Eric. 1997. Forest certification and its role in marketing strategy. *Forest Products Journal* 47(3): 16-22.

enterprises has grown steadily⁷. Websites of the FSC and Certified Forest Products Council (CFPC) provide up to date information on the number of forest lands and the number of forest managers that have received FSC certification, as well as on the total acreage certified in each state (see: www.fscus.org and www.certifiedwood.org).

Certification Types and Organizations

Labels on Forest Products

Consumers can find a variety of labels on forest products. Labels may include information on a company's brand name, the origin of the product, wood species, grades, strength, and price. In the last decade, labels also indicate the sustainability of products by comparing wood to steel or plastic or by describing the quality of forest management⁸. Forest certification introduces a label that informs consumers about the quality of resource management for wood products and helps consumers make an informed choice on that basis. In this way, consumers can support responsible forest management through their purchasing preferences.

In the last decade, several labeling schemes have been developed with the aim of informing customers about the quality of resource management for wood products. Yet, the quality of resource management can be measured and expressed in many different ways. This has led to a proliferation of wood labeling schemes that all have slightly different objectives and messages for customers. Some schemes focus on customer satisfaction regarding a variety of issues such as silvicultural, ecological, and

social aspects of forest management, while other schemes focus more on company presentation and focus on a narrower set of issues. Some schemes rely on claims verification that is based on standards, while other schemes use more anecdotal and descriptive methods of supporting their claims. In this document, we focus on a scientific, standards-based method of verification for forest products labeling.

Standards-based Verification

Forest certification seeks to address the questions: "What is sustainability?" and "What is sustainable forestry?" Certification processes provide a framework for exploring these questions by applying a set of standards, indicators or verifiers in a qualitative assessment of a forest management operation. Standards cannot directly measure the sustainability of forest management, because this would require complete knowledge of the long-term impacts of activities. They can, however, help gauge the level of acceptable forest management practices⁹.

Standards formulated as indicators or verifiers help evaluators (or "assessors") measure specific performance criteria for a forest management operation and, thus, provide a means for an operation to be "scored" (See chapter 4, pages 49-51 for more details on scoring). Scoring systems provide certification evaluators (assessors) with a means to gauge the overall performance of an operation against the criteria and, subsequently, how well a forest is managed. Scores above a certain level qualify an operation for certification, implying that the operation's practices may be considered "sustainable."

Certification standards aiming at expressing the quality of a holistic approach to resource management, such as the FSC standards, address ecological, economic, and social factors, because the concept of sustainability includes all

⁷ On November 4, 2002, nearly a decade after the establishment of FSC, 93 forest management operations in the U.S. with a total size of 9,376,408 acres had obtained FSC certification (www.fscus.org on 12/20/02).

⁸ www.fscus.org/

⁹ Ervin, Jamison, and Chris Elliott. 1996. *The development of standards*. Ch. 3, pp. 33-41 in V.M. Viana, J. Ervin, R.Z. Donovan, C. Elliott, and H. Gholz, ed. *Certification of Forest Products: Issues and Perspectives*. Washington, DC: Island Press.

facets of a forest and of forest management practices. Standards must be flexible enough to apply to a wide range of forest types and socio-political and economic situations. Silviculture is an art as well as a science, and it is generally deemed unwise to hold any particular prescription up as a standard. A wide range of regeneration, treatment, and harvesting practices are, therefore, acceptable within the certification standards¹⁰.

The use of standards and the determination of whether a forest is well-managed will always on a certain level remain subjective, and therefore subject to challenge. For example, a number of forest products companies have challenged the validity of certification standards and processes. Environmental groups have also occasionally been at odds with certifiers over issues such as the certification of operations that harvest in forests with some old-growth characteristics, the use of chemical biocides in forest management, and over the certification of public forest lands¹¹.

Comparison of Different Types of Forest Management Verification and their Support of Native Community Interests

In this document, we will focus on FSC certification, because FSC is the only international, third-party certification organization that reached global consensus on a comprehensive forest management verification approach. The FSC certification approach received broad-based acceptance from several sectors in society, such as the wood products industry, environmental organizations, forestry scientists, community groups, Native peoples, and last but not least from wood products consumers.

¹⁰ Putz, Francis E. 1996. *Research needs and information gaps*. Ch. 13, pp 164-178 in V.M. Viana, J. Ervin, R.Z. Donovan, C. Elliott, and H Gholz, ed. *Certification of Forest Products: Issues and Perspectives*. Washington, DC: Island Press.

¹¹ Imhoff, Dan. 2000. *Building with Vision: Optimizing and Finding Alternatives to Wood*. Watershed Media. Spectrum Grafic, San Francisco.

Besides FSC certification, tribal and Native community forestry programs in the U.S. that seek public recognition or market advantages have several other options for verification of forestry performance and procedures.

- The ten-yearly IFMAT assessment by national experts on behalf of the federal government, pursuant to the National Indian Forest Resources Management Act (NIFRMA, 1990) (see Box 2.1.),
- A verification statement by the Bureau of Indian Affairs (BIA) of tribal compliance with the NIFRMA (1990) and other federal and tribal regulations on forest management practices¹²,
- Adherence to the membership criteria of AF&PA's Sustainable Forestry Initiative (SFI),
- Independent verification of compliance with ISO 14001 standards (see Box 2.2.), and
- Third-party verification under the SFI Standard (see Box 2.3.).

None of these alternative verification systems count as independent, third-party certification programs. In addition, the alternative verification systems all serve different purposes and carry different meanings in the marketplace.

The Quick Comparison Chart developed by the National Aboriginal Forestry Association (NAFA) in Canada and Ecotrust Canada (see sidebar on page 10) provides an overview of some of the differences and similarities between the FSC, SFI and ISO forest management verification schemes on a selection of issues that might be of importance to Native communities. The chart indicates that the FSC certification scheme addresses most of the forest management categories listed, while the other schemes fall short in many of the categories.

¹² Bureau of Indian Affairs, Central Office Division of Forestry. 2002. *DRAFT Guidance: Forestry Sustainability Verification*.

Apparent points of debate on the appropriateness of FSC certification for Native communities are limited to FSC’s role in capacity building and certifier/auditor independence. According to the NAFA and Ecotrust Canada, FSC certification offers more capacity building opportunities than any of the other schemes, but there are no explicit requirements in the Principles and Criteria for companies to build the capacity of Indian Nations¹³. The authors of the chart believe that the independence of the different schemes varies, and that FSC certifiers and auditors may favor certain interests, be they industry, environmentalists, etc. over others¹⁴. However, FSC accreditation and oversight, peer reviews of the certification report, and publication of summary reports of positive accreditation as well as summary reports of individual certifications provide strong checks and balances to potential auditor biases in the FSC system. FSC and accredited certifiers also maintain conflict of interest procedures that further help minimize any potential bias or interest of auditors¹⁵.

¹³ See also Chapter 5 of this resource manual for more information on technical assistance, training and capacity building in relation to FSC certification.

¹⁴ National Aboriginal Forestry Association and Ecotrust Canada. (undated). *Forest Certification & Indigenous Peoples. How does your scheme measure up?* From the First Nations Forest Certification Primer (in preparation). National Aboriginal Forestry Association, 875 Bank Street, Ottawa, Ontario, Canada K1S 3W4 (telephone 613/233-5563) and Ecotrust Canada, #202-1226 Hamilton Street, Vancouver, British Columbia, Canada V6B 2S8 (telephone 604/682-4141).

¹⁵ The “Comparative Analysis of the Forest Stewardship Council and Sustainable Forestry Initiative Certification Programs,” conducted by the Meridian Institute, and published in October 2001 (sponsored by The Forest Stewardship Council, The Home Depot, and The Sustainable Forestry Initiative of the American Forest & Paper Association), gives a clear comparative overview of the differences and similarities between the FSC and SFI programs regarding many programmatic and management aspects, including the one on internal checks and balances to mitigate certifier and auditor biases and conflicts of interest.

Third party assessments are typically preferred by consumers, since they provide an objective opinion on which the consumer can base purchasing decisions. In general, customers have the least trust in industry self-certification¹⁶. Third-party assessments may also provide the distance and perspective on forest management operations that a company needs to develop an objective analysis of its forest management operations.

The text boxes on the following pages provide brief descriptions of a few alternative environmental verification schemes that are often compared with FSC certification.

Quick Comparison Chart			
✓ Yes ? Maybe X No	FSC	SFI	ISO
Strong environmental protection	✓	?	?
Aboriginal rights protection	✓	X	X
Precautionary principle	✓	?	?
Accountable to communities	✓	X	X
Long-term sustainability	✓	X	X
Good consultation	✓	X	X
Capacity-building	?	X	X
Certifier/auditor independence	?	?	?
Standards development independence	✓	X	X
Traditional Ecological Knowledge used in management plan	✓	X	X
Changed relationship with industry	✓	X	X
Participate in designing management	✓	X	X

Note: These comparisons are taken from the First Nations Forest Certification Primer (in preparation). The comparisons are informed by direct analysis of the standards in question, as well as secondary sources such as comparisons conducted by Fern and Meridian Institute (National Aboriginal Forestry Association – NAFA, and Ecotrust Canada, undated pamphlet).

¹⁶ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998) p. 21-26.

First Party, Second Party, & Third Party Verification and Certification Systems

Methods of forest management verification and certification can be grouped under three headings: first-party, second-party, and third-party.

First-party assessment and certification: *is made internally by a company, to gauge how well it is meeting its own standards and to express its ability to do so to its customers.*

Second-party assessments and certifications: *are made by a party that is affiliated – often with a financial interest – with the company (such as a trade group), to endorse the company's abilities. Standards are typically developed internally.*

Third-party assessments and certifications: *are made by an independent, objective and credible organization with no stake in the company, using externally-developed standards. This type of assessment is typically preferred by consumers, since they provide an objective opinion on which the consumer can base purchasing decisions.*

Box 2.1. IFMAT Assessments and Forest Certification

In 2001, thirty tribes in the U.S. participated in the second nationwide assessment of tribal forestry operations mandated under the NIFRMA, nationally known as IFMAT-II. The field assessments for IFMAT-II were combined with “dual” preliminary assessments for forest certification under the FSC and SFI certification programs. The Intertribal Timber Council, directing the IFMAT-II process, collaborated with the Pinchot Institute for Conservation on the implementation of the dual preliminary assessments for FSC and SFI certification. The dual assessment process for forestry certification resulted in a group of twelve tribal forestry programs that were deemed ready to pursue a full assessment for FSC certification, while none of the tribes that participated in the dual assessment were recommended to pursue SFI certification. By the end of 2002, eight of the twelve tribes had chosen to pursue full assessments for FSC certification and applied to FNDI for grant funding to cover the costs of the full assessments. No official results on the IFMAT-II process and the dual assessments for forestry certification were available at the time of this writing. Look at MERIDIAN etc. on SFI standards dev.

Box 2.2. Systems-Based Certification: The ISO Approach.

The International Organization for Standardization, ISO (after the Greek *isos*, equal) has historically facilitated the development of standards for and by industry and product groups. Its mission is "to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services and to develop cooperation in the spheres of intellectual, scientific, technological, and economic activity . . . by developing worldwide technical agreements that are published as international standards" (in Hauselmann 1997:4). It is composed of member bodies, the national bodies responsible for standardization (in the United States this is the American National Standards Institute, ANSI), subscriber members, and correspondent members. The creation and update of standards is done by technical committees, sub-committees, and working groups.

Historically, ISO has been responsible for creating performance-based standards, specifically those focused on end products, such as the speed of camera film or the threading of screws. In the 1980's, however, it established systems-based standards related to quality management, in the form of the ISO 9000 series. In 1993, ISO initiated work on a systems-based approach for environmental management, the ISO 14000 series. The Canadian Pulp and Paper Association is working with the Canadian Standards Association to develop standards that are in keeping with ISO 14000.

However, as with other systems-based standards, the ISO 14000 series does not communicate the environmental performance of a company to the public. The introduction to ISO 14001 states that "it should be noted that this standard does not establish absolute requirements for environmental performance, beyond commitment, in the policy, to compliance with applicable legislation and regulations and to continual improvement. Thus two organizations carrying out similar activities but having different environmental performance may both comply with its requirements" (in Hauselmann 1997:11).

Box 2.2. Systems-Based Certification: The ISO Approach Continued:

A critique of ISO efforts in environmental management (Hauselmann 1997) notes that ISO 14020, "Principles of Environmental Labels and Declarations" may have some relevance for forest certification, but it gives only general guidelines and cannot be used directly for any kind of labeling system.

An additional criticism of ISO's potential applicability to forest management standards is its inability to obtain adequate public input. ISO has vast experience with the industry and product groups involved in setting technical standards, but limited experience with the stakeholders and societal values involved in setting forest management standards (Ervin et al. 1996).

Box 2.3. The AF&PA Approach of Third-Party Certification.

Following the success of FSC certification, the American Forest and Paper Association (AF&PA) in 1995 launched the Sustainable Forestry Initiative (SFI) in response to declining public attitudes toward the management of the nation's forests. The SFI focuses on the improvement of forestry practices and to promote "sustainable" forestry among private and other landowners in the U.S. and Canada. The SFI promotes first and second party certification among its members companies and licensees. Since 2000, the SFI also offers an optional third-party certification of forestry practices and procedures of members and licensees, according to an internally developed set of Principles and Objectives. By the end of 2001, 60.1 million acres of forestland in North America had been independently certified to the SFI Standard. According to the AF&PA website on the SFI, another 27.2 million acres have certifications underway and are expected to be complete by the end of 2002 (www.afandpa.org/forestry/sfi/SFI_certification_1201.html).

Accreditation of Third-party Certification

The use of third-party certification, while the most objective and typically most useful method of assessing whether a forest is well-managed, necessitates some sort of assurance that the third party itself is credible. The credibility of third-party certification is predicated upon reliable assurance of independent assessment. This process, known as accreditation, is common in many other sectors in society. Schools are one of the most obvious examples; they are accredited to certify students as having met degree requirements¹⁷. The credibility of the accreditation process is enhanced by making it transparent and fully accountable to the public.

In order to be accredited, certifiers must be independent, qualified, reliable, and consistent, and must meet standards developed by the accreditation body. Independence is often assessed by analyzing where a certifier's money comes from, and what the potential is for

conflicts of interest (see also the Box 2.4. *FSC as an Accreditation Body*).

Tracking Certified Products through the Chain-of-Custody

For certification to be successful as a marketing tool, consumers must be convinced that the wood products they buy have been made with certified wood. A key question, therefore, is how consumers can be assured that the wood products they buy originate from a certified source. To answer this question the certification process must have a method of identifying the products of sustainable forest management through a tracking and labeling system. If products were not tracked through the entire "chain-of-custody" – from the forest through the sort yard, the sawmill, the primary and secondary manufacturer, the importer and exporter, to the wholesaler and the retailer – end consumers would have no way of knowing that the products did in fact come from a well-managed forest. The FSC certification program is the only certification scheme that offers such a tracking and labeling process for wood products through the chain-of-custody. As of November 4, 2002, 513 companies in the U.S. had obtained FSC chain-of-custody certification.

¹⁷ Ervin, Jamison, Chris Elliott, Bruce Cabarle, and Timothy Synnott. 1996. *Accreditation process*. Ch. 4, pp 42-53 in V.M. Viana, J. Ervin, R.Z. Donovan, C. Elliott, and H. Gholz, eds. *Certification of Forest Products: Issues and Perspectives*. Washington, D.C.: Island Press.

Box 2.4. FSC as an Accreditation Body

FSC Accreditation

The Forest Stewardship Council (FSC) is an accreditation body for third-party performance- and systems-based forest products certification organizations. FSC is a non-profit, non-governmental organization established in 1993. It is an international organization which evaluates, accredits, and monitors independent forest products certifiers, also known as “certification bodies,” in order to assure consumers that certification labels are consistent and reliable, and adhere to FSC’s international set of forest stewardship principles, the “FSC Principles and Criteria for Forest Stewardship”. The certifiers operate in relation to the FSC Principles and Criteria like Certified Public Accountants operate in relation to the Generally Accepted Accounting Principles.

Certifiers that want to conduct third-party certification under the auspices of the FSC must meet certain requirements to become accredited by the FSC¹⁸. They must:

- Comply with the FSC Principles and Criteria (see Appendix 1);
- Be independent;
- Have sound procedures for evaluating and certifying forest management practices;
- Have transparent procedures;
- Recognize other FSC-accredited certifiers;
- Provide adequate public information;
- Be able to verify chain-of-custody;
- Comply with applicable laws;
- Have equity of access;
- Maintain adequate documentation;
- Have appeal procedures in place; and
- Display integrity in claims.

An accreditation process begins with a formal application by the certifier. Components include evaluation of the certifier's major documents, a site visit and evaluation at the certifier's headquarters, a site visit and evaluation of forest operations certified by the certifier, a formal accreditation decision, and monitoring of the accredited certifier.

FSC Certification

FSC as an Independent, Third-party Certification Program

To date FSC certification is the only international, third-party forest certification program in the world that certifies resource management based on environmental, economic and social impacts. The FSC was initially established to provide a global umbrella for forest certification schemes already being implemented by different organizations, such as the Rainforest Alliance’s SmartWood Program and Scientific Certification Systems’ Green Cross Program (later called the SCS Forest Conservation Program). Currently, there are nine certification bodies accredited by

Forest Stewardship Council (FSC) Contact Information in the U.S.

Forest Stewardship Council – U.S.
1155 39th Street NW, Suite 300
Washington, DC 20007
Telephone: 202-342-0413
Toll Free: 877-372-5646
Fax: 202-342-6589
www.fscus.org

¹⁸ FSC. 1994. Guidelines for Certifiers. In FSC Statutes. Oaxaca, Mexico. (As cited in Ervin et al. footnote 7).



Photo 2: A field discussion during a certification assessment training workshop at the San Carlos Apache Reservation, Arizona, in November 2002.

the FSC (two of these are certifiers based in the U.S., see Box 2.5. *U.S. Certifiers Accredited by the Forest Stewardship Council*). The FSC maintains its credibility by being open to the public. FSC was founded by a group of representatives from environmental institutions, the timber trade, the forestry profession, indigenous people's organizations, community forestry groups, retailers, and existing certifiers, from over 25 countries. During the decade of its existence, FSC has sustained this diversity, grown as a membership organization, and attracted more than 560 members from over 60 countries by the end of 2002. The membership has the highest authority in all FSC decision-making. Between 1994 and 2002, the FSC's international headquarters was located in Oaxaca, Mexico. In 2003, the international headquarters will move to Bonn, Germany. The FSC has decentralized its work by endorsing

national offices and national working groups. The FSC U.S. Initiative is located in Washington, D.C., and assists the FSC international headquarters through communication, research, education, and promotion. The FSC U.S. office is responsible for providing public information within the U.S. regarding forest stewardship, certification, and FSC accreditation, and for overseeing the development of regional standards and national guidelines for FSC certification in the U.S.

FSC Principles and Criteria and Certification Standards

The FSC has developed a set of "Principles and Criteria for Forest Stewardship" for worldwide use (Appendix 1). A Principle is "an essential rule or element; in the FSC's case, of forest management," and Criteria are specific "means of judging whether or not a Principle (of Forest Management) has been fulfilled."¹⁹ The Principles and Criteria are not themselves specific standards for forest management practices. Rather, the Principles and Criteria provide a baseline and framework for the development of certification standards.

Standards to be employed in certification assessments are developed nationally or regionally by FSC-endorsed regional or national working groups, and cover a range of performance-based ecological, social, and economic issues as well as systems-based issues such as the development of written management plans. In the interim leading up to the development of standards by an FSC-endorsed working group, accredited certifiers may employ their own FSC-approved generic standards, adapted for local conditions. While there are

FSC Certification Results as of October 1st, 2002	
671	Chain-of-Custody certifications issued in North America (U.S. and Canada)
131	Forest Management certificates issued in North America
13 million	Acres of FSC-certified forests in North America
2,635	Chain-of-Custody certificates issued globally (66 countries)
453	Forest Management certificates issued globally (56 countries)
72.3 million	Acres of FSC-certified forests globally
Source: http://fscus.org/html/results_impacts/index.html	

now regional standards for much of the United States, Alaska and Hawaii remain outstanding and would be a case where certifiers' generic standards would still be employed. The FSC U.S. office has coordinated the development of FSC certification standards throughout the country. Over the past eight years, nine regional working groups throughout the U.S. (except in Hawaii and Alaska) have developed region-specific certification standards. Regional delineation is based on a combination of ecological and political variables. Since January

2000, a U.S. Standards Committee facilitated the completion of the regional standards. The U.S. Standards Committee developed broad National Guide Indicators in order to provide an added level of consistency across the regions, beyond that provided by the Principles and Criteria. The regional standards are a work in progress and require public comment and field testing prior to final approval. Detailed information about FSC certification standards developed by the certifiers and FSC Regional Standards can be found on the websites listed in Box 2.6.

Box 2.5. U.S. Certifiers Accredited by the Forest Stewardship Council (FSC)

FSC Certifiers in the U.S.

An accredited certifier is responsible for evaluating how forest management practices measure up to standards. In the absence of regional standards, for example in Hawaii and Alaska, the certifier is also responsible for developing generic and site-specific standards. When regional standards are developed, the certifier's standards must meet or exceed them.

There are two certifiers based in the United States that are accredited by the Forest Stewardship Council: Rainforest Alliance's SmartWood Program, and Scientific Certification System's Forest Conservation Program. Despite the location of their headquarters, all nine accredited certifiers in the world are allowed to operate worldwide.

The choice of a certifier may be based on a number of factors. Some forest management operations have stated that a for-profit business better understood their economic needs and provided a higher level of professionalism and follow-through. Others felt that products certified by a non-profit would be perceived as more credible and sell better to environmentally-conscious consumers. Differences in operating styles may have become less apparent to customers since both certifiers are FSC-accredited. However, differences in fees and specific customer benefits and services between the certifiers may continue to play a role as the market for certification has become more and more competitive.

SmartWood, based in Vermont, and New York City, is a program of the Rainforest Alliance, an international, non-profit environmental organization. SmartWood's purpose is "to improve the effectiveness of sustainable forestry in conserving bio-diversity and providing equity for local communities, fair treatment to workers, and creating incentives for businesses so that they can benefit economically from responsible forestry practices."²⁰ Initiated in 1989, SmartWood is the oldest and most extensive certification program in the world. In 1994, SmartWood was the first certifier to obtain FSC accreditation. To date, SmartWood has certified more than 700 forest management and chain-of-custody operations and more than 10 million acres of forest lands worldwide. (For more information, visit www.smartwood.org).

SmartWood

Goodwin-Baker Building, 65 Millet St. Suite 201

Richmond, VT 05477

Telephone: 802-434-5491, Fax: 802-434-3116

E-mail: info@smartwood.org

²⁰ <http://www.smartwood.org/>

Box 2.5. U.S. Certifiers Accredited by the Forest Stewardship Council (FSC) Continued:

Scientific Certification Systems (SCS)

SCS is a multi-disciplinary scientific organization, based in Oakland, California. Founded in 1984, SCS is an internationally recognized third-party evaluation and certification organization. A for-profit company, SCS specializes in many kinds of environmental and consumer safety certifications, varying from agricultural production, forestry, and the energy industry to home improvement and construction sectors. Its Forest Conservation Program was established in 1991, and has the goal “to identify forest management practices which most successfully sustain timber resources while maintaining the ecological viability of the forest and benefiting the larger community.”²¹ SCS uses the familiar "Green Cross" logo to label certified products. To date, SCS has certified more than 12 million acres of forest lands worldwide. (For more information, visit www.scs1.com/index.shtml).

SCS Forest Conservation Program

Robert Hrubes, Senior Vice President

2000 Powell Street, Suite 1350

Emeryville, CA 94608

Phone: 510-452-8003, Fax: 510-452-8001

Email: rhrubes@scscertified.comwww.scs1.com**Box 2.6. Website References for FSC Certification Standards Information**

FSC Certification Standards

Generic Standards for the US are found by visiting the websites of the two US certifiers:

SmartWood: www.smartwood.orgScientific Certification Systems: www.scs1.com/index.shtml

The current FSC-approved and draft versions of the US Regional Standards are found in the archives section of the FSC-US website:

www.fscstandards.org**Types of FSC Certification**

The FSC certification program includes two different types of certification:

1. The certification of forest management operations, and
2. The certification of operations handling forest products, known as “chain-of-custody” certification.

Certifiers working under the auspices of the FSC have developed several types of certification that address differences in size and ownership of forest land holdings. Currently, it is possible in the U.S. to certify private forest landowners,

public forest land management institutions (such as municipal forests, counties, and state forest management divisions), and groups of small forest owners through the certification of a commonly shared forest manager or forest management program (“resource manager certification” a.k.a. “group certification”). For example, tribal or Native allotment owners and groups of small tribes, bands, or pueblos that rely on one forest manager, such as a BIA Agency, a non-profit corporation, or a tribal forest management program, may be able to become certified as a group through the certification of the common management agency.

²¹ Scientific Certification Systems. (undated). Overview of Evaluation and Certification Programs.

In addition, FSC certification offers a separate certification method for forest product manufacturing plants and marketing businesses under FSC chain-of-custody certification. Under this certification method, tribal sawmills and wood product manufacturing plants can obtain independent chain-of-custody certification (see chapter 4, page 53).

FSC Certification of Non-Timber Forest Products

The FSC certification scheme has developed a policy that allows the usage of the FSC label on “non-timber forest products” (NTFPs). The FSC website defines Non-Timber Forest Products as “biological resources other than timber that can be harvested from forests for subsistence and/or for trade.” Examples of NTFPs include medicinal plants, fibers, resins, oils, gums, fruits, nuts, spices, ornamental plants, construction materials such as rattan and bamboo, and game. NTFPs may come from primary forests, secondary forests, forest plantations or agroforestry systems, and may be intensively managed, extensively managed or unmanaged.”²² NTFPs are of great importance to many Native communities throughout the U.S. In many cases, NTFPs are harvested for subsistence and ceremonial uses, but in some cases commercialization is practiced as well, such as with firewood, maple syrup, wild rice, pine oils, fruits, nuts, and game. Under specified circumstances, FSC’s certification policy for NTFPs may make agroforestry systems in Hawaii eligible for certification. However, to date, no NTFPs carry the FSC label

In 1998, FSC developed a Draft Principle #11 on NTFPs to cover NTFP certification issues. For more information on the certification of NTFPs, visit the FSC website regarding this issue (see footnote).

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http://fscus.org/html/standards_policies/current_issue/s/ntfp.html

Benefits and Costs of Certification

Qualitative and Quantitative Benefits and Costs

When considering the option of having their forest management operations certified, forest managers naturally try to weigh the benefits and costs. As with each innovation and value-added improvement in the forest product manufacturing process, such a rational approach to evaluating the relative contribution of certification is prudent and makes business sense. The certification process is costly and maintaining certification also has a price tag. Insight into the estimated returns on investments is, therefore, essential.

Certification should be regarded as a long-term capital investment on the property. Therefore, the costs of certification can be capitalized and depreciated over time. Simultaneously, forest managers and owners should identify any other benefits from certification, whether they are as tangible as direct financial returns or rather intangible like the values obtained by public recognition for performing good forestry.

However, many certified forestry operations have chosen to get certified not because of a positive benefit/cost ratio, but rather because managers and landowners held a personal belief that it was important to develop an environmental ethic for their businesses and practice forest management based on the company’s ethical principles. Managers of certified operations recognized FSC certification as a way to check their practices against internationally recognized standards of responsible forestry, and many just did a quick analysis of the cost of certification to ascertain that it wouldn’t be a financial disaster. Interviews the authors conducted with forest managers in the past revealed that in many cases certification has resulted neither in substantial profit nor substantial loss. Yet, information regarding the cost-benefit relationship in certification remains anecdotal. To date, no solid

comparative studies have been published that analyze the benefit/cost ratios and cost recovery processes for certified operations in the U.S.

Each tribal forestry operation, as much as any other forest management company, will have to identify (for their specific business and community situations) what specific benefits and costs certification might generate. These benefits and costs may relate to long-term community goals and cultural values and traditions as well as to specific forest management objectives and annual economic results sought from the forestry operation. Each forestry operation should weigh the desired benefits against the expected costs and drawbacks of having certification.

Benefits and costs of forest management as well as of forest certification fall into two categories: those that are easy to quantify and express in a dollar value, and those that are not. Benefits and costs that can be easily expressed in a dollar value are called quantitative (and also *material* or *tangible*) benefits and costs. If these benefits and costs relate to products exchanged in the marketplace, we can also call them market benefits or market costs. Conversely, benefits and costs that are difficult to express in dollar values are called qualitative (also *non-material* or *intangible*). Qualitative benefits and costs are typically not appraised for the market and, therefore, not priced. As a result, they can also be called non-market benefits and costs.

Often, many of the benefits related to the management of forests are qualitative and difficult to express in dollar values. This is one of the reasons why it is difficult to establish a clear benefit/cost assessment of a decision to invest in forest certification and why this is rarely done in a thorough manner. It may also be a reason why many forest management operations have difficulty deciding whether they want to be certified. However, this difficulty can be alleviated in two different ways. One can try to estimate a dollar value for all qualitative benefits and costs and arrive at a clear benefit/cost ratio that is expressed in a dollar value. One can also try to establish a benefit/cost ratio of the known quantitative revenues and costs, and, if there is a net cost, evaluate whether

the net cost combined with the qualitative costs weigh up against the qualitative benefits.

In order to help tribal forest managers assess the potential benefits and costs of certification for their tribes and forest management programs, FNDI has developed a Technical Resource Guide on the benefits and costs of certification (Technical Resource Guide #7, "Benefits and Costs of Certification," 2000), which is included in Appendix 2 of this document. The Technical Resource Guide lists the potential benefits and costs that may apply in most tribal situations and offers a simple benefit/cost assessment model based on the discounted present value method. It also explains with the help of a hypothetical example how qualitative benefits can be compared with net costs and qualitative costs.

Price Premiums

Established as a market driven approach to forest conservation, forest certification was initially designed to generate price premiums on certified wood products, also known as "green premiums." However, experience has shown that price premiums for certified wood products have been elusive. The expectations were largely based on *a priori* assumptions of certification bodies and willingness-to-pay studies that indicated a potential for price premiums on specific categories of certified wood products²³. In reality, only a few certified businesses, predominantly in the hardwood sector, realized significant price premiums. The majority of certified forest owners and chain-of-custody companies have not been able to sell their certified supply at premium prices.

Benefits

The nature and valuation of the benefits of forest certification will be highly context specific, depending on the particular characteristics of communities, forests, and management

²³ Ozanne, Lucie K. and Richard P. Vlosky. 1997. Willingness to pay for environmentally certified wood products: a consumer perspective. *Forest Products Journal* 47(6): 39-48.

objectives of each forest management operation. The following discussion of possible benefits only serves to provide several examples of benefits that can be considered when deciding about certification.

Qualitative Benefits

Many certified operations place a higher value on the qualitative (non-market) benefits of certification than the quantitative (market) benefits. Some qualitative benefits are derived from the certification process itself, as certification assessments are in fact evaluations by a multi-disciplinary team of consultants who produce a report that typically includes recommendations on where the forest management operation might achieve improvements. In that way, certification can lead to improved forest planning and management resulting in increased forest health, improved accountability on management practices, staff capacity and motivation improvements, improved collaboration between tribal departments, and clarity in forest management goals. By obtaining certification, a tribal community will also receive the benefit of a broadly-supported assurance that its forests are managed for the long-term availability and diversity of resources for multiple purposes. This may generate a stronger level of community support for tribal forestry operations. In addition, the award of a certification label may give the tribal foresters a sense of pride for being recognized as doing a good job in the forest, while tribal leaders and tribal members are assured that their forest managers are performing according to international standards of sustainability. The certification will, most likely, also increase the level of public recognition, prestige, and respect from neighbors, colleagues and other Indian nations. Finally, certification may provide a greater diversity in marketing opportunities through market diversification and opportunities to collaborate in strategic market alliances for the sales of certified wood.

Quantitative Benefits

Many certified operations have difficulty quantifying certification benefits, but it is clear that increased revenues and profits are for many

a goal of certification. Often certification will help open new markets and diversify market opportunities, for example, in the international market. It may help consumers distinguish between products, and may offer new marketing opportunities where traditional markets collapse (for products including small diameter, wholesale-oriented products such as molding, houselogs, posts and poles). Furthermore, it may help companies directly by providing them with the market information necessary to make good log-allocation decisions. These opportunities offered by certification may lead to increased and steady annual sales revenues.

Some certified businesses have been able to obtain price premiums for certified products. Past experiences reveal that the potential benefit of a price premium applies in particular to hardwood specialty products with a high value-added component. Price premiums for softwood products are rare. Other quantitative benefits may be found in employment increases resulting from higher levels of specialized value-added manufacturing initiated in response to certification and the need to recover the investment in the certification process.

Quantitative benefits may also consist of revenue increases from enhancements to wildland conservation values brought about through conformance to certification standards. Such revenues may include hunting and fishing receipts, revenues from increased water supplies resulting from forest conservation, payments and bonuses received from conservation easements and/or carbon sequestration, and revenues from recreational activities.

Finally, certified operations in the past also mentioned cost savings as an important quantitative benefit. Cost savings can occur through higher levels of efficiency in forest management, and also through reduced expenses for litigation, mitigation of negative management impacts, and countering negative publicity or public relations activities.

Costs

Similar to the benefits, the costs of certification can be subdivided in qualitative and quantitative ones, and the nature and valuation of these costs are also very situation-specific. Contrary to the benefits of certification, the qualitative costs are typically far fewer and considered less critical than the quantitative costs.

Qualitative Costs

In surveys among tribes, few certified operations mentioned any costs or drawbacks from certification that are of an immaterial nature and hard to express in a dollar value. However, many operations that are not yet certified, and especially tribal operations, have mentioned several potentially qualitative costs of certification. They often listed these qualitative costs as reasons for not pursuing certification of their forests²⁴.

One of the greatest anticipated drawbacks or socio-political costs of certification mentioned by certain tribes is the chance for social and political damage, perceived or real, resulting from disclosing internal management information. Many tribes and other forest owners fear that the public comment component of the FSC certification process may force the forest managers to disclose proprietary information or generate public comments that are unwelcome.

Many tribes also fear that the certification process will cause infringements upon tribal sovereignty since certification will explicitly set a standard for forest management that tribes may not want to comply with. However, in reality, FSC certification will in no way impact tribal sovereignty. The voluntary character of FSC

²⁴ Source: Information derived by the authors from formal and informal interviews with tribal members and foresters between 1998 and 2002 during the course of the implementation of the Sustainable Forestry Fund. See unpublished article "The Place of Third Party Forest Products Certification in Native American Forestry" (Jansens, Jan-Willem and Steven Harrington, 1999) in appendix 2 for more detailed findings about obstacles to certification for tribal operations.

certification allows a tribe to decide not to get certified after the assessment. Also, the certification process is conducted with great respect for forest managers and forest owners, and information that is considered proprietary does not have to be included in public review documents. This makes this apprehension on sovereignty infringements a moot point and only a perceived problem or cost.

Finally, the certification outcome, positive or negative, will require time for reflection on next steps. In many Native communities, time available to elected officials and forestry staff is extremely limited, and the decision to focus community efforts on certification may put other burning issues such as youth programs, housing issues, or public safety measures lower on the agenda, which may constitute a social cost. The certification outcome, especially when there are certain conditions for certification that must be met, can lead to internal conflicts or misgivings about either the certification process or the forestry staff and their consultants. This may also constitute a social or political cost to the community and the forestry operation.

Quantitative Costs

The quantitative costs of certification typically fall into three categories²⁵:

- direct costs of the initial assessment and certification contract, annual audits, and five-year reassessments,
- potential costs related to chain-of-custody assessments and product tracking, and
- incremental costs of improving forest management.

Different companies focus on different costs. Some forest operations, such as Collins Pine and Seven Islands, consider only the cost of the initial assessment and annual audits as the real costs of certification. Others also consider additional investments in forest planning, inventory systems, and establishing information

²⁵ Ozanne, Lucie K. and Richard P. Vlosky. 1996. Wood products environmental certification: the United States perspective. *The Forestry Chronicle* 72(2):157-165.

data bases as factors that should be included in the cost of certification (See box 2.7.).

Direct costs of assessments (etc.) are highly variable according to the type and scale of the operation. The larger the operation, the higher the total cost, but the lower the cost on a per acre basis because of economies of scale. As a result, the fixed cost of initial assessments, annual audits, and five-year reassessments place a relatively greater burden on small operations than on large ones. The costs of initial assessments have also increased significantly in the last ten years because of increased costs of certification bodies and inflation over time. Fees of certification bodies typically cover the fees of the assessment team members, travel costs of the assessment team to the site, data information processing and reporting costs, administrative and office costs, and annual accreditation and membership fees to FSC. In 1996, Ozanne and Vlosky estimated that initial assessment costs varied between \$0.05/ha for large forest management operations and \$2.00/ha for small woodlot owners (\$0.02 - \$0.80/ac)²⁶. By 2002, these costs have almost doubled.

Certification costs for forests with high-impact and complex management systems will likely be higher than for forests with simple, low-impact management systems because of the greater number of variables involved and the higher level of risk to resources. Forest density, terrain access, and diversity of forest types can also affect certification costs. Innovations such as resource manager certification (a.k.a. group certification), however, have improved the possibility of certification for small landowners²⁷. Group certification may also be an option for allotment owners and small tribal bands and pueblos.

The direct costs of assessments also include the time it takes for resource managers and forest owners to collect information, raise funds for the certification effort, organize the assessment

process internally, and communicate and negotiate a contract with certification bodies. There are also other internal costs, such as the staff time to provide information and facilitate the work of the assessment team in the field, and to coordinate the process with the tribal government, the community and other tribal departments. Such costs begin to accrue during the scoping process and may also increase again where a tribal sawmill is included in chain-of-custody assessment. Finally, the tribe will have to count on certain legal fees to the tribal attorney or a hired attorney in relation to the establishment of the certification contract with the certifier.

The cost of annual audits is low compared to the cost of full assessments, and often remains below 10% of the cost of the assessment. However, annual maintenance fees to the certifier and the five year reassessment may amount to a significant cost factor over the years. Annual audit costs typically range from about \$2,000 to \$7,000. Although certifiers may have an easier time with a reassessment, inflation and increasing certifier costs may result in an equally high fee for a reassessment as was paid for the initial assessment.

Certification Cost Examples

- *The 220,000 acres of forest lands of Menominee Tribal Enterprises were certified by two certifiers in 1991 and 1992 for a total of \$12,000, or 5.5 cents per acre²⁸. Annual recurring costs for audits are probably less than 1 cent per acre.*
- *Certification costs in 1994 for Collins Pine Company's 300,000 acres of forests in Oregon, California and Pennsylvania were estimated at \$90,000, or 30 cents per acre²⁹.*
- *In early 2002, the cost of a full assessment of the White Mountain Apache Tribe with 900,000 acres of forest lands was about 6 cents per acre.*
- *In the fall of 2002, FNDI received a cost estimate from one of the certifiers that showed that the full assessment cost of six medium to large-size tribal forestry operations in the U.S. would be about 10 cents per acre.*

²⁶ Ibid.

²⁷ Harold Burnett, Two Trees Forestry, pers. comm., 4-13-98.

²⁸ Lawrence Waukau, MTE, pers. comm., 4-23-98.

²⁹ Larry Potts, Collins Pine, pers. comm., 4-23-98.

Potential costs related to chain-of-custody certification and product tracking include segregating certified logs from non-certified logs in the log yard, tagging logs, and possibly installing a Certification Information System (CIS) that tracks certified products. Upon arrival at a secondary mill, all certified lumber must be segregated from non-certified lumber, and only certified logs may be run within one single production shift unless automated coding mechanisms are employed. Costs of a CIS include expenses for computer hardware and software and instruction of personnel³⁰. However, most of these costs may be compensated by improved inventory control in the supply line³¹. FNDI's experience indicates that the costs of chain-of-custody assessments are typically in the order of \$5,000 for a medium to large sawmill (up to 50 MMBF per year).

Costs related to improved forest management resulting from certification may derive from foregone benefits of areas set-aside for resource conservation, additional expenses for planning and monitoring, and different distribution of costs and benefits over time. However, it is important to note that improved planning can increase efficiency and reduce costs. Modifications in management practices necessitated by certification may result in further incremental costs, but these costs should not be factored into baseline costs.

Optimizing the Benefit/Cost Ratio of Certified Operations

Timber dependent tribal communities with independent forestry programs, tribal communities not dependent on timber sales

³⁰ Ozanne, Lucie K. and Richard P. Vlosky. 1995. *The Certification Information System: A Chain-of-Custody Framework for Environmentally Certified Wood Products*. Working Paper #3, Louisiana Forest Products Laboratory. Baton Rouge: Louisiana State University.

³¹ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal Vol. 48, No. 9* (1998): 21-26.

revenues, and tribal forestry programs run by the BIA will all take a different approach to a comparison of financial benefits and costs of certification. Timber dependent communities with their own forestry programs may need to look at a comparison of the market benefits and costs. They may need to find a positive ratio of market benefits to market costs before they will decide to pursue certification. Communities that are non-timber dependent, for example with large revenues from entertainment industries, will most likely look more at a comparison of both qualitative and quantitative benefits and costs. They may also look at the public perception benefits gained from certification and their impact on their main source of revenues. Tribal forestry programs managed by a BIA Agency will have to combine benefits and costs both for the tribe and the BIA Agency in their considerations.

In all these different circumstances, several considerations apply if one wants to optimize the benefit/cost ratio and determine whether certification makes business sense. Tribes interested in certification should consider that:

- Certification is unlikely to help an unprofitable operation or wood products business become profitable or improve business profits in a time of economic decline in the forest products industry. Certification will likely work best for businesses if the products, the business structure, their markets, and the national economic circumstances are healthy and promising. Clearly, certification has had little appeal in the marketplace during the economic downturns of 1987-1991, 1993-1994 and 2001.
- Certification is a capital investment in the forest management operation and the community and has a cost recovery time or depreciation time (see text box 2.7).
- Cost recovery is possible and certification may even be profitable if the investment increases the revenue flow at a higher rate than it increases administrative and personnel costs.

- Cost recovery by passing on the costs of certification from the forest management operation to the manufacturing industry and further on to consumers is often not possible because the prices for many certified wood products have not increased (there are no price premiums for many certified wood products).
 - Certification may result in foregone profits, but costs of certification and foregone profits can be recovered over time by market diversification and expansion of sales volume and revenues.
 - The bigger the commercial forest land base, the easier it will be for tribes to recover costs of certification because of economies of scale.
 - The more contiguous and accessible the forest, the less costly the certification assessment usually is.
 - Timber dependent communities may need to make greater investments to achieve certification if they have compromised holistic forest management objectives through high-intensity management in order to achieve greater timber revenues.
- However, economies of scale related to large acreages or large volume harvests may reduce the certification investment per acre.
- Tribes that operate a sawmill and/or value added manufacturing business that are chain-of-custody certified have greater opportunities to recover costs of certification because of price premiums on certified, value-added wood products (see sidebars on Collins Company and Menominee Tribal Enterprises). Tribes that do not have their own wood processing operations and only sell logs or no forest products at all may have greater difficulty recovering certification costs. Their benefit/cost assessment should focus on evaluating whether the costs of certification weigh up against the qualitative benefits it generates.
 - Export and value added manufacturing will typically increase cost recovery opportunities.



Photo 3: SFF workshop participants tour the Seven Islands Land Company wood sort yard in Maine, November 2001.

Box 2.7. Certification Cost Recovery

Cost Recovery Experiences

Recovery periods may vary from several months to four or five years. Collins Pine Company, with forests in California, Oregon, and Pennsylvania, recovered the cost of certification in one year in both the west coast softwood forest lands and the hardwood forests in the eastern part of the country. Collins Pine's hardwood manufacturing operation was largely responsible for this success.

Seven Islands Land Company in Maine was certified in February 1994. Seven Islands found that profits could only be made through value-added manufacturing and marketing, and noted that when forest owners have their own mill or are directly connected to a local mill, they have a better chance of recovering the costs of certification (Box 12). Their marketing success allowed the company to recover the investment in certification within 4 years (McNulty, pers. comm., 4-23-98). (Most forest products operations focus on the intangible benefits, such as recognition and improved forest management, and take a long-term perspective on the financial returns). According to John McNulty of Seven Islands Land Company, "nobody who got certified decided to do that based on a cost-benefit analysis."³² McNulty believes that the investment was as valuable as any other investment that improves forest management, and notes that the company has benefited from being certified because silvicultural treatments are more focused and better controlled than before. The cost of the investment per acre was also comparable to any other investment such as remote sensing or mapping³³.

Menominee Tribal Enterprises (MTE) in Wisconsin paid \$12,000 for its certification process, and Lawrence Waukau of MTE estimates that it recovered the costs within one year. This rapid recovery was possible because of MTE's own processing industry, its annual volume, and its established contacts in the marketplace (Waukau, pers. comm., 4-23-98).

Two Trees Forestry, a recently certified resource manager, is "still out" on the costs. The assessment process was fairly expensive, but Harold Burnett of Two Trees believes the company will be able to recoup its costs. He noted that the costs include both paying for the assessment and taking the work time to participate in the assessment. Two Trees took out a loan to finance the assessment. Burnett expects that new business will pay off the loan (Harold Burnett, Two Trees Forestry, pers. comm., 4-14-98).

Other factors determining recovery time and returns on investments in certification include the kinds of wood that are being processed (especially the price difference between hardwoods and softwoods), the degree of value-added manufacturing conducted and price mark-ups gained in the process, the volumes being produced and traded, the returns per unit volume, (world) market prices, and the price premium obtained through certification. Interviews FNDI conducted in 1998 and 1999 revealed a positive income difference for value-added hardwood manufacturing operations. For

softwood operations, however, the relative cost of certification per unit of time as well as the cost per dollar invested (e.g. by means of interest) is higher than for hardwood operations. In the softwood sector, a price premium for certified wood products is often impossible because market prices are very competitive and products are traded in bulk quantities. Therefore, low-yielding forests and forests that produce exclusively for a market with highly competitive prices, such as in the softwood framing and construction lumber sectors, will have much more difficulty recovering the cost of certification.

³² John McNulty, pers. comm., 4-23-98.

³³ Ibid. And: Thompson, Michael E. 1998. Seeking the green premium. *Independent Sawmill and Woodlot Manager* 1(3): 39-41.

The Certification Marketplace

Overview of Market Conditions and Assumptions

The success of the forest certification movement hinges on the existence of a segment of consumers who prefer to buy wood products that are guaranteed coming from a source that is managed in an environmentally sound manner. Hence, the purchasing behavior of end-consumers drives the need for increased forest conservation practices. Consumers who want so-called “eco-products” or “green-certified products” can distinguish such products by a special eco-label, such as the FSC label, on products that passed the “green certification” process. In this way, consumers can support a company’s investment in responsible forest management, and subsequently help improve forest conditions. The development of niche markets among “green” consumers may encourage an increasing number of forest owners to obtain an FSC certification label.

Markets for certified forest products can be defined by product type (softwood lumber, hardwood lumber, chips, residuals, pallets, logs, dimension parts, plywood, bark, veneer, etc.) and consumer profile (secondary wood product manufacturers, wholesale and retail companies, and end-customers). In most cases, these markets are national and international niche markets for specialty products. These niche markets are particularly well developed in Japan and Western Europe. Export sales may be facilitated through the Global Forest & Trade Network (GFTN). The GFTN is a new international umbrella network, coordinated by the WWF, with the purpose of promoting the trade of certified wood products worldwide³⁴.

³⁴ Jason Grant, Certified Forest Products Council, presentation for SFF Workshop in Maine, November 7-8, 2001.

Manufacturers’ Willingness-to-Pay Surveys (mid 1990s results)

An increasing number of forest owners and business leaders of wood manufacturing and distribution corporations believe that their corporations should have environmental policies and provide wood products according to their corporate philosophy. Commitment from top management and the protection of the company's image have been the most important reasons manufacturers consider involvement in certification³⁵.

Although the number of manufacturing and retail businesses certified for chain-of-custody in the United States is steadily growing, the forest products industry at large is not yet convinced of the benefits of forest certification. Until a few years ago, very few manufacturing companies appeared to have environmental guidelines. Contrary to customer preferences, manufacturing industry respondents believe that they can best certify themselves. Critics are concerned about whether there is enough consumer demand and whether consumers are willing to pay a premium. Without the ability to charge such a premium, manufacturers are concerned that they will have to incur the additional costs associated with certification, or their products will be at a cost disadvantage when compared with uncertified wood products or other substitute materials³⁶.

In a 1995-1996 survey of wood product manufacturers in the U.S. by Vlosky and Ozanne, 9% of manufacturing industry respondents indicated willingness to pay a premium for certified products. However, if offered an economic incentive to offset increased costs, many respondents indicated that they would offer certified products. More than 79% of the respondents are opposed to paying for chain-of-custody assessments in their industry. Sixteen percent of the respondents were willing to incur between \$5,000 and \$10,000, which is far short of potential chain-of-custody assessment costs incurred³⁷.

³⁵ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998): 21-26.

³⁶ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998): 21-26.

³⁷ Ibid.

In the last few years, large corporations such as Lowe's and The Home Depot have joined the movement selling FSC-certified wood products (see Box 2.8). Additional market research of real sales of certified wood products is required to analyze the impact of these corporations in the expansion of the market demand of FSC certified wood products. New research should also verify the accuracy of the results of the willingness-to-pay surveys conducted in the mid 1990s by Vlosky and Ozanne to document the findings from the wood industry sector and to update the current interest in selling certified wood products (see sidebar).

The market studies conducted in the mid 1990s, indicated that the most likely **end-consumers** for certified wood products were middle- and upper-class, well-educated people, particularly women, in the age group of 30 to 50 years³⁸. Another survey found that end-consumers have the most faith in non-governmental organizations as certifiers and least in industry self-certification³⁹. Corporations with a public profile, such as broadcasting and music corporations, entertainment businesses, and firms producing consumer goods, such as beer, clothing, kitchen utensils and health food, also seemed to be prospective consumers of certified wood. In 2002, however, these target categories do not seem to have engaged in a substantive way in the certified wood market.

³⁸ Ozanne, Lucie K. and Richard P. Vlosky. 1997. Willingness to pay for environmentally certified wood products: a consumer perspective. *Forest Products Journal* 47(6): 39-48. And: Propper de Callejon, Diana, Tony Lent, Michael Skelly, and Rachel Crossley. 1998. *Marketing Products from Sustainably Managed Forests: An Emerging Opportunity*. Case Study from: The Business of Sustainable Forestry. Project of The Sustainable Forestry Working Group. John D. and Catherine T. MacArthur Foundation.

³⁹ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998): 21-26.

End Consumer Willingness-to-pay Surveys (mid 1990s results)

A customer and willingness-to-pay study by Ozanne and Vlosky (1997) focused on people in the United States 18 years and older who are home owners with a combined household income over \$30,000, living in owner-occupied housing units. This consumer group includes about 41 million people, about 15% of the entire population, and is supposed to be the prime target group for certified wood products.

In this study, potential buyers of certified products were most likely to be members of the Democratic Party, environmental organization members, female, and politically liberal. This group represents approximately 16.5 million Americans. On the other hand, 14% of the respondents, representing 5.8 million Americans, viewed certification as unimportant. Due to the lack of certified wood products in the marketplace, a study examining actual purchase behavior was not possible⁴⁰.

Roughly 62% of end-customer respondents indicated a willingness to pay a premium price for a variety of certified wood products. However, willingness to pay a premium varied among different consumer products and over a range of price points. When a more expensive consumer product was considered, a larger percentage of consumer respondents were unwilling to pay a premium and were less willing to incur higher premiums. For a \$1 stud, 71% of the respondents were willing to pay an average premium of 18.7%. For a \$5,000 kitchen remodeling project, only 57% of the respondents were willing to pay an average of 11% premium. For an entire \$100,000 home, 64% of the respondents were willing to pay an average of 4.4% of a premium. In comparison, a WWF study showed that 66% of respondents were willing to pay a premium for certified wood products of up to 13.6%⁴¹.

⁴⁰ Ozanne, Lucie K. and Richard P. Vlosky. 1997. Willingness to pay for environmentally certified wood products: a consumer perspective. *Forest Products Journal* 47(6): 39-48.

⁴¹ Ibid.

Box 2.8. Home Depot's Commitment to FSC-Certified Products.

Home Depot is the largest home builders' retail company with hundreds of outlet stores throughout the nation. The Home Depot, the largest single retailer of lumber in the world, has also become the largest purchaser of FSC-certified wood in the U.S. Home Depot's website (www.homedepot.com) guides customers looking for FSC-certified wood to Home Depot stores in their region. With a click of the mouse, customers can see a complete list of FSC-certified products that are available in Home Depot stores. To reach the website of FSC-certified products, go to www.homedepot.com, click on "building materials" and then click on the FSC logo. (www.fsc.org/html/press_center/breaking_news/press_releases/home_depot.html).

In reviewing the different market categories for FSC certified wood products it becomes clear that the realization of market benefits from certification still faces substantial challenges. For example, consumer awareness of certified forest products remains low. Certification labels are meant to help consumers distinguish between different wood product options. However, advertising and other marketing activities have not been conducted at a level adequate to lead consumers to review labels. Moreover, while many consumers may indicate in surveys a willingness to pay a premium or make other sacrifices such as accepting longer delivery times or product variability, their actual purchasing behavior does not seem to reflect this. Finally, steadiness and volume of supply are still important shortcomings of FSC certified wood, and homogeneity in grade and quality and reliability of delivery and other services seem not yet to be competitive with conventional wood product brands. Advocates of FSC certification will have to work much harder on increasing the visibility of FSC certified wood and developing consumer benefits to compete effectively with the more established wood brands.

Responding to the needs of different market segments is easier said than done. Substantial "disconnects" remain between specific supply characteristics and market demand characteristics. For instance, in the last few years there appears to have been an insufficient supply of certified wood in the market place, while at the same time, certified forest owners are unable to sell all their certified-labeled wood⁴².

The disconnect is related to the need in the marketplace for relatively large order volumes of certified wood products made from specific species and with specific grades and quality specifications, while within the distance limits set by transportation costs (regionally or nationally) there is insufficient supply to fill such orders with the demanded specification and price levels. In exceptional cases, orders have been filled with the help of consultants or

Bicentennial Hall at Middlebury College

In 1998, Middlebury College in Vermont decided to build a new, 6-story, state-of-the-art science center, called Bicentennial Hall. The original design called for a considerable amount of sustainably grown, FSC certified, clear red oak throughout the interior of the building for panels, wainscot, railings and baseboards. However, local providers weren't able to submit bids to supply the red oak that met the specifications. A local partnership of organizations was formed and worked with the architect, local forest owners, wood product manufacturers, processors, and builders to come up with an adaptive and creative solution to the supply obstacles. Eventually, the design was adapted to include products from tree species that were locally available in the woods. The partnership helped certify many small woodlot owners in Vermont, purchased the wood from them once it was certified, and had it processed in the region. In so doing, the partnership generated an increased number of certified forestlands, provided jobs and know-how to local manufacturers, processing plants and contractors, and brought more certified wood in the market. In addition, the adapted process provided learning opportunities for many people and a region-wide promotional event for FSC certified wood.

⁴² Vogt, Kristiina A., L. Scott Estey, and Andrew Hiegel. 2000. *Factors affecting future use of*

certification as an assessment tool. In: Vogt, et al. 2000: 305-309.

“brokers” who pull together the supply from a variety of different sources and negotiate modifications in the orders with the customers to accommodate the available supply characteristics (species, grades, etc.), such as in the case of the construction of Bicentennial Hall of Middlebury College in Vermont (see previous page).

Marketing Experiences and Trends for Different Players

The development of the sales volume of FSC certified wood products has been slower than many expected. Marketing obstacles are largely related to supply limitations of certified wood products, ongoing needs for technical innovations and value-added manufacturing processes to cover the costs of certification, difficulties with selling certified softwood products, competition from wood substitutes, insufficient consumer awareness, and consumer confusion due to the proliferation of multiple “certification” schemes with their own labels are also important market impediments for FSC certified products. Several trends and initiatives may help alleviate these problems over time.

Despite the disconnect between supply and demand described above, the steady expansion of certified forest management operations in the U.S. may help overcome many of the marketing problems. For instance, the pending certification of nearly 3 million acres of tribal forest lands has the potential of increasing the certified wood supply in the U.S. in the years to come.

So far, however, certified hardwood products have been easier to sell in the identified niche markets for certified wood than certified softwood products. While softwood products account for the bulk of production from tribal lands, opportunities in the softwood markets face a conundrum. The softwood processing and wholesale market require bulk quantities and

According to John McNulty of Seven Islands Land Company, penetration in the softwood market is a slow process. He states: “We sell locally-produced 2-by-4’s and other dimensional lumber. Big retail companies like Home Depot and B&O want to buy it and are fully supportive of certification, but cannot afford to pay any more for it than they do now. We’re competing against wood harvested in India and processed in the U.K.”(pers. comm., 4-23/98).



Photo 4: Zuni Pueblo sawmill staff demonstrate their new sawmill and value-added wood yard during an SFF workshop in March 2000.

internationally competitive log prices. Although currently, demand for certified softwood products is growing faster than the supply, most certified forest management operations are still too small to provide the steady supply of large quantities of certified softwoods needed to satisfy the market in a competitive way. At the same time, price differences between certified and non-certified products in the softwood sector are not possible because of the price-driven nature of the marketplace. Furthermore, competition with cheap (non-certified) wood from countries such as Canada, Mexico, Chile, and New Zealand has been too steep for many American businesses to be able to afford the extra expense of certification. There are, therefore, few incentives for forest management operations to invest in producing and selling certified softwood⁴³.

Marketing of certified wood products could be strengthened by technical innovation in value-added manufacturing. For example, manufacturers of certified wood products need to keep up with technical innovations for engineered wood products at a level equal to non-certified wood products in order to maintain competitive power in the marketplace. Increased value through wood engineering and value-added manufacturing may help reduce the relative cost of certification and make certified wood more price competitive⁴⁴.

In addition, forest management operations will likely optimize marketing of their certified logs through vertically integrated operations. Manufacturing and marketing alliances among companies at a regional scale may also help individual businesses market their certified wood products more effectively.

⁴³ Larry Potts, Collins Pine, pers. comm., 4-22-98; John McNulty, Seven Islands, pers. comm., 4-23-98.

⁴⁴ See also: Mater Catherine M. 1998. *Emerging Technologies for Sustainable Forests*. Case Study from: The Business of Sustainable Forestry. Project of The Sustainable Forestry Working Group. John D. and Catherine T. MacArthur Foundation: 4-1/4-27.

In the mid 1990s, Menominee Tribal Enterprises (MTE) had a significant increase in income as a result of vertical integration and marketing of high quality hardwood logs for the production of veneer and chain-of-custody millwork. Through an exclusive supply relationship with AGA in Michigan, MTE helped provide flooring material for Disney Land's tennis and racket ball courts in Florida. MTE attached a 10% premium to the highest grade veneer logs. This premium opportunity was exceptional as it was not driven by market forces and based on the unique market relationship between MTE and AGA⁴⁵. However, unique market alliances such as this one work well for the production of specialized niche market products and underscore the power these alliances can have for successful marketing of FSC certified products.

Discussions with people in the wood products manufacturing industry reveal that competition from wood substitutes constitutes another rapidly rising barrier to an increase of sales of FSC certified wood products. Wood is gradually being replaced by many different products varying from straw bales to metal alloys, particularly in the construction industry. Recycled plastic composites are also capturing an increasing market share as cheap, light, environmentally responsible, and structurally stable construction material. Some construction industry representatives believe that these products will out-compete all relevant wood products, certified and non-certified, within a matter of years⁴⁶.

Another important barrier in marketing certified forest products to end-consumers is the confusion and skepticism in the marketplace. Consumers easily lose track of the many different labels for green certification and other quality certification. Customers do not easily see the difference, but are aware that certain labels are heavily criticized. Surveys have indicated that, as a result, only 25% of consumers look for eco-labels, and 41% of them reportedly do not believe that green certified

⁴⁵ Lawrence Waukau, MTE, pers. comm., 4-23-98.

⁴⁶ See also: Vogt, Kristiina A., L. Scott Estey, and Andrew Hiegel. 2000. *Factors affecting future use of certification as an assessment tool*. In: Vogt, et al. 2000: 305-309.

Percentage-based Claims

One of the most serious problems manufacturers face in marketing wood products is that wood products are often composed of many different pieces of wood from different origins, and sometimes only part of a product is made out of certified material. Supplies of certified materials are also insufficient. Many manufacturers avoid this situation by not buying certified material at all⁴⁷.

To find a solution, some advocates of certification recently began reviewing the possibility of certifying products which only contain a portion of certified wood. Proponents of so-called "percentage-based claims" note that there is not enough certified wood in the market to meet demand, and that separating all certified and non-certified materials can be nearly impossible. Environmental groups argue that the requirements should not be "watered down"⁴⁸.

The FSC has responded with a policy that allows their logo to be used on solid wood products only if 100% of the wood is certified. The logo may be used on assembled wood products (such as furniture, musical instruments, etc.) and pulp and paper products if 70% by volume (for assembled products) or by weight (for pulp and paper products) of the wood or wood fiber is certified⁴⁹. Assembled wood products and pulp and paper products which contain no more than 75% recycled or non-wood fiber may be considered for certification labeling. Recycled materials as defined by the FSC do not include thinnings, wood from land clearance, sawdust, or sawmill offcuts. Labels must state the percentage content of certified wood or wood fibers. The FSC policy requires continuous improvement, and plans to review the percentage-based claims concept in three years.⁵⁰

⁴⁷ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998): 21-26.

⁴⁸ Landis, Scott. 1997. The 30-percent solution: setting thresholds for certified claims. *Understory* 7(1). Reprinted at www.goodwood.org/goodwood/CbyD/essays/landis.html.

⁴⁹ FSC. 1997. FSC Policy on Percentage-based Claims. Oaxaca, Mexico: FSC. See also FSC Policy on Percentage-based Claims as updated on 15 May 2000: fscus.org/html/standards_policies/current_issues/policy.html

⁵⁰ Ibid.

products are environmentally friendly⁵¹. Ongoing advertising of FSC certified wood by celebrities, such as Jennifer Lopez and Pierce Brosnan, and increasing volumes of FSC certified wood in the marketplace will help increase consumer awareness of the alternative offered by FSC certified wood.

Benefiting from Market Opportunities for Certified Wood

"Market opportunities are always there. The issue is to identify them and produce the added value to the product that customers want," said Jon Zeltsman of Zeltsman and Associates (from Ossining, New York State) during a regional workshop on sustainable forestry in Maine hosted by FNDI's Sustainable Forestry Fund in 2001. Identifying and using market opportunities and crafting effective market strategies require creativity and flexibility. Businesses may need to reinvent themselves over and over again to stay in touch with the marketplace. For example, tapping into the resource sustainability trend may be a market strategy of growing importance to connect effectively to end-user markets. Such a market strategy requires the creation of a plan that addresses what customers want, what the company can do, and what the competitors do. The combination of all these factors in a successful and flexible plan is an art as much as a skill.

Identifying and benefiting from market opportunities begins with having access to and collecting relevant information about products, processing techniques, specific market needs, price levels, and activities of competitors. These categories of market-related information change all the time and are not always readily available. The Internet and trade organizations are important sources of information for tribal businesses that have limited human power, experience, capital resources and access to information for the development of independent market studies.

⁵¹ Vlosky, Richard P. and Lucie K. Ozanne. 1998. Environmental certification of wood products: the U.S. manufacturers perspective. *Forest Products Journal* Vol. 48, No. 9 (1998): 21-26.

Another way certified forestry operations can benefit from certification is through regional collaboration with other certified suppliers and certified chain-of-custody operations. Collaboration may help create a more steady flow of products to market and create more market visibility where one single business cannot achieve these impacts.

Benefits may also come from marketing hardwoods or softwoods that are made harder and more durable in technical hardening processes with Indurite and Kevlar. Such value-added procedures predispose the wood products to be used in specialty products, which produce a higher added value for the community, are higher priced, and create a more attractive product profile. This allows for a recovery of costs and sometimes for a price premium of the certified wood components. Softwoods that are not hardened or used in high-input value-added products are typically commodity products that are traded in bulk, have a low added value, are lower priced and are often invisible because they are used as structural components. Therefore, they tend not to generate significant market benefits from certification.

Finally, certification may become a viable investment, and marketing of certified wood products may produce greater market benefits once businesses begin focusing on full utilization of the harvested biomass. By finding markets for chips, bark, ends, slabs, and other products that are often considered waste, one may discover that the operation can be made more financially viable, and that certain waste products can be manufactured in specialty items that sell well in the certified marketplace, and actually offer entirely new business development opportunities.

Marketing Support

Information on who is currently certified is important both to producers and consumers. This information is available from the FSC and the Certified Forest Products Council (CFPC)

(see Bar 2.9.), based in Portland, Oregon⁵². The CFPC can also provide assistance with connecting to other marketing networks for certified wood products such as the Global Forest & Trade Network (GFTN), the WWF, and the Leadership in Energy and Environmental Design (LEED) program that certifies buildings and architects. The GFTN and WWF can provide marketing assistance for export markets. There are great opportunities through the LEED network to get federal agencies and municipalities interested in certified wood.

Box 2.9. The Certified Forest Products Council

The **Certified Forest Products Council (CFPC)** is a 501(c)(3) non-profit organization whose goal is to promote certified forest products and increase communication among consumers and companies with certified products. The CFPC was formed through a merger of the North American Buyers Group and the Good Wood Alliance (formerly the Woodworkers Alliance for Rainforest Protection, WARP), and was modeled after the European Buyers' Group (a European buyers group of FSC-certified products). As a membership organization of buyers of certified wood products, the CFPC includes more than 300 institutional members and 110 industry members. In 2002, CFPC launched a 501(c)(6) trade organization, which provides lobbying services and other trade organization services to institutional and industrial members. At this moment, FSC certification is the only certification program endorsed by the CFPC. CFPC works with both SCS and SmartWood. CFPC also manages outreach and information programs. CFPC operates a website with a database that provides information about certified products and product manufacturers: www.certifiedwood.org.

Certified Forest Products Council

721 NW 9th Avenue, Suite 300

Portland, OR 97209

Phone: 503-224-2205 Fax: 503-224-2216

info@certifiedwood.org

Additional marketing support information can be found in Appendix 2, which contains FNDI's Technical Resource Guide #6, "Marketing of Certified Forest Products."

⁵² CFPC's website www.certifiedwood.org provides up-to-date overviews of certified businesses in the U.S.

3. Tribes and Certification

Readers may wonder how forest certification can be made relevant to tribes with reservation forests and to Native communities in Alaska, Hawaii and other places in the U.S with individual or community interests in forest lands. In this chapter, the authors try to answer questions such as: Can tribes meet certification requirements? What barriers may tribes face in pursuing certification? How can tribes overcome these barriers?

The issues that surround tribal forestry certification are as diverse as the forests and the tribes themselves. Forests range from the 734,267 timbered acres of the White Mountain Apache Tribe in Arizona to the 2,140 timbered acres of the Fort Bidwell Paiute Reservation in California. Yet, both tribes applied for FSC certification in 2002. Some tribes have large tracts of contiguous forest lands, while others have highly fragmented forests. Native forest lands may be owned by the federal government, by individuals and allotment holders, by non-profit organizations, by corporations or by a Native community as a whole. Levels of tribal and Bureau of Indian Affairs (BIA) involvement in forest management vary widely, as do levels of public participation and value placed on cultural traditions. Economic circumstances encompass both tribes with substantial revenue from casinos and tribes where the average annual per capita income is less than \$3,500. These ecological, socio-political, and economic factors all have relevance for tribal certification.

The great variety of ecological, socio-political and economic circumstances among tribal forestry programs may result in highly specific opportunities and challenges for individual tribes in pursuing third-party forest certification. This chapter gives an overview of some of these opportunities and challenges, and suggests some ways to benefit from the opportunities and overcome the challenges.

Indications of Sustainable Forestry Practices in Indian Country

The 1993 IFMAT report written to meet the requirements of the 1990 NIFRMA provided an independent assessment of the status of Indian forest resources and their management, and provided indications of the state of the art of sustainable forestry practices in Indian Country. An update of this report derived from the more recent IFMAT-II assessment is due in 2003. In the context of FSC certification, it is notable that the 1993 IFMAT-I report states that:

“There is a striking potential for managed Indian forests to serve as models of sustainability. Reservations are permanent homelands where Indians live intimately with the environmental and economic consequences of forest management actions. Indians want their forests for a complex mix of uses – timber harvest, livestock grazing, hunting, plant gathering, firewood, fishing, scenic beauty, spiritual sanctuary – and have a compelling need to balance competing interests. They have a well-recognized commitment to protect the resources that are both their heritage and their legacy.”⁵⁹

In order to obtain FSC certification, forest stewardship practices and planning should balance many interests and forest management aspects by meeting ecological, economic and social standards as well as systems standards, which relate to proper documentation of and procedures for forest management. It can be inferred from the 1993 IFMAT report that, as of

⁵⁹ IFMAT 1993: ES-12

1993, a considerable number of tribes and other Native communities with forest assets in the U.S. appeared to be well-positioned to meet the stewardship requirements of FSC certification.

The IFMAT-II process, which took place in 2001 and 2002, added more detail and nuance to the 1993 findings. The IFMAT-II process included a preparedness appraisal of third-party certification through a combined (dual) assessment for third-party certification under the FSC and SFI programs. Preliminary results from this dual assessment process indicate that none of the tribes that participated in IFMAT-II appear to be ready for SFI certification, while 12 (about 40%) of the participating tribes were selected to consider a full certification assessment for FSC certification. The difference in the preliminary assessment outcomes between the two certification systems appears to be related to the SFI program's high requirements on management systems documentation, which contrasts with the FSC's emphasis on on-the-ground performance of forest management practices.

In 2001 and 2002, in addition to the 12 tribes identified by the IFMAT-II process, FNDI sponsored the pre-evaluation by SCS of two additional tribes, which were deemed ready to pursue certification as well. Despite these optimistic indications, however, a majority (60% of the IFMAT-II sample group) of tribal, Native Alaskan, and Native Hawaiian forestry programs appear unready to pursue FSC certification.

Barriers for Native Communities to Pursuing FSC Certification

The preliminary findings of the dual assessment discussed above suggest that tribal forest management operations and Native forestry operations in Hawaii and Alaska will most likely face a great variety of barriers in pursuing FSC certification. In order to identify the specific barriers and respond to them, it is important to examine the character and context of the barriers. Such an examination indicates three broad categories of barriers:

1. Apprehensions about FSC certification and preparedness for the certification process,
2. Structural barriers in the forest management organization and/or the community that hinder the pursuit of certification, and
3. Shortcomings in the forest management approach that may generate "pre-conditions" or "conditions" during the certification process.

Apprehensions about FSC certification and one's preparedness for the certification process

During workshops and telephone conversations with FNDI staff, tribal representatives have expressed many different apprehensions and opinions concerning FSC certification. Although in many cases the apprehensions were derived from valid issues, misinformation or lack of information were the main sources of the concerns. Most of the apprehensions recorded have been listed as Frequently Asked Questions, and are included, along with answers, in text box 3.1. A few apprehensions merit a longer discussion in this section.

One apprehension that has come up from time to time is that "*FSC certification is not culturally appropriate to Native communities in the U.S.,*" and that "*there are no assessors for FSC certification that have sufficient insight and experience in Native communities and their forest management operations*" to conduct an unbiased assessment. This concern might have been partly true in the early 1990s, but it is certainly no longer so today. The FSC certification program in the U.S. has developed regional standards that were established with a significant contribution from tribes around the country. The standards specifically address topics of cultural importance to many tribes in general and to specific tribes in each region. Although FSC certification is not set up to address individual or tribe-specific needs, FSC assessors conduct the on-the-ground assessment process with respect for the forest owners and their individual cultural and ecological values. Certifiers carefully select their assessors (or auditors), and require that they are familiar with a specific eco-region and with Native community forestry practices in that part of the

country. By the end of 2002, 19 Native American forest resource managers had completed a SmartWood assessors training and at least ten other Native and non-Native forest resource managers involved with tribal forestry had been trained or had conducted assessments on tribal lands in the past and can be considered qualified to conduct FSC certification assessments in Indian Country.

Another often heard opinion is that *“FSC certification is redundant because the BIA manages tribal lands according to federal standards in a sustainable manner.”* This apprehension includes a value judgment and not a direct factual inaccuracy, as it comes down to the definition of “sustainable” and one’s personal or communal opinion on the definition of socially responsible, economically viable, ecologically sound forest management. FSC certification was developed for worldwide application and not only for application within the context of U.S. and tribal regulations. In many ways, the standards developed for FSC certification exceed and specify those set by federal laws and regulations. Furthermore, FSC certification stays away from defining what is “sustainable” because of the diversity of opinions that have diluted the precise meaning of this word. Therefore, it is best that Native communities and their forest management operations define their individual forest management goals and standards, and determine whether federal regulations or FSC certification standards should be used to verify the adequacy of their forest management practices.

Structural barriers in the forest management organization and/or the community that hinder the pursuit of certification

Several apprehensions and concerns about FSC certification relate to genuine barriers that need to be recognized in order to assess whether a tribal forest management operation is sufficiently prepared and situated to pursue FSC

Box 3.1. Frequently Asked Questions

The following FAQs highlight some apprehensions and concerns about FSC certification and some responses to the listed concerns.

Assessment Process

1. Who conducts the certification assessments?

Certification assessments are conducted by teams of experts, hired by the certifier. Assessment teams typically consist of at least 3 people: a silviculturist (forester), an ecologist, and a social scientist. Teams may include other specialists such as resource economists and stakeholder consultation specialists. The assessors often have experience in the forest types and social conditions of the area. The teams are put together by the certifier, but certification clients can make recommendations for assessors and veto selected assessors.

2. How credible and independent are the assessors?

Assessors are carefully selected based on their expertise and experience, and are screened to avoid any conflict of interest (real or perceived). Oversight by FSC ensures maximum independence of the assessment teams. A forest management operation to be assessed can also veto a team member if they so desire.

3. How long do assessments take?

Assessments may take anywhere from two to three days for small woodlots to ten days or more for large forest management operations. After the assessment, it may take from several weeks to several months before a certification contract is signed and a certification label is awarded. In this period the assessment team writes the assessment report, which is sent out for peer review, review by the client and review by the certifier’s headquarters. After all review comments have been discussed and incorporated in the report, the client is offered the decision to accept the certification or not.

certification. Such barriers include:

- the geographic location and distribution of forest lands,
- complexities in forest ownership,
- staff shortages,
- lack of funding,
- conflicts over forest management with the BIA, and
- insufficient support in the community and tribal administration.

Many tribes and Native Alaskan and Native Hawaiian forestry operations face *long distances to wood product markets*. The remote location of many Native forest management operations and the prospect of marketing certified wood from that location render investments in FSC certification for marketing purposes cost prohibitive. This problem is even more acute because of the low price levels of certified softwoods, which are the mainstay of many tribes with forest lands in the western United States and Alaska. Economies of scale and local, high-end, value-added manufacturing may compensate to some extent the expenses associated with marketing certified wood from remote locations and at low market prices. If those options are not available, tribes should consider the non-market benefits of certification and determine whether these weigh up against the cost of certification (see also chapter 2 and question 6 in sidebar 3.1.).

Similar problems to the ones described above arise for tribes with *very small acreages* of commercial timberlands, for tribes with *largely scattered forest units*, and for tribes and Alaskan communities with a major portion of their *forests split up in different allotments and fee lands*. Tribes with small forest bases may find certification cost prohibitive because their forest revenues are typically too low to justify the cost of the upfront investment and the costs associated with annual maintenance of certification and five-yearly recertification. In the case of a multitude of a scattered forest units, the cost of the initial assessment on a per acre basis may be high due to the increased

Frequently Asked Questions Cont:

Benefits

4. How will certification provide increased revenues from forest management?

Increased revenues from certified forest management remain atypical but certainly possible. For example, certification can diversify market opportunities and generate steadier sales revenue patterns, even in economic downturns. In addition, in specific circumstances, certified wood may be sold at premium prices, which may, in turn, help increase forest management revenues.

5. What are the benefits of certification for us?

Each forest owner has to determine individually what benefits certification might offer. Most forest managers say that certification itself is a powerful learning process, and that it helps improve forest management, pride in management accomplishments, and credibility.

6. How can we benefit from certification if we do not sell any wood products?

Certification may also generate intangible (non-market) benefits, such as enhanced morale and confidence among forest workers and owners, public recognition, improved forest planning and management, improved accountability on management practices, increased insights and knowledge of staff, improved collaboration between tribal resource management departments, and greater clarity on forest management goals.

BIA and Certification

7. How can we get certified if the BIA is managing the reservation forests?

Tribes and BIA Agencies can get certification together, and BIA Agencies can get certified as forest managers for several different tribal forests.

complexity of travel and assessment logistics, while in the case of a large number of allotments and fee lands, there may be high upfront costs associated with reaching all owners and stakeholders and obtaining support and agreement from all allotment holders and fee land holders to pursue certification. However, before reaching conclusions on the feasibility of certification based on the geographic circumstances of forest locations, it is important to discuss these concerns with the certifiers. The experience certifiers have with similar circumstances around the world may help generate specific solutions that certification applicants may not have considered.

Many tribal forest management operations mentioned that they have *insufficient staff capacity* to explore FSC certification and manage the process over time. Staffing shortages have been a persistent problem on many reservations and were also identified by the 1993 IFMAT process, which reported that foresters and engineers are in short supply and that cultural specialists needed to provide a tribal perspective are typically few in number and overcommitted⁶⁰. Tribal and BIA foresters are paid less than their Forest Service counterparts, and have less access to continuing education. Because of these problems, the BIA and tribes experience substantial difficulty in recruiting natural resource professionals⁶¹. Exposure to new concepts and approaches to sustainable forest management may often be difficult for tribal foresters, and the best and brightest forestry professionals may be lost to other agencies, according to IFMAT-I. Staffing shortages constitute a real barrier to pursuing FSC certification, because certification requires follow through and internal management on the part of the applicant. There are no easy solutions to this problem. Much of the solution depends on the time management skills of the tribal forest manager and his or her ability to delegate

⁶⁰ IFMAT 1993: ES-12

⁶¹ Ibid.

Frequently Asked Questions Cont:

Costs and Cost Recovery

8. How can we recover the costs of certification?

The costs of certification can be recovered if certification helps raise the revenues from forest product sales at a level higher than it raises administrative and personnel costs. Value-added manufacturing, savings through the identification of more efficient systems and techniques and product tracking, and savings in public relations activities may all help recover costs from certification.

9. Would certification increase our forest management costs?

Certification will increase forest management costs if the upfront investment in certification and the annual audit fees are included in the calculation of annual forest management costs. Besides these costs related to the investment in certification, certification might increase forest management costs if the forest management operation has to incur expenses in order to meet certain certification conditions (see also question 11).

Forest Management Requirements and Forest Management Plan

10. Would it make sense to consider pursuing certification if we do not yet have a forest management plan in place?

Certification requires an up-to-date and approved forest management plan or an Integrated Resource Management Plan to be in place. Without any of these plans completed or near completion, it would often be better to wait to pursue certification. Review and analysis of certification standards as part of a planning framework may facilitate the development of a more effective plan.

tasks, train staff, and attract funds for new staff or interns that relieve the workload.

Most tribal forest management operations experience serious **funding shortages**. Certification costs money and maintaining the FSC certification label requires ongoing investments in audits and typically in forest management improvements as well. Such costs may increase the annual cost of forest management, which is an undesirable prospect for many tribal forest management operations. Funding for tribal forest management is dependent on the vagaries of the federal budgeting process, and, for many years federal funding for tribal forest management has fallen far short and cannot support coordinated resources planning and management⁶². Funding conditions have not improved significantly in the last ten years, and it is expected that the IFMAT-II report of 2003 will indicate continued funding shortfalls. As a result, for many tribes investments in better management practices and information systems are insufficient to meet requirements for certifiable forest stewardship.

Many tribes also realize that they **may not generate sufficient revenues from certification** to recoup the initial investment, finance annual audits and reassessments, and invest in forest management improvements necessary to meet certification conditions. Despite the availability of grants that support tribes in pursuing FSC certification, such as the Sustainable Forestry Fund of FNDI, tribal forest managers rightfully question whether investments in FSC certification are economically viable for their operations and communities. This is a valid concern that each applicant should consider. Certifiers can assist to some extent in determining whether an investment in certification makes business sense. The section on benefits and costs in chapter 2 of this manual and Technical Resource Guide #7 may also guide tribal forest managers in determining whether the benefits outweigh the costs of investing in certification.

⁶² Ibid.

Frequently Asked Questions Cont:

Forest Management Requirements and Forest Management Plan Con't:

11. Would we have to change our forest management to get certified?

Certification evaluations, and in some cases preliminary evaluations (a.k.a. scoping visits), typically indicate needed changes in forest management to get certified. Changes that need to be implemented before a certification is awarded are called "pre-conditions," while changes that must be implemented within a certain time frame after certification are called "conditions."

Markets and Marketing

12. Who wants to buy our certified products?

Market studies in the regional, national, and export markets may reveal what consumer segments are typically interested in the certified wood products that your business can provide. Manufacturing segments that may be interested in certified wood include industries such as flooring manufacturers, millwork and moulding plants, shelving manufacturers, instrument (guitar) manufacturers, furniture and cabinet makers, and businesses that produce specialty items such as toys, door knobs or barbeque handles. Retail and wholesale segments include home building stores that sell dimensional lumber and other finished construction elements, such as The Home Depot and Lowe's. Finally, end-customer segments include luxury stores, such as GAP, corporations with a high public profile, such as entertainment companies, home builders and architects who can determine their own material specs, and end-consumers, such as middle to upper class home makers with strong environmental ethics.

Tribal communities and their governing bodies may be unprepared to take on the process of FSC certification. Tribal communities may not be ready for certification because of political agendas that give priority to other issues in the community, the dominance of special interest groups in the community that emphasize more extractive uses of the forest, and a need for public education about sustainable resource management in general or FSC certification in particular. To get ready for certification, many tribal communities have to work through decision making processes that are complicated by the political and social aspects of community-based forestry and the federal trust relationship unique to most tribal forest management programs. Although the community forestry aspect of tribal forest management seems to fit well with the social objectives of FSC certification, community decision making can be very time consuming. In some cases, forest management practices focusing on satisfying community needs in the field of creating employment or providing subsistence products from the forest may also generate obstacles to implementing forest stewardship practices. There are no easy solutions to these problems. Native communities are best served by educating themselves about FSC certification and considering the pros and cons of certification in their own pace and manner.

Shortcomings in the forest management approach that may generate “pre-conditions” or “conditions” during the certification process

The IFMAT-I assessment report, internal studies by First Nations Development Institute⁶³, and the preliminary results from the dual assessments for FSC and SFI certification in the IFMAT-II process reveal an array of obstacles that may generate preconditions or conditions in

Frequently Asked Questions Cont’:

Markets and Marketing Cont’:

13. How can we market our certified products?

A market strategy, combined with creativity and flexibility, will help you sell your certified wood products. There are several trade organizations that can help market your products. Collaboration with other certified businesses in the region may also help you succeed with marketing your certified products. The Certified Forest Products Council (CFPC), a membership-based trade organization of manufacturers of FSC-certified wood products, can provide assistance in marketing your certified wood products.

Sovereignty and Proprietary Information

14. Would certification affect tribal sovereignty?

No. Certification is voluntary and in no way interferes with tribal sovereignty. Certification requirements can only affect decision-making to the extent that a tribe desires to obtain and maintain a certificate. They are not legally binding.

15. Would the public comment process of the certification assessment report require a tribe to make public any information that is considered proprietary?

No. The public comment process can be adapted to exclude any proprietary information.

⁶³ See Appendix 6: Jansens, Jan-Willem and Steve Harrington. 1999. *The Place of Third Party Forest Products Certification in Native American Forestry*. Unpublished. First Nations Development Institute internal paper.

the certification assessment process⁶⁴. Such barriers may include the absence of up-to-date forest management plans, inadequate forest management documentation, poor performance in monitoring and field research, poor coordination with other forest resource management departments, and difficulties in meeting ecological standards.

Many tribes are in the process of *updating their forest management plans (FMP) or are working with outdated FMPs*. Without an updated and approved FMP, a tribal applicant for certification will typically be ineligible for certification, or may receive a conditional certification predicated on the completion of an updated FMP within a certain time limit.

Tribes may also have *difficulty meeting the documentation requirements* of FSC certification. Due to the shortage of funding and staff, tribes and BIA staff often lack sufficient access to research-based information that may help improve forest management practices tailored to their needs⁶⁵. Many tribes lag behind in the development of automated forest inventory and mapping equipment, such as Geographic Information Systems and computerized inventory data. Some tribes also have difficulty obtaining and maintaining e-mail and Internet access. In some cases, tribes and BIA Agencies have poor working relationships and experience a lack of mutual assistance with and coordination in the completion of forest inventories, forest development plans, and other resource management protocols. All these difficulties may lead to inadequate documentation for meeting FSC certification standards. In such circumstances, certifiers typically specify conditions or preconditions to

certification, depending on the degree of gaps in documentation.

Lack of funding, staff and information technology and resources may lead to *poor field research and monitoring of forest management practices*. Monitoring documentation and procedures are required by FSC certification. Inadequate monitoring may lead to conditions and in rare cases to preconditions, in a manner similar to that described above regarding documentation requirements.

A considerable number of tribes appear to have difficulty establishing and maintaining effective lines of communication and *coordination with other forest resource management departments or segments of the community*. This may lead to management problems regarding resource values such as endangered plant or animal species, riparian zones and water resource, grazing resources, and archaeological sites. Some tribes may also discover that they need to place more emphasis on community education and the involvement of stakeholders, youth, and council members in forest management to generate more support and knowledge in the community about forest values and long-term management requirements. Shortcomings in these management aspects alone rarely keep forest owners from receiving certification, but they can lead to conditional certifications.

It can be inferred from the findings of IFMAT-I that many tribes may also fall short in *meeting certain ecological standards* of FSC certification. According to the 1993 IFMAT report, many tribal forests are overstocked with small diameter trees, have been cut over in the past, or have a simplified forest structure. The potential for catastrophic disturbance is considerable on large tracts of Indian forests. In some cases, certification may be untimely if forests require large-scale restoration after destruction by wildfire and insect infestations. These forest health problems, coupled with inadequate infrastructure for addressing them in the short term, typically lead to conditions and preconditions for certification. Conversely, going through a certification evaluation process

⁶⁴ Forest management changes that need to be implemented before a certification is awarded are called "pre-conditions," while changes that must be implemented within a certain time frame after certification are called "conditions."

⁶⁵ IFMAT 1993: ES-12.

may help tribes identify symptoms and causes of poor forest health, as well as the means to effectively resolve them, and thus help to improve conditions.

Overcoming Barriers

Overcoming the barriers to forest certification mentioned above will require persistence, commitment and collaboration with organizations that provide technical and financial assistance to further sustainable tribal forest management. In the last few years, there have been concerted efforts from organizations such as FNDI, ITC and the Pinchot Institute for Conservation to provide funding and technical assistance to tribes committed to sustainable forest management and certification.

Overcoming barriers within Native communities may begin with an unequivocal commitment of community leaders and forest managers to sustainable forest management. This will require community-wide recognition and a strong tribal leadership statement of the importance of demonstrating excellence in forest management and obtaining public recognition for sustainable forest management. At that point, it will not be difficult for tribal leaders to tie goals of sustainable forest management to community values related to integrated, holistic community development, and identify how FSC certification supports such community goals. Policy decisions or resolutions by the tribal council may help set a course of action based on these goals and authorize the tribal forestry department to pursue sustainable forestry and certification.

In addition, tribes can benefit from a legal framework that supports self-governance regarding forestry, which facilitates the pursuit of innovations such as FSC certification. For example, P.L. 93-638 enables joint management between tribes and the BIA, while P.L. 100-472, Title IV to the Indian Self-Determination and Education Assistance Act, enables forest management under a self-governance compact program. Many tribes have benefited from these laws in the last 20 years, which helped them take

forest management matters into their own hands. For example, these laws helped tribal forestry programs such as the one in Hoopa and the Menominee Tribal Enterprises achieve the independence and control that has enabled them to obtain FSC certification (Box 3.3. and 3.4).

There is a growing number of tribes in the U.S. that have passed preliminary evaluations (scoping) and full evaluations (assessments) for FSC certification. These tribes constitute a body of knowledge and experience that other tribes interested in certification can access for advice. Text box 3.2. provides a brief description of the achievements in FSC certification on tribal land and mentions a few tribes that passed FSC certification.

Last but not least, pre-evaluations and full evaluations for FSC certification may themselves offer opportunities to overcome several of the challenges described above, open pathways that strengthen the capacity of tribal forest management programs, and facilitate the decision-making process on the future direction of forest management. Certification evaluations often offer opportunities for forest managers to gauge how they are doing and what forest

Box 3.2. Achievements in FSC Certification on Tribal Land

By the end of 2002, three tribal forestry programs in the U.S., Menominee Tribal Enterprises, Stockbridge-Munsee Tribe, both in Wisconsin, and the Hoopa Valley Tribe in California, had obtained and maintained FSC certification. FNDI provided technical assistance and a few grants in support of these efforts. FNDI's SFF grants paid for the scoping (or preliminary evaluations) of two tribal forestry programs (Penobscot Tribe and Confederated Tribes of Warm Springs). The preliminary evaluations revealed that the two tribes were ready for full evaluations. After preliminary field evaluations for FSC and SFI under the IFMAT-II process in 2001, twelve other tribal forest management programs received a recommendation to pursue FSC certification. In 2002, eight of the twelve tribal forestry programs were awarded SFF grants for full certification evaluation, and one of them (the White Mountain Apache Tribe) completed a full evaluation in 2002.

management improvements might be explored. Like many non-Indian forest management operations⁶⁶, tribal forestry programs will have a great opportunity to learn from an FSC certification assessment and increase staff knowledge and insight in the management operation. Tribes can use certification to learn about new ways of forest management or to demonstrate to their members and to consumers that their forestry operations are well-managed. John McNulty, forest manager for Seven Islands Land Company in Maine (see photo 6 on page 43), suggests that certification may give tribal

leaders the opportunity to show tribal members that their forests are managed in a sustainable way: “That in and of itself should be a reason to do it. Certification does not promote good forestry; it recognizes good forestry or suggests corrections that lead to good forestry,” says McNulty⁶⁷. Simply exploring certification may help a tribe to set its priorities and discuss the importance of sustainable practices. Likewise, BIA forest managers may be able to demonstrate to tribes that BIA practices are ecologically responsible, socially acceptable, and economically sound.



Photo 5: SFF workshop participants inspect FSC certified “birds-eye” maple at the Seven Islands Land Company wood sort yard in Maine in November 2001.

⁶⁶ Hayward, Jeffrey, and Ilan Vertinsky. 1999. High Expectations, Unexpected Benefits. What managers and Owners Think of Certification. *Journal of Forestry*, February 1999: 13-17.

⁶⁷ John McNulty, Seven Islands Land Company, Maine. Personal communication, 4-23-98).

Box 3.3. Case Studies: Menominee Tribal Enterprises

Menominee Tribal Enterprises is an integrated sustainable forest management and wood products manufacturing enterprise, which markets certified wood products from some 14 quality hardwood and softwood species. Located on the Menominee Reservation in the north central portion of the state of Wisconsin, MTE is some 45 miles northwest of the city of Green Bay and approximately 150 miles northwest of Milwaukee.

The 140-year history of forest resource use and management of the Menominee forest stands as a practical example of sustainable forestry- forestry that is ecologically viable, economically feasible, and socially desirable. This refers not only to forest products and social benefits, but also to wildlife, site productivity, and other ecosystem functions.

The Menominee Forest stands as a monument to the foresight of ancestors who recognized the bounty they inherited. Today, because they acted as responsible stewards of these resources for future generations, we enjoy, cherish, and are sustained by the resources so wisely planned for and managed by them. Knowing that short-term sacrifices must be endured at times to ensure the long-term sustainability and quality of life, the Menominee strive to emulate their ancestors' discipline.

The tribe has learned from previous generations how a forest ecosystem interacts. We understand that the whole resource is needed to protect any part.

The sustainable forest management practices on the some 220,000-acre Menominee Forest allows for approximately 20,000,000 board feet of timber to be harvested annually, manufactured into various wood products, and marketed nationally and internationally. The current primary product mix includes: lumber, veneer, value-added wood product lines, boltwood, pulpwood, and by-products.

As the business arm of the Menominee Indian Tribe of Wisconsin— being owned, controlled and managed by the members of the Menominee Community— MTE in many ways embodies the culture, values, and spirituality of the Menominee.

It is said of the Menominee that the sacredness of the land is their very body, the values of the culture are their very soul, the water is their very blood...It is obvious then, that the forest and its living creatures can be viewed as food for their existence.

Menominee Tribal Enterprises has been built upon the understanding of the need to integrate advanced science, technology, and business practices within a cultural context, to remain competitive and profitable for current as well as future generations of the Menominee People. The "land ethic" and commitment to sustainable forest management practices and principles literally sets Menominee apart from all other integrated forest management/wood products manufacturing business nationally and internationally.

The commitment to intergenerational equity is a key determinate of the decision-making and management of MTE, in that immediate gain is deferred to a long term and sustainable planning horizon; that is, to meet the needs of the present without comprising the ability of future generations to meet their own needs.

Menominee Tribal Enterprises was first certified by **Smart Wood** in 1995, and accepted as member of the **Forest Stewardship Council** Economic Chamber in 1996. Menominee's achievements associated with their integrated forest management/wood products manufacturing enterprise was underscored through the winning of the **1996 President's Honors Award for Sustainable Development** awarded through President William Clinton's President's Council on Sustainable Development.

The Menominee People have long recognized the need for balance between the environment, community and economy, both in short term and for future generations. Menominee culture and traditions teach us never to take more resources than are produced within natural cycles so that all life can be sustained. Chief Oshkosh, and early Tribal Chief, proposed the idea of cutting across the reservation at such a rate that there would always be timber ready to cut.

Menominee Tribal Enterprises, Continued:

Continued from previous page

These traditional beliefs are the foundation of the management practices and principles of today's Menominee Tribal Enterprise's operations. This concept of sustainability in the management of our forest allows us to experience a traditional quality of life from an intact, diverse, productive and healthy forest ecosystem on the Reservation.

Menominee Tribal Enterprises reflects the balance between the environment, the economy, and the community. This balance is now central to the emerging global literature and program development associated with the term "Sustainable Development." The Northwest Report quotes:

"Sustainable development of human culture means improving the quality of human life while living within the carrying capacity of supporting ecosystems", and

"Sustainability means thinking in terms of whole systems, with all interconnections, consequences, and feedback loops. This way of thinking avoids artificial and often misleading categories, such as humanity versus nature or jobs versus the environment."

We are working towards a Menominee Forest-Based Community Sustainable Development Initiative. This initiative is represented visually by the figure of three interconnected circles representing the Menominee environment, community, and economy.

As we further refine and advance our knowledge, skills, and technology, we are realizing the dividends from our commitment to Forest-Based Sustainable Development. This is illustrated by the following examples:

Environment: Advances in science and timber harvesting systems are increasing the efficiency, forest vigor, and quality of the forest experience.

Economy: Accelerated MTE market share/price premiums in national and international niche markets for quality certified well managed primary and secondary (value-added) wood products.

Community: An ever-increasingly educated Menominee and evolving pool of professionals who enjoy a traditional quality of life on the Menominee Reservation.

The Menominee Tribe's sustainable forest management practices produce consistently high quality timber while protecting the Reservation's ecosystem, biodiversity, and traditional way of life. Timber harvested according to MTE's annual allowable cut is shipped to our wood manufacturing facility at Neopit, for both primary and secondary processing. MTE's high quality products are further processed downstream into a wide variety of products including flooring, paneling, cabinets, furniture, crafts, and musical instruments.

Our Smart Wood certification provides assurances to our customers that the wood products they are purchasing from MTE meet or exceed the strict worldwide standards of Principles of Forest Management established by the Forest Stewardship Council.

A growing number of people from all corners of the world are making a commitment to environmentally responsible buying and are making a conscious contribution to act as stewards for a sustainable future. The manufacturers, wholesalers, retailer, and consumers of Menominee and other certified wood products are joining the Menominee People in acting as "The Forest Keepers" to uphold the Forest-Based Sustainable Development tradition. Our collective efforts to act as responsible stewards will enable all our children and children's children to do the same.

Submitted by Bill Schmidt, Marketing Specialist with Menominee Tribal Enterprises

Box 3.4. Case Studies: Hoopa Forest Industries

The Hoopa Valley Tribe's forest management plan was FSC certified by SmartWood in April 1999 (SW-FM-68). The forest vegetation at Hoopa is a mix of hardwood and conifer evergreen species comprised of about 80% Douglas-fir with the balance in evergreen hardwoods such as tanoak, madrone and chinkquapin. Virtually all of the harvest is from old growth stands, which produce about 10 MMBF of Douglas-fir and up to 3 MMBF of hardwoods depending on market conditions. The Tribe's logging corporation, Hoopa Forest Industries, purchases "stumpage" from the Tribe and then markets delivered logs on the open market. Once a purchaser of the logs is found, Hoopa Forest Industries completes all of the logging, hauling and delivery of the logs to the various mills in northern California and southern Oregon. The Tribe operates in a very difficult log market where there is generally only one mill within 50 miles and only 4 mills within 250 miles of the Reservation that bid on old growth Douglas-fir. The Tribe does not have stands of second growth Douglas-fir mature enough to harvest and send to any number of local mills that purchase second growth logs.

The Tribe's initial interest in certification came as a result of interest by staff in developing a market premium for the Tribe's wood products as well as providing an outside assessment of forest management to the Tribe's membership. The Tribe has been audited annually since the issuance of the certificate. Annually, this process typically takes about 1 day of preparation time and 1 day of certifier time. The Tribe's forest management has consistently passed such audits.

Since being certified, the Tribe has sold about 7 million board feet of FSC certified old-growth Douglas-fir logs out of the 35 million feet sold during the period. The certified sale in fact sold at a substantial premium to the local market, although whether this trend holds into the future remains to be seen. The balance of the logs was sold to the single local mill, which is highly opposed to FSC certification but out of necessity is now having to bid more competitively. Besides selling certified Douglas-fir, the Tribe has also sold about 100,000 board feet of certified hardwood logs to a hardwood lumber manufacturer in the local area.

Although the first several sales sold from the Reservation did not generate much interest from certified buyers, the Tribe began to see a substantial up-tick in interest from certified buyers beginning in 2002. Part of the lack of interest is attributed to the extremely poor log market that began in 1999 and has extended into 2003.

Part of the Tribe's interest in certification is also associated with trying to help develop a market for the Tribe's hardwood logs (whether certified or not). Northern California hardwoods have not been accepted in the traditional market place for hardwood lumber, partly due to the public perception that this lumber is subject to stability problems in finished products such as warping, twisting, etc. However, advances in drying techniques

in the last 10 years have resulted in tanoak and madrone lumber that is as stable as any other hardwood lumber. As a result, tanoak and madrone flooring has recently become one of the brighter sales prospects associated with California hardwoods. Much of the increased demand for tanoak and madrone is due to a hard push by FSC certified forest managers and FSC chain of custody sawmills to increase public acceptance of these species in the U.S. market.

*Submitted by Greg Blomstrom,
former Forest Planner of the Hoopa
Valley Tribe*



Photo 6: Greg Blomstrom explains the Hoopa Valley Tribe's forest management at the NNFP annual meeting at Hoopa in September 2001.

4. The Certification Process

This chapter guides readers through the certification process, from the point of view of an operation undergoing certification, rather than from the perspective of a certifier. In this chapter, readers will find answers to questions such as: How should we prepare for certification? How can we break down the certification process in manageable steps? How do certifiers apply certification standards? What is involved in Chain-of-Custody Certification?

Planning for Certification

Decision to Pursue Certification

Deciding to pursue certification may take as much or more time and thought in tribal communities as undergoing the certification process itself. Communities and forestry departments have to weigh many considerations when presented with the opportunity to have their forestry programs certified. Long-term economic development goals, action agenda priorities for the tribal council and the forestry department, and staff availability are just a few of the issues that must be considered beyond those related to the process, expected outcomes, benefits and costs of certification.

In order to continue seeing the forest for the trees in this complex web of decision making steps, it may help tribal foresters and planners charged with exploring certification to adopt a practical, step-by-step decision making approach. An outline for such an approach, beginning with a simple action plan and leading to an implementation strategy for the certification process in the tribal community and forestry department, is included in FNDI's Technical Resource Guide #4 "Planning and Documentation Requirements for Forest Stewardship Council (FSC) Certification of Tribal Forest Management Operations," which is included in Appendix 2.

In this preparation process tribes should identify the potential benefits and costs of undertaking certification as well as the likelihood of achieving certification and maintaining certification status in the future. Gauging the usefulness of certification through such an internal analysis will help a tribal forest management operation decide whether or

not to pursue certification on some or all of its lands.

An Implementation Strategy

If a decision is made to pursue certification, a good starting point is to answer the question: What kind of strategy can help us implement the certification process and benefit most from it? With this goal in mind, it is useful to create an implementation strategy. Components of such a strategy are outlined in textbox 4.1.

Selection of a Certifier

Once the tribal foresters, the business council, or the tribal council have decided that the tribal forestry department should pursue certification and an outline for an action strategy is in place, the tribe should contact any of the nine FSC-accredited certification bodies (or certifiers) in the world. Two of these certifiers, SmartWood and Scientific Certification Systems, are based in the U.S. and are most familiar with conditions in that area: (for contact information, see textbox 4.1. or Appendix 3). By contacting both organizations and comparing their information, tribes can familiarize themselves with the subtle differences in services, fees, and character of these two certifiers. As with any other consulting firm, tribes should ask for references, lists of services and accomplishments, fee schedules, and the names of contact persons or representatives of these organizations in the area. A full comparison of the certifiers will reveal which of the two offers the services that provide the best fit given the expectations and cultural values of the tribe, which can best help achieve the specific objectives of the tribe its forestry program, and what the differences are in time frames and fees between the two certifiers.

Textbox 4.1. Planning for Certification

Planning Steps for an Implementation Strategy for Certification

1. Identify a local coordinator who drives and facilitates the process toward certification. This person should set up the internal communication process and organizational structure that facilitates decision-making on issues related to certification.
2. Identify a timeline for the process in a simple calendar that outlines all the steps, implementation, and expected completion dates.
3. Collect the necessary paperwork. Many types of documents are needed for the scoping and assessment certification. Ask the certifiers to give you exact lists of required documents necessary for the application process, the scoping visit, and the forest management and/or the chain-of-custody assessments. (See Appendix 2, Technical Research Guide (TRG) #4, page 2).
4. Contact the certifiers and submit application forms. There are currently two FSC certification bodies working in the U.S. SmartWood, a non-profit organization specialized in FSC certification, and Scientific Certification Systems (SCS), a corporation specialized in FSC certification and several other kinds of environmental certifications. It is important to review and compare their information and familiarize yourself with their process, specific services, and fees, so you can consider which certifier best fits your needs.
5. Send out a request for bids and TOR (Terms of Reference, see Appendix 2, TRG #5).
6. Finalize a budget for the process.
7. Identify what you want to achieve from the scoping and certification assessment; select and contract with a certifier and set dates and plans for actions. The certification process may help your operation improve planning and management, efficiencies in the production process, access to new markets, a reputation for having an environmentally responsible operation, the development of a track record or documentation system that supports your reputation, and perhaps direct and indirect financial gain. It is important to realize what your tribe wants to accomplish and to incorporate these goals as part of the scope of work for the scoping and full assessments.
8. Develop a monitoring and evaluation plan to assess whether procedures and criteria that were formulated are effective and being followed.
9. Develop a follow-up and marketing plan (see Appendix 2, TRG #6). It is important to address issues of product development, product tracking, marketing, benefit analysis, and technical assistance.

Scientific Certification Systems (SCS)

Forest Conservation Program

www.scs1.com

Phone: (510) 452-8003, Fax: (510) 452-8001

dwager@scs1.com

SmartWood

A Program of the Rainforest Alliance

www.smartwood.org

Phone: (802) 434-5491, Fax: (802) 434-3116

Info@smartwood.org

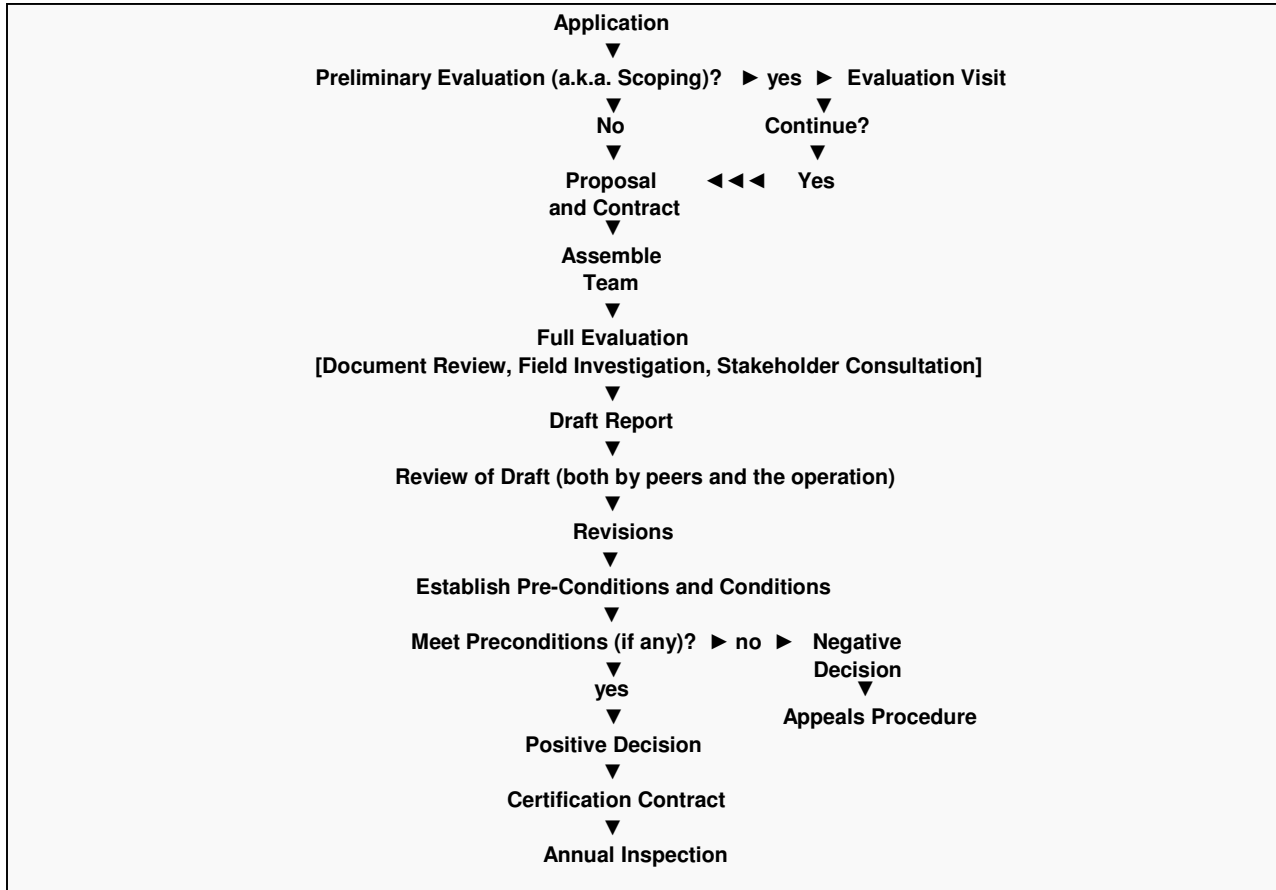
Once a certifier is chosen, the tribal operation must submit an application to the certifier in order to initiate the process. Application forms can be ordered from the certifiers, and will help the certifiers determine the specific scope or objectives of the certification project and lay the basis for a preliminary evaluation. Tribes can choose to take the lead in formulating objectives for the certification process by drafting their own Terms of Reference (TOR) for the certification project. The TOR will serve as the baseline document for the tribe's objectives and expectations for certification. The TOR will be the basis for inviting the certifier to bid on the certification project and for filling out the certifier's application form. FNDI has developed a standard TOR template that can be used to help guide the certification process. The template is described in Technical Resource Guide #5,

"Terms of Reference Guidelines for a Preliminary Assessment (Scoping Visit) for Certification of Tribal Forest Management Operations," which is included in Appendix 2.

The Steps in the Certification Process

Once a certifier has been selected and an action or implementation strategy for obtaining certification has been developed, the process is guided by the standardized assessment procedures of the certifier. The FSC maintains guidelines for the certification process, and certifiers follow more or less the same approach to final certification. This section outlines the steps the certifiers take to complete certification. The process generally follows the steps described in textbox 4.2.

Textbox 4.2. The Standard Process of FSC Certification of Forest Management Operations



Textbox 4.3. Certification Terminology

SCS Terms	SmartWood Terms	Definition/Explanation
Preliminary Evaluation	Scoping	A brief, introductory identification of certification objectives and of a forest management operation's understanding of and readiness for certification.
(Full) Evaluation	(Field) Assessment	An in-depth appraisal of an operation's forest management planning and practices based on a set of certification standards.
Chain-of-custody Evaluation	Chain-of-custody Assessment	An in-depth appraisal of a wood processing or distribution operation's wood tracking systems.
Evaluators	Assessors	Individual experts conducting the appraisal.
Evaluation Team	Assessment Team	The group of experts conducting the appraisal.
Annual Inspection	Annual Audit	Annually recurring verification process that identifies whether a forest management operation is still operating according to FSC certification standards and meeting conditions established as part of the terms of a certificate.

The origins of the FSC certification movement in the independent development of certification bodies such as SCS and SmartWood has given rise to a variety of terms for similar certification activities. Unfortunately, the FSC has not reached general agreement on a common terminology, and a confusing proliferation of different terms persists. Textbox 4.3. offers a series of definitions and comparisons of the most important terms in relation to the certification process.

The authors of this document have chosen to use the terms used by SCS throughout this resource book in the context of general explanations and SCS certification. However, where SmartWood certification is discussed specifically, the authors use the SmartWood terms.

Preliminary Evaluation or Scoping

It is common practice to begin the certification process with a preliminary evaluation of the operation's potential for certification. The preliminary evaluation is optional and is in principle conducted at the request of the forest management operation. However, certifiers or funding agencies sponsoring the certification may also recommend a preliminary evaluation in order to verify whether the operation is indeed a viable candidate for certification. A preliminary evaluation will help forest managers better understand the methodology and ramifications of certification. The preliminary evaluation results in a brief written report to the client summarizing the certifier's appraisal of the situation, an assessment of the forest management program's chances of achieving a passing score, and an estimate of the cost associated with implementing a full evaluation⁷⁹. The preliminary evaluation itself cannot result in a certification.

Contract and Budget

Certifiers work as contracted consultants. A contract and budget are developed and signed by the tribe and the certifier. In many cases, it may be

⁷⁹ Scientific Certification Systems. Undated. Well-Managed Forest Certification through the Scientific Certification Systems Forest Conservation Program. SCS.

important for purposes of continuity in policy, and in order to secure funding, to obtain a resolution from the tribal council that expresses the tribal authorities' support for the certification process. Often, it is also necessary to establish a memorandum of understanding with the BIA Agency charged with supporting and monitoring the tribe's forestry activities that expresses the Agency's agreement with and support of the certification process. The Agency's Forestry Department typically keeps important planning documents and is a crucial stakeholder in tribal forestry programs.

Interpretation of Standards

The forest management operation will be rated against a set of FSC-approved standards in order to be certified. The certifier is responsible for using regional FSC standards if available, or else interpreting its own generic FSC standards to local circumstances as a default if regional standards do not exist. The certifier also determines appropriate procedures for numerically "scoring" the operation's practices (see the sections on "Evaluation" and "Terms of Certification", below). Components of the standards may be weighted according to their relative importance in the region, but modifications must not lower the regional standards⁸⁰. Interpretation of standards may be done by the team leader, prior to assembly of the evaluation team, by the entire assessment/evaluation team, or by both, in two phases⁸¹.

Assembly of Evaluation Team and Planning of the Evaluation

The certifier establishes an interdisciplinary evaluation team comprised of staff of the certification body and contracted consultants. This team usually includes two or more people, and is made up of at least one forester, an

⁸⁰ Scientific Certification Systems. 1995. The Forest Conservation Program: Program Description and Operations Manual. October 1995 Release. Oakland: SCS.

⁸¹ Robert Hrubes. SCS. Personal communication, 5/6/98.

ecologist or wildlife biologist, and a sociologist or economist. Team members are selected on the basis of balanced expertise in the relevant disciplines, field experience, regional experience, and regional credibility. Although applicants may recommend specific team members, the certifier ultimately decides on the composition of the evaluation team. Applicants have a right to veto a proposed team member.

The evaluation focuses on a delineated forest land base and is primarily concerned with the management of the timber resources, including such related activities as timber resource sustainability, forest ecosystem maintenance, financial viability, and the socio-economic benefits to the tribal community⁸². The delineation of certain tribal forest lands for certification may result in the exclusion of forest lands that are not suitable for certification, such as certain wood lands, wilderness areas, ceremonial areas, pastures, and non-commercial forest lands. The evaluation team plans the method and duration of evaluation based on the size and complexity of the operation.

Evaluation and Scoring

The evaluation typically begins with an information gathering stage to lay the groundwork for further steps in the evaluation. Sources of information include plans and written materials submitted by the tribal forestry department and BIA, other relevant publications and reports, interviews with community members and stakeholders from the region, and observations from tours in the area. Some of this information may already be brought together and reviewed during the preliminary evaluation.

The full evaluation takes place as an on-site visit and may vary in length from several days to two weeks. The full evaluation includes:

1. A review of applicable documentation
2. A field assessment

3. Consultation with tribal forest management staff
4. Interviews with local stakeholders and local, state, or federal agencies that monitor forest practices or are familiar with the tribal forests.

Documentation may include management plans and inventory/monitoring data submitted by the tribe or BIA, published data on habitat occurrence and wildlife population statistics, and economic data (e.g. employment, wage levels) compiled by county, state, and federal agencies. The field assessment may include empirical data and observations⁸³. FSC certifiers rely heavily on quantitative information provided by the operation and may collect a relatively limited amount of quantitative data in the field themselves⁸⁴. The assessment team may require the landowner to collect additional field data as well.

The team generates a comprehensive picture of a forest management operation for analysis, by scoring the operation across all the standards. Numerical scores are assigned for each component of the standards, with standard components weighted appropriately for the region. SCS requires a score of at least 80 out of 100 in each of three categories – timber resource sustainability, forest ecosystem maintenance, and financial and socioeconomic considerations – before a certification is granted and forests are called “well-managed.”

⁸² Scientific Certification Systems. Undated. Well-managed Forest Certification through the Scientific Certification Systems Forest Conservation Program. Oakland: SCS.

⁸³ Ibid.

⁸⁴ Seymour, Robert S., Robert J. Hrubes, and Debbie Hammel. 1995. The evaluator’s perspective. *Journal of Forestry* 93(4): 26-29.



Photo 7: Participants of an FSC mock assessment for certification of the San Carlos Apache Tribe in Arizona collect forest health information in the field, November 2002.

It is important to bear in mind that forest management operations are not expected to be perfect in order to be certified. In other words, the standards do not function as a set of regulations, with success or failure hinging on the basis of any given standard. In the SCS system, individual components of the standards may have scores lower than 80.⁸⁵ In this event, the evaluation team must specify conditions to be attached to the certification. These conditions take the form of specific actions that the forestry operation must carry out within a certain time frame. The certifier monitors compliance during annual inspections

⁸⁵ Scientific Certification Systems. 1995. *The Forest Conservation Program: Program Description and Operations Manual*. October 1995 Release. Oakland: SCS.

(audits), and a certificate may be revoked if an operation fails to meet the conditions⁸⁶.

In case of low scores, a certifier may also set requirements that must be met prior to the issuance of a certificate. Such requirements are called “pre-conditions.” If scores are high, but evaluators have certain comments, they may include non-mandatory recommendations in their evaluation report⁸⁷.

SmartWood’s scoring system is based on scores ranging from 1 to 5 for individual indicators.

⁸⁶ Scientific Certification Systems. Undated. *Well-managed Forest Certification through the Scientific Certification Systems Forest Conservation Program*. Oakland: SCS.

⁸⁷ *Ibid.*

Scores of 4 and 5 may involve recommendations. A score of 3 may lead to a condition for the issues addressed by the indicator, a score of 2 leads to a required condition and a possible pre-condition, and a score of 1 leads to a pre-condition for certification⁸⁸.

The Certification Report and Peer Review

Once the field evaluation and scoring are complete, the team writes a draft report evaluating the operation's readiness for certification, and general strengths and weaknesses. The draft includes:

1. a summary,
2. a description of the field evaluation process,
3. a description of findings, results,
4. conclusions and recommendations,
5. a review of certification criteria and the scoring process, and
6. a final conclusion regarding certification.

The draft report is submitted to the client (tribe) for review and feedback. The internal review process allows the tribe to verify the accuracy of findings and observations, and to comment on assumptions and conclusions made by the evaluation team. The team is not obligated to accept all requests for changes in the report, but must provide justification for all responses given to the client's comments⁸⁹.

The draft report evaluating the operation is also reviewed by the headquarters of the certification body and two or three independent specialists who serve as peer reviewers. These peer reviewers may comment on the importance or validity of any strength or weakness the team has found in the operation's practices. Peer review adds a second layer of professional expertise to the overall process. Peer reviewers are selected on a project by project basis, based on their expertise in the

⁸⁸ SmartWood. 2002. (No title; internal information for certification assessments).

⁸⁹ Scientific Certification Systems. Undated. Well-managed Forest Certification through the Scientific Certification Systems Forest Conservation Program. Oakland: SCS.

relevant disciplines, widely recognized regional expertise, and broad regional credibility. There are generally three peer reviewers per certification project, each representing a pertinent field of expertise⁹⁰.

After all reviews, the certifier completes a final report. The final written report is considered proprietary information of the client tribe, who controls what distribution, if any, the report receives. The evaluation team leader prepares an Executive Summary of the report intended for broad public availability (as required by FSC Principles and Criteria). The Executive Summary conveys to the public the results of the evaluation. The client tribe will be consulted about this Executive Summary to ensure that it does not include any proprietary information. In the event that the evaluation of a forest management operation does not lead to certification, no written document will be prepared for public distribution. Release of information pertaining to the reasons for non-certification is controlled by the client (tribe)⁹¹.

Appeals

It is required that all certifiers such as SmartWood and SCS have a process in place for groups to appeal the decisions of certifiers. This means that if a tribe or any other entity seeking certification does not agree with the final decision of the certifier, it can appeal that decision. The FSC appeals process is another important feature that lends wide public credibility to FSC certification. Appeals may come from the forest management operation, a chain-of-custody "link," or from another third party, such as the BIA or a neighboring forest owner. Appeals must be made in writing, and include supporting documentation. Typically, appeals should be filed initially with the certifier in question, but may be carried to the level of the Forest Stewardship Council⁹².

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Scientific Certification Systems. 1995. The Forest Conservation Program: Program Description and Operations Manual. October 1995 Release. Oakland: SCS.

Final Report, Certification Contract and Label

Once the draft report has been reviewed and revised, appeals (if any) have been closed, pre-conditions have been met, and the final conclusion of the certification evaluation indicates the possibility for award of the certification label, the certifier drafts a contract to legally support the certification. The draft contract is sent to the applicant (tribe) for review and comment. The contract may include specific conditions that stipulate the measures the applicant must take in a specific time period to maintain certification. Tribes may need special legal counsel to review the contract and check its compatibility with specific tribal and BIA regulations.

Once the contract is signed, the certifier will grant the forest management operation the designation “well-managed forest,” entitling it to use this title and the appropriate logos (Box 4.4) for publicity and on products. The FSC logo may be used on products certified by any FSC accredited certifiers. Certified operations have a choice to sell their certified wood as certified or as non-certified. If an operation sells to customers who want the wood products with an identification of the FSC certification, the certified operation must use the FSC label to tag individual logs, post and poles, and pallets of lumber in all its sales to those customers. Identification of wood products with

the FSC label is particularly important in sales to wood product manufacturers and to overseas markets in order to be able to track the certified material through the “chain-of-custody” (see discussion below about “Chain of Custody Certification”).

Annual Inspections (Audits) and Follow up

Clients of FSC certification might wonder whether the process ends with receiving the FSC certification label or whether there is more to be considered after certification. The reality is that the initial certification is just the beginning of a path toward excellence in forestry, much like graduating from college, which is usually followed by a life of personal development.

The certification label is valid for five years, after which a reevaluation is required to determine whether the forest management operation is entitled to maintain certification status. In addition, FSC requires annual inspections (audits) to verify compliance with certification conditions and continued performance according to FSC certification standards. Certifiers may also conduct random inspections at their discretion to monitor operations' continued adherence to the standards and their achievements in meeting certification conditions.

Box 4.4. Certification Labels



These audits provide an opportunity for the consideration of new information or the ramifications of events such as pest outbreaks or market transitions. Invoices for inspection costs are submitted to the client along with invoices for annual membership/maintenance fees of the certifier.

Chain-of-Custody Certification

Chain-of-custody (COC) refers to the network of companies that handle, process, and/or sell wood and non-wood products derived from certified forests. COC certification certifies that a finished wood product with the FSC certification symbol is indeed composed of components that come from well-managed forests.

The COC certification gives the FSC mark its ultimate credibility. COC certification ensures consumers that forest products that originate from an FSC-certified forest management operation move on to a processing facility that tracks and separates the certified wood from any non-certified wood and labels its products as FSC-certified or not according to FSC rules on the

minimum amount of FSC-certified wood that an intermediary product or final product must contain. Rules and procedures for the certification of wood products with

certain minimum amounts of certified wood components are described in FSC policies for “Percentage-Based Claims” (see box 4.5 below for more information).

To become certified as a link in the COC, a vendor or company must go through a certification process. This will parallel the process of certifying a forest management operation, with initial review, contract signing, on-site assessment, and annual audits, but does not incorporate interpretation of standards to regional circumstances. During a COC evaluation, evaluators focus on the organization and consistency of product handling procedures, such as sorting, tracking, coding, inventory control, etc. The steps in COC certification are outlined in Box 4.6.

The FSC defines Chain-of-Custody as “an assurance tracking system that follows the flow of wood from a certified forest to finished products.”

Box 4.5. Percentage-Based Claims (FSC 1996)

FSC has a policy on Percentage-Based Claims, which allows companies to market products containing less than 100% certified raw materials. This reduces barriers for industries that rely on a large number of suppliers, in which some suppliers may not be certified. Products may carry an FSC label in the following cases:

- With *collections of solid wood products*, such as a truck of logs, stack of boards, or pack of moldings and *assembled products* such as window frames, furniture, where 70% by volume of the wood used in manufacturing the product line, or the collection or manufacturing of products, is FSC certified.
- With *Chip-and-Fiber* such as paper, medium-density fiberboard (MDF, oriented strandboard (OSB), where at least 17.5% by weight of the total chip and fiber and at least 30% by weight of the new virgin (non-recycled or reclaimed) wood chip and fiber used in manufacturing the product is FSC-certified.

Every single product unit with an FSC percentage-based claim does not necessarily have the required FSC-certified content in it. This is because percentage-based claims can be based on the average FSC content measurement per batch, as opposed to every individual unit. A manufacturer guarantees that a specific amount of FSC certified products go through their process, not that every individual product was made using the same amount of certified wood.

However, if needed by a company, percentage-based claims may also be based on the absolute specific content of certified wood within an individual product, when such can be verified by the certifier. The wording of the claim can be adapted to each case.

Box 4.6. The Steps in SCS Chain-of-Custody Certification (SCS 1995:15).

1. The participant is asked to submit a summary of their processing/sales operations outlining how their operational procedures will incorporate chain-of-custody consideration
2. SCS reviews the summary to ensure that all elements of the respective chain-of-custody standards are covered.
3. If the approach appears to be viable for the purposes of maintaining chain-of-custody, then SCS will recommend that the participant proceed with an on-site compliance audit.
4. The chain-of-custody contract is reviewed and signed by the participant.
5. An audit is scheduled.
6. On-site compliance audits are conducted by an SCS inspector in order to accomplish the following:
 - to ensure that the client's documentation is complied with by staff
 - to review activities and documentation to determine that documentation of activities is sufficient
 - to review the effectiveness of the system in meeting chain-of-custody requirements
7. An audit report is submitted to the client for review.
8. A certificate is issued if the client's operations successfully meet chain-of-custody standards.

Companies that have adequate procedures for tracking incoming certified wood products through the production and/or handling and storage lines to ultimate sales, and identify these certified wood products throughout the process, can be granted an FSC COC certificate and certification (COC) number. In order to be allowed to sell FSC certified wood, the COC certified company must tag its FSC certified products with the FSC label and COC number, and separately indicate on any invoices the amount of FSC-certified wood products sold along with the FSC COC number.

Not every vendor necessarily has to become part of the COC. If the buyer will not change the product's form or packaging but will simply resell it, and is marketing it as a certified product endorsed by the FSC, and is selling it to final consumers that do not need to make any further claims, there is no need for the buyer to be chain-of-custody certified. On the other hand, if the buyer will remanufacture the material, alter the packaging, or if the buyer is going to sell the FSC certified products to other parties that wish to make claims about those products, then the buyer must be chain-of-custody certified to sell its finished product as certified. Contact FSC or one of its accredited certifiers to see if your situation requires COC certification⁹³.

Follow Through

Tribes and any other certification clients should anticipate a series of activities that are necessary to make the best use of certified status and to realize the potential benefits of certification. Such activities might include publicity, internal staff capacity development, community education and outreach, workforce and contractor training, intensified communication with the BIA and other federal and state agencies, the development of additional value-added processing lines, and the establishment of a marketing plan for the certified wood products. In addition, applicants for FSC certification should anticipate receiving (non-mandatory) recommendations as well as certain specific conditions that must be met to remain certified. Certified forest management operations should benefit from these recommendations and conditions and use them as guidelines and priorities for improvements and changes in their management activities over time.

FNDI developed Technical Resource Guide #8, "Maintaining Certification Status" to inform tribes about issues related to "after care" and follow up after receiving certification. This Technical Resource Guide is included in Appendix 2.

⁹³ You can reach the FSC at (202) 342-0413 or (877) 372-5646 or online at www.fscus.org.

5. Sources of Assistance

At this point, readers may understand the complexities, procedures, objectives, and the benefits and costs of certification and wonder: How can we finance FSC certification? What assistance is available to guide us through the process? Where can we learn more about FSC certification? This chapter provides a few suggestions in response to these questions.

Funding

Investments in certification for tribal forest management programs are typically financed with internal funds and outside financial assistance. For most tribal forestry operations, availability of internal funding is constrained by annual federal budgeting processes. Low world market price levels for wood in the last few years also prohibited many tribal forestry programs from saving money for investments such as certification. Therefore, outside financial support may play an important role in a funding strategy for certification.

Private, charitable foundations are the primary source for outside financial support for FSC certification. In some cases, tribes may be able to piggy-back on existing funds or federal funding to offset additional costs or pay for the time of key staff involved in the facilitation of the certification assessment. In exceptional situations, secondary producers, such as sawmills interested in obtaining additional certified wood, may be willing to help subsidize the certification process, and other primary producers of certified products may consider subsidizing the process in order to improve the overall supply and demand of certified products. In order to set aside internal tribal funding and to search for grant funding, often a firm tribal government commitment (e.g. through a formal resolution) might help develop a strategy that sustains funding for investments in certification through time.

Private Foundations

Outside sources of funding have been the main driving force behind certification on tribal lands. One such source has been First Nations

Development Institute's Sustainable Forestry Fund (SFF). Other sources include the Pinchot Institute for Conservation and charitable foundations such as the Ford Foundation and Surdna Foundation (see Box 5.1. and 5.2.). The SFF Technical Resource Guide #1 "Funding Sources for Sustainable Forest Management" (Appendix 2) provides an overview of the most important sources of funding for tribes in relation to sustainable forestry and FSC certification.

Tribal organizations may approach foundations directly or indirectly through a regional or national organization. There are several non-profit organizations and consulting businesses that are experienced in obtaining funding and that may serve as fiscal agents or sources of technical assistance in the development of proposals and strategies toward the certification of tribal forestry operations (see Box 5.1 for information on sources of technical assistance). Technical Resource Guide #3 "References for Tribal Forestry Programs: Forest Management Planning, Business Development, Community Organizing and Conflict Resolution" (Appendix 2) includes many organizations that provide technical assistance for certification related activities.

Finding funding is a particularly daunting task for tribes and Native communities with small land bases. The costs per acre of certification for small-scale operations are usually high and the opportunities for significant revenues are limited. **Resource Manager Certification** (also known as **Group Certification**) may be an option in these situations, and can also be funded by the sources mentioned above. This approach provides the advantage of dispersing the costs among several independent operations by

focusing on one central manager or management entity that services them all. This form of certification, although not yet pioneered in Indian country in the U.S.⁹⁸, would be applicable if a group of tribes, Native Hawaiian forestry programs or Native Alaskan communities used the same consulting forest manager, or if a group of tribes, bands or pueblos were managed under a single Bureau of Indian Affairs Agency (such as Great Lakes, Minnesota, Michigan, Northern Pueblos, Southern Pueblos, Central California, Northern California, Southern California, Olympic Peninsula, and Puget Sound Agencies).

There is also a variety of sources of funding that may be available to help improve general forest management systems and practices. Some of these funding sources may provide support to help meet specific certification conditions, and include national organizations for Native American land management such as the Native American Fish and Wildlife Society and the Intertribal Timber Council, as well as federal agencies such as the BIA and Forest Service.

Local value-added manufacturing may generate income that can be reinvested for improved forest management. In turn, certification may help increase the proceeds from value-added manufacturing operations, and pay for needed investments in management systems.



Photo 8: An example of value-added manufacturing of wood products in Hawaii: a traditional canoe made from koa wood.

Box 5.1. Sources of Technical Assistance

Since 1998, First Nations Development Institute offers financial support for technical assistance, training, scholarships, and for different steps related to FSC certification, such the preliminary evaluation (scoping), full evaluation, and chain-of-custody evaluation through the Sustainable Forestry Fund (SFF). **For more information on SFF funding or for applications, please send requests for information and proposals to:**

First Nations Development Institute
 Contact: Associate Director of Grantmaking
 The Stores Building
 11917 Main Street
 Fredericksburg, Virginia 22408
 Telephone: 540/371-5615
 Fax: 540/371-3505
www.firstnations.org

Since 2000, the Pinchot Institute for Conservation played an important role in building bridges between foundations and tribes to promote forestry certification in Indian country. In 2001, the Pinchot Institute collaborated with the Intertribal Timber Council to offer preliminary evaluations for forestry certification by FSC and the Sustainable Forestry Initiative (SFI) to thirty tribes that took part in the second IFMAT process. In 2002, the Pinchot Institute and FNDI facilitated the funding process of full assessments for FSC certification on six reservations throughout the US. Tribes interested in forestry certification can contact these organizations to inquire about evolving opportunities for support with aspects of FSC certification.

Pinchot Institute for Conservation
 Contact: Al Sample and Catherine Mater
 1616 P Street NW, Suite 100
 Washington, DC 20036
 Telephone: 202/797-6580
 Fax: 202/797-6583
pinchot@pinchot.org
www.pinchot.org

⁹⁸ In the Canadian Maritimes, the Micmac tribes have passed an FSC group certification.



Photo 9: Lunch break discussion during a fieldtrip to forests managed by the Seven Islands Land Company as part of a Sustainable Forestry Fund workshop in collaboration with the Penobscot Nation in Maine, November 2001.

Box 5.2. Additional Private Funding Sources Which Have Supported Certification.

<p>Ford Foundation Contact: Mike Conroy 320 East 43rd St. New York, NY 10017 Phone: 212/573-4890 Fax: 212/297-0969 m.conroy@fordfound.org</p>	<p>Surdna Foundation Contact: Hooper Brooks 330 Madison Ave., 30th flr. New York, NY 10017-5001 Phone: 212/557-0010 Fax: 212/557-0003 request@surdna.org</p>
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Federal Funding

There are no federal funding programs explicitly for forest certification. However, discretionary funding may be available. In addition, there are many federal funding programs that focus on sustainable resource management, wildlife habitat restoration, rural economic development, and forest-based business development. These programs could help establish the information base and strengthen the community and manufacturing capacity that is necessary to benefit most effectively from forest certification. Public funding programs that could support

forest management and community development components relevant to forest certification include grants, loans and Congressional appropriations (see Appendix 5 for applicant procedures for Congressional appropriations).

Training and Technical Assistance

Currently, there are no ongoing, formal training and technical assistance programs which support interested parties in pursuing forest certification. However, periodically and on request, organizations such as Rainforest Alliance’s TREES program (affiliated with SmartWood),

FNDI, and the Certified Forest Products Council (CFPC), have organized workshops and conferences on forest certification, its marketing opportunities, and the certification assessment process. In addition, the Forest Stewards Guild (see below for contact information), has training programs that are designed to help meet certification requirements such as monitoring. Several formal education programs include curriculum elements useful to tribal foresters. Such programs typically focus on ecologically sound forest management practices that are valuable for operations that pursue certification.

FNDI produced a Technical Resource Guide that gives an overview of existing training and education programs (Technical Resource Guide #2 "Training Programs for Sustainable Forest Management"), as well as a Technical Resource Guide that lists organizations and businesses specialized in providing technical assistance in diverse aspects related to sustainable forestry and FSC certification (Technical Resource Guide #3 "References for Tribal Forestry Programs: Forest Management Planning, Business Development, Community Organizing and Conflict Resolution"). Copies of these Technical Resource Guides are included in Appendix 2 of this document and can be ordered from FNDI. In addition, several universities and non-profit organizations have conducted studies and conferences related to FSC certification. An overview of such institutions is included in the following pages of this section.

Training and technical assistance may also be provided by local USDA Forest Service Districts, by specific divisions of the Bureau of Indian Affairs, and universities. A group of universities in the Southwest offers the Continuing Education in Ecosystem Management (CEEM) program for federal forestry officials. The Forest Service, BLM and BIA can send their forestry staff to participate in these courses. The CEEM program includes ten weeks of classroom training at Northern Arizona University, Colorado State University, and universities in Utah and California. CEEM has focused on integrated resources planning, public participation and social-cultural issues, ecosystem dynamics, and habitat management. Similar programs exist in other

regions throughout the country. Contact your BIA Regional Office for more information on these training programs.

Universities that conducted studies and conferences on certification

Louisiana State University

LSU's School of Forestry has conducted research in marketing of certified forest products, which resulted in often cited publications by Richard Vlosky and his colleagues.

Contact: Richard Vlosky, Assistant Professor,
Forest Products Marketing
School of Forestry, Wildlife and Fisheries
Louisiana State University
Baton Rouge, LA 70803-6202
Telephone: 504/388-4527, Fax: 504/388-4251,
vlosky@unix1.sncc.lsu.edu

Oregon State University

OSU's College of Forestry has conducted education and research in various aspects of forestry certification and sustainable forestry.

Contact: College of Forestry
Oregon State University, Corvallis, OR 97331

Purdue University

Purdue University's Department of Forestry has conducted research in marketing and various other aspects of certification and organized a conference on certification.

Contact: Department of Forestry
Purdue University, West Lafayette, IN 47907

Yale University

The Yale School of Forestry and Environmental Studies provided classes in sustainable forest management, which may discuss forest products certification. However, these classes are almost exclusively for Yale forestry students. Yale has done significant body of research on certification, which resulted in many publications and the book "Forest Certification, Roots, Issues, Challenges and Benefits" by Vogt, Larson, Gordon, Vogt, and Fanzeres. Published by CRC Press in 2000.

Contact: Ben Cashore
ben.cashore@yale.edu
Yale School of Forestry & Environmental Studies
205 Prospect St., New Haven, CT 06511

Other Institutions that can provide Technical Assistance

Around 1998, the **USDA Forest Products Laboratory** in Madison, Wisconsin received an enlarged mandate to actively serve communities in applying existing and newly developed processing and manufacturing technologies. The Forest Product Lab's new approach may be valuable to tribes that seek solutions for value-added manufacturing needed to make forest products certification and chain-of-custody certification feasible options. For info, contact:

Susan LeVan
 USDA Forest Service, Forest Products Laboratory
 1 Gifford Pinchot Drive, Madison, WI 53705-2398
 Telephone: 608/231-9493, Fax: 608/231-9592

The **Forest Stewards Guild**, a membership organization for foresters, which promotes ecologically-responsible resource management that sustains the entire forest and provides a forum and support system for practicing foresters and other resource management professionals working to advance the Guild's vision, maintains an apprentice program to provide training in sustainable techniques to forestry students. The Guild's membership includes many pioneers in forest product certification, as well as employees and veterans of tribal forest management operations. The apprentice program is interested in providing training opportunities to Native American students. Students intern with a forester for 2-3 months during the summer. The Guild also offers a technical training and professional growth program for foresters, and an array of programs and publications related to FSC certification, including a handbook on resource manager certification. For information, contact:

Steve Harrington
 Forest Stewards Guild
 P.O. Box 8309, Santa Fe, NM 87504-8309
 Telephone: 505/983-3887, Fax: 505/986-0798
info@foreststewardsguild.com
www.foreststewardsguild.org

The **National Network of Forest Practitioners** (NNFP) maintains a directory of its members and resource contacts. Many NNFP members have considerable experience with forest products certification and can be contacted with technical assistance requests. Depending on the nature of the request practitioners may require a fee for their assistance services. For information about the NNFP, contact:

Thomas Brendler, NNFP coordinator
 305 Main Street, Providence, RI 02903
 Telephone: 401/273-6507, Fax: 401/273-6508
Thomas@nnfp.org
www.nfp.org

The Native American Fish & Wildlife Society can provide technical assistance on a wide range of topics varying from ecosystem improvement to education and funding. The NAFWS has provided generous support and assistance in the development of the Tribal Environmental & Natural Resource Assistance Handbook (NAFWS 1997), a funding and reference handbook. Patrick Durham is the Technical Services Director of the NAFWS and one of the editors of the handbook. Interested tribal organizations can contact him at:

Technical Services Director, NAFWS
 750 Burbank Street, Broomfield, CO 80020
 Telephone: 303/466-1725, Fax: 303/466-5414
director@nafws.org

The Intertribal Timber Council (ITC) provides technical assistance on a wide variety of tribal forest management and timber trading issues and represents tribes at a national level in policy development and forest-related legislative issues. The ITC provides technical assistance through telephone conversations, publications, reference documents, and annual meetings. For information, contact:

Don Motanic, Technical Specialist
 Intertribal Timber Council
 1112 N.E. 21st Avenue, Portland, OR 97232-2114
 Telephone: 503/282-4296, Fax: 503/282-1274
Itc1@teleport.com, www.itcnet.org

BIA Washington Office
Division of Forestry
 Contact: John Vitello
 Telephone: 202/208-5968

BIA GIS Service Center
 (GIS services assistance)
 Attn. Mark Zundel, Director
 Telephone 303/231-5100, ext. 315

BIA Office of Forest and Resource Planning
(BIA Integrated Resource Management Planning)
 Reeve Armstrong, Director
 Telephone 303/969-5270, ext. 256

Regional Ecosystem Office
 (serves as an information interface between the BIA, other federal agencies and tribes on natural resource and ecosystem management issues)

Dave Renwald, Director
 911 NE 11th Ave.
 Portland, OR 97232
 Telephone: 503/231-6808

Technical Assistance and Training from Certification Organizations

The Forest Stewardship Council (FSC), as the central coordinating body of independent, third-party forest certification, provides general technical assistance on certification to the public, mostly through publications, public presentations, and specific outreach projects. More specific technical assistance may be available to members. A valuable source of information is the *FSC News & Views*, a newsletter from the FSC United States Initiative.

Certifiers, such as **SmartWood and SCS**, provide some limited assistance and training opportunities. However, certifiers are cautious about providing technical assistance, since this may lead to perceived conflicts of interest. For the same reason, consultants who are frequently involved in certification assessments cannot provide technical assistance and return to the same operation for a certification assessment⁹⁹. Certifiers will clarify standards and conduct formal and informal preliminary evaluations (scoping assessments).

The preliminary evaluations, full evaluations, and annual inspections (audits) for certification themselves could serve the purpose of technical assistance, since technical commentary is provided throughout the process of evaluation. Full evaluations may generate recommendations, conditions and preconditions for certification that may help an applicant identify areas for change or improvement. Addresses for the FSC and the two certifiers in the U.S. are listed in Appendix 3.

Upon request and when there is an interest from multiple parties, certifiers may be able to provide training. Upon request, the SmartWood program can provide a course on “How to get certified” for tribes that are seeking certification. In 2002, SmartWood and FNDI also collaborated on two FSC certification assessors

training workshops for Native people interested in learning certification assessment skills. SmartWood workshop tuition fees are typically between \$500 and \$1,000 per participant, depending on the length of the workshop.

⁹⁹ Robert Hrubes, Robert Hrubes & Associates and SCS. Personal communication, 5/7/98. And: Jon Jickling, SmartWood. Personal communication, 5/7/98.

Appendix 1: Principles & Criteria for Forest Stewardship

Revised Version: February 2000

PRINCIPLE #1: COMPLIANCE WITH LAWS AND FSC PRINCIPLES

Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

- 1.1 Forest management shall respect all national and local laws and administrative requirements.
- 1.2 All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.
- 1.3 In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.
- 1.4 Conflicts between laws, regulations and the FSC Principles and Criteria shall be evaluated for the purposes of certification, on a case by case basis, by the certifiers and the involved or affected parties.
- 1.5 Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.
- 1.6 Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.

PRINCIPLE #2: TENURE AND USE RIGHTS AND RESPONSIBILITIES

Long-term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.

- 2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.
- 2.2 Local communities with legal or customary tenure or use rights shall maintain control, to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.
- 2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.

PRINCIPLE #3: INDIGENOUS PEOPLES' RIGHTS

The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

- 3.1 Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.
- 3.2 Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.
- 3.3 Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.
- 3.4 Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with

their free and informed consent before forest operations commence.

PRINCIPLE #4: COMMUNITY RELATIONS AND WORKER'S RIGHTS

Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

- 4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.
- 4.2 Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.
- 4.3 The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).
- 4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.
- 4.5 Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.

PRINCIPLE # 5: BENEFITS FROM THE FOREST

Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

- 5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.
- 5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.
- 5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.
- 5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.
- 5.5 Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.
- 5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.

PRINCIPLE #6: ENVIRONMENTAL IMPACT

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

- 6.1 Assessment of environmental impacts shall be completed -- appropriate to the scale, intensity of forest management and the uniqueness of the affected resources -- and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.
- 6.2 Safeguards shall exist which protect rare, threatened and endangered species and their habitats (e.g., nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.
- 6.3 Ecological functions and values shall be maintained intact, enhanced, or restored, including:
 - a) Forest regeneration and succession.

- b) Genetic, species, and ecosystem diversity.
- c) Natural cycles that affect the productivity of the forest ecosystem.
- 6.4 Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.
- 6.5 Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.
- 6.6 Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.
- 6.7 Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.
- 6.8 Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.
- 6.9 The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.
- 6.10 Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:
 - a) entails a very limited portion of the forest management unit; and
 - b) does not occur on high conservation value forest areas; and
 - c) will enable clear, substantial, additional, secure long term conservation benefits across the forest management unit.

PRINCIPLE #7: MANAGEMENT PLAN

A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented, and kept up to date. The long term objectives of management, and the means of achieving them, shall be clearly stated.

- 7.1 The management plan and supporting documents shall provide:
 - a) Management objectives.
 - b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.
 - c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.
 - d) Rationale for rate of annual harvest and species selection.
 - e) Provisions for monitoring of forest growth and dynamics.
 - f) Environmental safeguards based on environmental assessments.
 - g) Plans for the identification and protection of rare, threatened and endangered species.
 - h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.
 - i) Description and justification of harvesting techniques and equipment to be used.
- 7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.
- 7.3 Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.
- 7.4 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.

PRINCIPLE #8: MONITORING AND ASSESSMENT

Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

- 8.1 The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.
- 8.2 Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:
 - a) Yield of all forest products harvested.
 - b) Growth rates, regeneration and condition of the forest.
 - c) Composition and observed changes in the flora and fauna.
 - d) Environmental and social impacts of harvesting and other operations.
 - e) Costs, productivity, and efficiency of forest management.
- 8.3 Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."
- 8.4 The results of monitoring shall be incorporated into the implementation and revision of the management plan.
- 8.5 While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.

PRINCIPLE # 9: MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

- 9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.
- 9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.
- 9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.
- 9.4 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

PRINCIPLE # 10: PLANTATIONS

Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

- 10.1 The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.
- 10.2 The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods, shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.
- 10.3 Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number

and genetic composition of species, age classes and structures.

- 10.4 The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.
- 10.5 A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.
- 10.6 Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.
- 10.7 Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.
- 10.8 Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.
- 10.9 Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.

GLOSSARY

Words in this document are used as defined in most standard English language dictionaries. The precise meaning and local interpretation of certain phrases (such as local communities) should be decided in the local context by forest managers and certifiers. In this document, the words below are understood as follows:

Biological diversity: The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (see Convention on Biological Diversity, 1992)

Biological diversity values: The intrinsic, ecological, genetic, social, economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components. (see Convention on Biological Diversity, 1992)

Biological control agents: Living organisms used to eliminate or regulate the population of other living organisms.

Chain of custody: The channel through which products are distributed from their origin in the forest to their end-use.

Chemicals: The range of fertilizers, insecticides, fungicides, and hormones which are used in forest management.

Criterion (pl. Criteria): A means of judging whether or not a Principle (of Forest Management) has been fulfilled.

Customary rights: Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or

sociological unit.

Ecosystem: A community of all plants and animals and their physical environment, functioning together as an interdependent unit.

Endangered species: Any species which is in danger of extinction throughout all or a significant portion of its range.

Exotic species: An introduced species not native or endemic to the area in question.

Forest integrity: The composition, dynamics, functions and structural attributes of a natural forest.

Forest management/manager: The people responsible for the operational management of the forest resource and of the enterprise, as well as the management system and structure, and the planning and field operations.

Genetically modified organisms: Biological organisms which have been induced by various means to consist of genetic structural changes.

High Conservation Value Forest: High Conservation Value Forests are those that possess one or more of the following attributes:

- a) forest areas containing globally, regionally or nationally significant:
 - i) Concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or
 - ii) Large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.
- b) forest areas that are in or contain rare, threatened or endangered ecosystems
- c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)
- d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

Indigenous lands and territories: The total environment of the lands, air, water, sea, sea-ice, flora and fauna, and other resources which indigenous peoples have traditionally owned or otherwise occupied or used. (Draft Declaration of the Rights of Indigenous Peoples: Part VI)

Indigenous peoples: "The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social, economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant." (Working definition adopted by the UN Working Group on Indigenous Peoples).

Landscape: A geographical mosaic composed of interacting ecosystems resulting from the influence of geological, topographical, soil, climatic, biotic and human interactions in a given area.

Local laws: Includes all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms.

Long term: The time-scale of the forest owner or manager as manifested by the objectives of the management plan, the rate of harvesting, and the commitment to maintain permanent forest cover. The length of time involved will vary according to the context and ecological conditions, and will be a function of how long it takes a given ecosystem to recover its natural structure and composition following harvesting or disturbance, or to produce mature or primary

conditions.

Native species: A species that occurs naturally in the region; endemic to the area.

Natural cycles: Nutrient and mineral cycling as a result of interactions between soils, water, plants, and animals in forest environments that affect the ecological productivity of a given site.

Natural forest: Forest areas where most of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present, as defined by FSC approved national and regional standards of forest management.

Nontimber forest products: All forest products except timber, including other materials obtained from trees such as resins and leaves, as well as any other plant and animal products.

Other forest types: Forest areas that do not fit the criteria for plantation or natural forests and which are defined more specifically by FSC-approved national and regional standards of forest management.

Plantation: Forest areas lacking most of the principal characteristics and key elements of native ecosystems as defined by FSC approved national and regional standards of forest stewardship, which result from the human activities of either planting, sowing or intensive silvicultural treatments.

Precautionary Approach: Tool for the implementation of precautionary principle.

Principle: An essential rule or element; in the FSC's case, of forest management.

Silviculture: The art of producing and tending a forest by manipulating its establishment, composition and growth to best fulfill the objectives of the owner. This may, or may not, include timber production.

Succession: Progressive changes in species composition and forest community structure caused by natural processes (nonhuman) over time.

Tenure: Socially defined agreements held by individuals or groups, recognized by legal statutes or customary practice, regarding the "bundle of rights and duties" of ownership, holding, access and/or usage of a particular land unit or the associated resources there within (such as individual trees, plant species, water, minerals, etc).

Threatened species: Any species which is likely to become endangered within the foreseeable future throughout all or a significant portion of its range.

Use rights: Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques.

Appendix 2: Technical Resource Guides 1-8

TRG #1. Funding Sources for Sustainable Forest Management

TRG #2. Training Programs for Sustainable Forest Management

TRG #3. References for Tribal Forestry Programs: Forest Management Planning, Business Development, Community Organizing and Conflict Resolution

TRG #4. Planning and Documentation Requirements for Forest Stewardship Council (FSC) Certification of Tribal Forest Management Operations

TRG #5. Terms of Reference Guidelines for a Preliminary Assessment (Scoping Visit) for Certification of Tribal Forest Management Operations

TRG #6. Marketing of Certified Forest Products

TRG #7. Benefits and Costs of Certification

TRG #8. Maintaining Certification Status

Note: All Technical Resource Guides were last updated in 2000.

Non-Profit Organizations and government programs that have expressed an interest in funding sustainable forestry programs on tribal land include:

SmartWood Program

Goodwin Baker Building
61 Millet Street
Richmond, VT 05477
Contact: Richard Donovan or Jon Jickling
Phone: 802/434-5491
Fax: 802/434-3116
E-mail: info@smartwood.org
Website: <http://www.smartwood.org>

Specific Fields of Interest: Scoping visits, forest management assessments, and chain-of-custody assessments for certification.

Specific Funding Area: Nationwide and international.

EPA Livable Community Grants

Development, Community, and Environment Division
EPA Headquarters
Contact: Division Director
Phone: 202/260-2750
Email: anderson.geoffrey@epa.gov
Website: www.epa.gov/livability/grants/overview.htm

Specific Fields of Interest: The EPA focuses increasingly on environmental protection and community revitalization. The EPA supports and encourages the building of productive working partnerships in communities and the sharing of innovation and experience. In the future, the EPA plans to continue developing and awarding competitive community grants through new initiatives. Please visit the EPA's website for the latest information on community partnership grants. For some grants, the EPA requires non-federal, matching funds.

Specific Funding Area: USA and territories.

Pacific Northwest Region

The Brainerd Foundation

1601 Second Avenue, Suite 610
Seattle, WA 98101
Contact: Jim Owens
Phone: 206/448-0676
Fax: 206/448-7222
E-mail: info@brainerd.org
Website: www.brainerd.org

Specific Fields of Interest: Relevant fields of interest include:
a. Endangered ecosystems (endangered forests and citizens participation issues) and
b. Communication and Capacity Building (electronic equipment and training, outreach tools and capacity building.)

Specific Funding Area: Washington, Oregon, Idaho, Montana, Alaska, British Columbia, Yukon Territory. The Brainerd Foundation can only support 501(c)(3) non-profit organizations.

Columbia Foundation

One Lombard Street, Suite 305
San Francisco, CA 94111
Contact: Executive Director
Phone: 415/986-5179
Website: www.columbia.org/

Specific Fields of Interest: The relevant field of interest is the Preservation of Wilderness Ecosystems and Biological Diversity. In this program, the Columbia Foundation provides support for the protection and restoration of wild ecosystems, including ancient forests, to preserve biological diversity.

Specific Funding Area: Northern California.

The Columbia Foundation can only support 501(c)(3) non-profit organizations.

Great Lakes Region

Great Lakes Protection Fund

1560 Sherman Avenue, Suite 880
Evanston, IL 60201
Contact: David Rankin
Phone: 847/425-8150
Fax: 847/424-9832
Website: www.glpf.org

Specific Fields of Interest: Projects that benefit the health of the Great Lakes ecosystem. Projects that take concrete action. Projects that focus on ecosystem impacts, economic and environmental health linkages, collaboration, leverage, and innovation.

Specific Funding Area: Illinois, Michigan, Minnesota, New York, Ohio, Pennsylvania, Wisconsin. Call the foundation for grant application guidelines.

New England/Northeast Region

Jessie B. Cox Charitable Trust

Donor Services Office
Hemenway & Barnes
60 State Street
Boston, MA 02109-1899
Contact: Director
Phone: 617/557-9775
E-mail: dso@hembarr.com
Website: www.agmconnect.org/coxgdlns.html

Specific Fields of Interest: The Environment: To protect and enhance the natural and urban environment, and conserve New England's natural resources. Relevant focus issues: protection of critical natural resources; public awareness of the critical environmental issues facing the region.

Specific Funding Area: New England.

Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #1

Funding Sources for Sustainable Forest Management

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Technical Resource Guide #1 provides an overview of a selection of charitable foundations and other funding sources that are most likely to support tribal sustainable forestry initiatives.

First Nations cautions that soliciting financial support from any source of funding requires patience, strict adherence to foundation-specific grant guidelines, and building a positive relationship with program officers in the grantmaking institutions. Foundation programs and priority areas for support are subject to change. The listing of foundations and other grantmaking programs does not imply a guarantee of their support of tribal forestry programs. It merely indicates that these institutions have, in the past, expressed an interest in investing in sustainable forestry initiatives.

For further information about the Sustainable Forestry Fund, please contact:

Grantmaking Department
First Nations Development Institute
The Stores Building
11917 Main Street
Fredericksburg, VA 22408
Phone: 540/371-5615 or 800/682-5384
Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to the Sustainable Forestry Fund, please contact:

Common Ground
811 Saint Michael's Drive, Suite 106
Santa Fe, NM 87505
Phone: 505/982-9806
Fax: 505/982-8557
E-mail: jjcgclp@earthlink.net

Charitable foundations and other programs that have expressed an interest in funding sustainable forestry programs on tribal land include:

Ben & Jerry's Foundation

30 Community Drive
South Burlington, VT 05403-6828
Contact: Foundation Director
Phone: 802/846-1500

Website: www.benjerry.com/foundation/

Specific Fields of Interest: Projects must lead to societal, institutional and/or environmental change, address the root causes of social and environmental problems, and lead to new ways of thinking and acting. Projects must also help ameliorate an unjust or destructive situation by empowering constituents, facilitate leadership development and strengthen the self-empowerment efforts of those who have traditionally been disenfranchised in our society, and support movement building and collective action.

Specific Funding Area: USA.

W. Alton Jones Foundation

232 East High Street
Charlottesville, VA 22902-5178
Phone: 804/295-2134
Fax: 804/295-1648
E-mail: earth@wajones.org
Website: www.wajones.org/

Specific Fields of Interest: The Sustainable World Program: to maintain biodiversity. Relevant focus areas:

- a. Forests in the Pacific Northwest
- b. Promoting the Understanding and Economic Value of Biodiversity

Specific Funding Area: In the category "Forests in the Pacific Northwest":

- (a) California, Oregon, Washington
- (b) Nationwide

See specific guidelines at the foundation's website.

Merck Family Fund

303 Adams Street
Milton, MA 02186
Contact: Executive Director
Phone: 617/696-3580
Fax: 617/696-7262
E-mail: merck@merckff.org
Website: www.merckff.org

Specific Fields of Interest: Protecting the Natural Environment:

- a. Protecting and Restoring Vital Eastern Ecosystems
- b. Sustainable Economics

Specific Funding Area: Only for category "Protecting and Restoring Vital Eastern Ecosystems": Eastern US (TN, KY, NC, SC, GA, VA, VT, NH, ME) - See specific guidelines at the Merck Family Fund website.

The Pew Charitable Trusts

The Environment Program
2005 Market Street, Suite 1700
Philadelphia, PA 19103-7077

Contact: Director

Phone: 215/575-9050

Fax: 215/575-4939

E-mail: webmaster@pewtrusts.com

Web-site: www.pewtrusts.com

Specific Fields of Interest: Mission of the Environment Program: to promote policies and practices that protect the global atmosphere and preserve healthy forest and marine ecosystems. The Environment Program includes a specific category, Forest and Marine Protection. Among other issues, this category has the objective to protect old-growth forest ecosystems on public lands, and encourage the adoption of forest management practices that protect the diverse ecological values of forests on public and private lands. Requests will be considered for projects that encourage adoption of policies that promote the sustainable management of forest ecosystems, and establish market mechanisms that encourage the purchase of products derived from ecologically sustainable forest practices.

Specific Funding Area: North America. See the Pew Charitable Trusts website for more information.

Rockefeller Brothers Fund

437 Madison Avenue, 37th Floor
New York, NY 10022-7001
Phone: 212/812-4200
Fax: 212/812-4299
E-mail: rock@rbf.org
Website: www.rbf.org

Specific Fields of Interest: The relevant program area in relation to sustainable forestry is: Sustainable Resource Use. In this program, the Rockefeller Brothers Fund strives to foster environmental stewardship that is ecologically based, economically sound, culturally appropriate, and sensitive to questions of inter-generational equity.

In the USA, the Fund supports model programs that further the Fund's strategies.

Specific Funding Area: North America and beyond.

Laird Norton Endowment Foundation

801 Second Avenue #1300
Seattle, WA 98104
Phone: (not available)
E-mail: info@lairdnorton.org
Website: www.lairdnorton.org

Special Fields of Interest: Sustainable forestry. The following areas apply to tribal forestry operations: forest-land owner education and assistance programs, development and implementation of collaborative stewardship programs in forest dependent communities, restoration forestry (research, demonstration, and implementation), K-12 sustainable forestry education programs, sustainable forestry-related internships for college-level students, and ecosystem-based approaches to forestry in general. However, the foundation does not provide funding for general operating expenses, program building, and scholarship funds. Funding only for tax-exempt organizations under IRS Sections 501(c)(3) and 509 (a).

Specific Funding Area: USA, with an emphasis on the Pacific Northwest. Please contact the Foundation for more information or check its website. The Foundation has issued a small booklet, "An Introduction to Sustainable Forestry and Forest Certification," which is available free of charge. Please contact the Foundation for a copy at: booklet@lairdnorton.org.

Weyerhaeuser Family Foundation

The Sustainable Forests and Communities Initiative
332 Minnesota Street, Suite 2100
Saint Paul, MN 55101-1394
Contact: Judith Healey
Phone: 651/228-0935

Specific Fields of Interest: Eligible applicants must be working at the local level within the three program components of ecology, economy and community. Focus areas include: holistic land stewardship approaches involving management, conservation, and ecological restoration, community efforts that facilitate enterprise-based conservation and job creation strategies that are of appropriate scale and environmentally sound, and projects that are inclusive, innovative, and collaborative to meet natural resource and conservation goals. However, the foundation does not provide funding for general operating expenses, traditional scientific research, and land acquisition or trades.

Specific Funding Area: Pacific Northwest (Washington, Oregon, northern California, western Montana, and western Canada), Minnesota and Wisconsin, and the South (Alabama, Arkansas, Georgia, Louisiana, Mississippi, Oklahoma, and North Carolina). Applicants must have 501(c)(3) status. To apply for funding, applicants must complete a pre-application form, which is due on May 1 and is available from the Foundation's office in Saint Paul.

Seventh Generation Fund

P.O. Box 4569
Arcata, CA 95518
Contact: Program Director
Phone: 707/825-7640
Fax: 707/825-7639
Email: of7gen@pacbell.net
Website: www.7genfund.org

Specific Fields of Interest: General Support grants, and Training and Technical Assistance grants.

Specific Funding Area: USA. No formal grant application guidelines or set application deadlines. Seventh Generation Fund encourages applicants to review the Criteria for Selection. See website.

William P. Wharton Trust

Choate, Hall & Stewart
Exchange Place, 53 State Street
Boston, MA 02109-2891
Phone: 617/248-5000
Fax: 617/248-4000

Contact: Estate & Trust Administrator

Specific Fields of Interest: Land preservation projects and projects that directly promote the study, conservation and appreciation of nature. Specific objectives include applied forestry research and management, preservation of natural areas (particularly in Massachusetts and New England), and management techniques designed to improve environmental and species diversity.
Specific Funding Area: Massachusetts and New England for natural areas preservation. Nationwide for other projects.

First Nations Development Institute

Sustainable Forestry Fund

Technical Resource Guide #2

Training Programs for Sustainable Forest Management

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Technical Resource Guide #2 provides an overview of training programs for tribal members who seek to improve their knowledge and skills in sustainable resource management. The SFF provides scholarships for several of the training programs listed. Please contact First Nations for more information or to obtain an SFF application form.

In 1998, First Nations Development Institute provided a grant to the Hoopa Valley Tribe to support a Native American Forestry Intern for the tribe's forestry department. Sponsored by the Forest Stewards Guild mentor program, the intern worked with tribal foresters, as they worked towards certification of the tribal forest land. Participation in the program enabled the intern to learn firsthand about sustainable forestry practices, logging operations, timber markets, and the certification process.

For further information about
the Sustainable Forestry Fund, please contact:

Grantmaking Department
First Nations Development Institute
The Stores Building
11917 Main Street
Fredericksburg, VA 22408
Phone: 540/371-5615 or 800/682-5384
Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to
the Sustainable Forestry Fund, please contact:

Common Ground
811 Saint Michael's Drive, Suite 106
Santa Fe, NM 87505
Phone: 505/982-9806
Fax: 505/982-8557
E-mail: jjcclp@earthlink.net

Academic education programs in sustainable forestry and natural resources management that specifically accommodate participation of tribal students include:

Northern Arizona University
College of Ecosystem Science and Management
School of Forestry

PO Box 15018
 Flagstaff, AZ 86011
 Contact: Director
 Phone: 520/523-6653
 Fax: 520/523-1080
 E-mail: Ronald.Trosper@nau.edu
 Website: www.for.nau.edu/forestry/

Course Names, Periods and Duration:
 Native American Forestry Program

The program offers a Bachelor's Degree and a Master's Degree program. The Bachelor's Degree program focuses on a holistic approach to the environment. After completing the School of Forestry prerequisites, students enter the integrated forest management program. These three semester-long classes of sixteen credit hours each use continuous, integrated, team-taught instruction. In the Master's program, students can conduct independent research projects that benefit their tribe's forestry programs. The program also supports internships and cooperative programs with the USDA Forest Service and the Bureau of Indian Affairs.

The program features a role-model mentor program to encourage personal relationships between the school, the students and their families. The mentors meet with students on an individual basis and help students explore employment possibilities. Mentors also provide college survival strategies and share friendship and ideas.

In addition to the Native American Forestry program, the school includes the Ecological Restoration Program and the Parks and Recreation Management Program. These programs also offer undergraduate and graduate programs as well as research assistant and cooperative research opportunities.

For more information on the Native American Forestry Program, visit the school's website. For the Ecological Restoration Program, visit www.for.nau.edu/forestry/ecocest/ or call 520/523-3130. For the Parks and Recreation Management program, call Dr. John Lisco at 520/523-0228 or e-mail at John.Lisco@nau.edu.

University of Oregon
Sustainable Forestry Partnership and
Native American Support program

Corvallis, OR
 Contact: Rick Fletcher
 Phone: 541/737-8304
 E-mail: rick.fletcher@orst.edu

Course Names, Periods, Duration: The Sustainable Forestry Partnership has developed a sustainable forestry training course, which can be organized upon request and is conducted as a "road-show" in different states in the West. The partnership also conducted an FSC certification assessors training course for the Forest Stewardship Council-US Initiative.

Haskell Indian Nations University
Department of Natural and Social Sciences
Environmental Science Program

155 Indian Avenue, Box 5015
 Lawrence, KS 66046-4800
 Contact: Gail Sloan
 Phone: 785/749-8428
 Fax: 785/832-6613

Course Names, Periods and Duration: Haskell Indian Nations University's Environmental Science Program offers a two-year Associate Degree program in Natural Resources Management and a four-year Bachelor's of Science Degree course in Environmental Science. The Bachelor's of Science in Environmental Science Program consists of Institutional Requirements (10 hours) and General Education (44 hours) sections as well as Environmental Science Core Courses (44 hours) and courses related to an Environmental Chemistry and an Environmental Biology track (18 and up to 21 hours, respectively). Haskell offers remedial courses, tutors and small classes to help students who are insufficiently academically prepared for college-level coursework. The university also offers summer job internships and co-op education programs with agencies such as the Forest Service and the Bureau of Indian Affairs. A mentorship program assists students in succeeding in their programs at Haskell and alumni in finding their way to other institutions of higher education.

Applications for the Fall semester must be submitted by March 15 and for the Spring semester by October 1. Please contact the university for information and application packets.

College of the Menominee Nation
Sustainable Development Institute

PO Box 1179
 Keshena, WI 54135
 Contact: Dr. Holly Youngbear-Tibbetts
 Phone: 715/799-5604

Course Names, Periods and Duration: Call the college for specific curriculum information.

Other education and training programs in sustainable forestry, natural resources management and forest products certification that accommodate tribal participation include:

SmartWood Certification Training Programs

Goodwin Baker Building
 61 Millet Street
 Richmond, VT 05477
 Contact: Richard Donovan and Jon Jickling
 Phone: 802/434-5491
 Fax: 802/434-3116
 E-mail: info@smartwood.org
 Website: <http://www.smartwood.org>

Upon request, SmartWood can organize certification assessors training courses throughout the USA.

Forest Stewards Guild Mentor Program

PO Box 8309
 Santa Fe, NM 87504
 Contact: Steven Harrington
 Phone: 505/983-3887, ext. 16
 Fax: 505/986-0798
 E-mail: info@foreststewardsguild.org
 Website: www.foreststewardsguild.org

Course Names, Periods and Duration: The Forest Stewards Guild promotes ecologically responsible resource management that sustains the entire forest across the landscape. The Guild provides a forum and support system for practicing foresters and other resource management professionals working to advance this vision.

The Guild believes that success of sustainable forestry in the USA will require professionals who can effectively combine ecology and economics on the ground. Education is one of the four programs through which the Guild supports professional foresters and promotes its goal.

The Guild has a mentor program that is designed to generate professionals with the insight, expertise and wisdom to back up a strong land ethic and put sustainable forestry into practice. The mentor program exposes forestry students to the less accessible but more ecologically acceptable approaches to forest management practiced by Guild foresters. Students will experience the practical application of forestry in a real-world context and develop skills required of field foresters.

The Guild provides a ready pool of mentors with a clear dedication to the principles of sustainable forestry and a track record of success. Guild foresters are primarily private consultants or in the employ of small private forest products companies, and cover an extensive range of forest types and clientele within the US. The Guild thus forms an excellent network of contacts for the post-graduation job market.

Native American students are an important target constituency for the mentor program. The mentor program provides (future) tribal foresters with direct experience of methods and models of forestry that stand in contrast to traditional agency and industry models. The methods and models, as practiced by Guild foresters, address the multi-value nature of forests and are optimal for the "community forestry" that is essential to managing forests for tribal benefit.

For information on student stipends, Guild membership, and enrollment in the mentor program, please contact the Guild's coordinator, Steven Harrington.

First Nations Development Institute
Sustainable Forestry Fund

The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
 Contact: Grantmaking Department
 Phone: 540/371-5615, 800/682-5384
 Fax: 540/371-3505

E-mail: rseib@firstnations.org
 Website: www.firstnations.org

Course Names, Periods and Duration: FNDI offers two-day workshops on sustainable forestry practices, regional certification guidelines and marketing certified forest products. This workshop is available on request for tribal planners, entrepreneurs, decision-makers and natural resource managers.

FNDI also offers scholarships for conferences and other specific educational opportunities in sustainable forestry and forest product business development.

Great Lakes States Midwest

Big Creek Forestry

550 Karen Road
Marquette, MI 49855
Contact: Christopher D. Burnett
E-mail: druidwoods@aol.com, Bigcreek@up.net

Phone and Fax: 906/249-5660

Consulting firm. Forest stewardship/management planning, business development (also non-timber forest products), and organizational development.

Earth Energy Systems, Ltd.

7295 E. Cate Road
Belleville, WI 53508

Contact: David Blecker
E-mail: info@earthsys.org
Phone: 608/424-6229

Fax: 608/424-1810

Non-profit organization. Sustainable forest and land management for timber and non-timber specialty products, Geographic Information Systems, traditional land use studies, community and organizational development, and enterprise start-up with local, forest-based resources in Native communities.

Menominee Tribal Enterprises

PO Box 10

Neopit, WI 54150-0010

Contact: Lawrence Waukau, President and CEO

Melissa Cook, Special Projects Manager

E-mail: lwaukau@yahoo.com

Phone: 715/756-2311

Fax: 715/756-2386

Indian wood product manufacturing company. Received certification from Scientific Certification Systems and SmartWood. Experience with marketing FSC-certified wood products.

Vierbicher Associates

6200 Mineral Point Road

Madison, WI 53705-4504

Contact: Gary Mejchar

E-mail: gmej@vierbicher.com

Phone: 608/233-5800

Fax: 608/233-4131

Consulting firm. Forest products business development and market studies, and marketing of certified forest products.

Pacific Coast

Ecotrust

1200 NW Naito Parkway, Suite 470

Portland, OR 97209

Contact: Sam Doak and Bettina von Hagen

E-mail: sdoak@ecotrust.org

Website: www.ecotrust.org

Phone: 503/227-6225

Fax: 503/222-1517

Non-profit organization. Business and technical services in relation to sustainable forestry and FSC certification.

Forest Community Research

PO Box 11

Taylorville, CA 95983

Contact: Jonathan Kusel and Diana Keith

E-mail: kusel@fcresearch.org

Website: www.FCResearch.org

Phone: 530/284-1022

Fax: 530/284-1023

Non-profit research institute. Technical assistance through research, education, dialogue, and community capacity building. Focus on community health and involvement in forest planning and decision-making. Conflict resolution and promoting agreement on social and natural resource issues.

Institute for Sustainable Forestry

PO Box 1580

Redway, CA 95560

Contact: Douglas Fir, Jude Wait

Yana Valachovic, Mike Vollmer

E-mail: jwait@isf-sw.org, douglas@isf-sw.org,

yana@humboldt.com, mike@isf-sw.org

Phone: 707/247-1101

Fax: 707/247-3555

Non-profit organization. Forest and natural resource management planning, business development and market studies and marketing of certified forest products.

Mukumoto Associates

63260 Overtree Road

Bend, OR 97701

Contact: Cal Mukumoto

E-mail: cal@mukumoto.com

Phone: 541/382-2708

Consulting firm. Indian forestry, forest industries management and turnaround. Member of IFMAT-1 resource management team.

The Watershed Research and Training Center

PO Box 356

Hayfork, CA 96041

Contact: Lynn Jungwirth, Cecilia Danks, and Emily Jesse

E-mail: lynnj@tcoe.trinity.k12.ca.us

Phone: 530/628-4206

Fax: 530/628-5100

Non-profit organization. Forest and natural resource management planning, workforce development, value-added wood processing and market studies (also non-timber forest products), community involvement in forest planning and decision-making, and community and organizational development.

Alaska

Earth Energy Systems, Ltd.

University of Alaska Anchorage

Institute of Social and Economic Research

3211 Providence Drive

Anchorage, AK 99508

Contact: Brian Hirsh

Sustainable Forestry Fund

First Nations
Development Institute

Technical Resource Guide #3

References for Tribal Forestry Programs: Forest Management Planning,
Business Development, Community Organizing and Conflict Resolution

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

In order to be successful in planning for sustainable forest management, establishing a forest products manufacturing plant or pursuing Forest Stewardship Council (FSC) certification, Native communities may want to obtain technical assistance from outside organizations and consultants to complement internal capacity and Bureau of Indian Affairs (BIA) support. Following is a selection of organizations and consulting firms that specialize in providing technical assistance on matters such as forest management planning, business development, community organizing and conflict resolution in natural resources planning issues, and have experience in working with Native communities. Technical assistance sources that work nationwide are listed first, followed by those working in specific regions. Technical assistance is often available at no cost, and sometimes on a fee-for-service basis, depending on the nature of the work. Please note that FNDI does not endorse any organization in this resource guide.

For further information about
the Sustainable Forestry Fund, please contact:

Grantmaking Department
First Nations Development Institute
The Stores Building
11917 Main Street
Fredericksburg, VA 22408
Phone: 540/371-5615 or 800/682-5384
Fax: 540/371-3505
<http://www.firstnations.org>

For technical assistance in relation to
the Sustainable Forestry Fund, please contact:

Common Ground
811 Saint Michael's Drive, Suite 106
Santa Fe, NM 87505
Phone: 505/982-9806
Fax: 505/982-8557
E-mail: jjcgclp@earthlink.net

National

Cornell Program on Environmental Conflict Management

Cornell Center for the Environment
Rice Hall, Cornell University
Ithaca, NY 14853-5601

Contact: Tahnee Robertson and Larry Fisher
E-mail: tmr5@cornell.edu and laf2@cornell.edu
Phone: 607/255-4523
Fax: 607/255-8207

University program. Community involvement in forest planning and decision-making, and conflict management and resolution.

Forest Stewards Guild

PO Box 8309
Santa Fe, NM 87504
Contact: Steven Harrington
E-mail: info@foreststewardsguild.org
Website: www.foreststewardsguild.org
Phone: 505/983-3887, ext. 16
Fax: 505/986-0798
Non-profit network. Forest and natural resource management planning, and reference services.

The Forest Trust, Inc.

PO Box 519
Santa Fe, NM 87504
Contact: Henry Carey
E-mail: info@theforestrust.org
Phone: 505/983-8992
Fax: 505/986-0798
Non-profit organization. Forest and natural resource management planning, business development and market studies, and community involvement in forest planning and decision-making. Coordinator of the FSC regional working group in the Southwest.

Indian Dispute Resolution Services

1722 J Street, Suite 19
Sacramento, CA 95814
Contact: Steven Haberfeld
E-mail: info@IndianDispute.com
Phone: 916/447-4800
Fax: 916/447-4808

Indian non-profit organization. Assistance with effective negotiations with government agencies, and training of non-tribal organizations and agencies in effective collaboration with tribes.

Intertribal Timber Council

1112 N.E. 21st Avenue
Portland, OR 97232-2114
Contact: Don Motanic and Joann Reynolds
E-mail: itc1@teleport.com
Website: www.itcnet.org
Phone: 503/282-4296
Fax: 503/282-1274

Non-profit membership organization of forest-owning tribes and Alaska Native organizations. Represents more than 90% of the timberland acres and a significant portion of the woodland acres that are under BIA trust management. Technical assistance and legislative action for tribal and Alaska Native forestry interests. Coordinator of the IFMAT-II assessment process.

Ellen R. Kemper

2300 W. Alameda, #B1
Santa Fe, NM 87501-9656
E-mail: ekemper@nets.com
Phone: 505/474-0550
Fax: 505/474-0770
Consulting firm. Planning, grant writing, facilitation, legal services, and contract negotiation for tribes nationwide.

Mater Engineering, Inc.

PO Box O
Corvallis, OR 97339
101 SW Western Boulevard
Corvallis, OR 97333
Contact: Catherine Mater
E-mail: catherine@mater.com
Phone: 541/753-7335
Fax: 541/752-2952

Consulting firm. Forest and natural resource process facility, engineering and design, management planning, business development, product market studies, and community involvement in forest policy planning and decision-making. Coordinator of public land certification efforts throughout the US, which include scoping for FSC and SFI certification on tribal and Alaska Native lands in conjunction with the IFMAT-II assessment process of the Intertribal Timber Council.

Mediation Services

87 Virginia Street, Unit 4
Seattle, WA 98101
Contact: Ty Tice
E-mail: tytice@halcyon.com
Phone: 206/448-5673
Fax: 206/441-8149
Sole proprietorship. Focusing on mediation of conflicts involving environmental and natural resource management issues.

Lucy Moore Associates, Inc.

5 Seton Plaza
Santa Fe, NM 87505
Contact: Lucy Moore
E-mail: lucymoore@nets.com
Phone: 505/820-2166
Fax: 505/820-2191
Consulting firm. Specialized in facilitation, mediation, training, and consulting services on natural resources and public health issues

RESOLVE, Inc.

1255 23rd Street NW, Suite 275
Washington, DC 20037
Contact: Kate Zimmer
E-mail: kzimmer@resolv.org
Phone: 202/965-6387
Fax: 202/338-1264

Non-profit organization. Dispute resolution in complex environmental and natural resource issues and public health issues, and consensus building in public decision-making.

Rocky Mountain Institute

1739 Snowmass Creek Road
Snowmass, CO 81654-9199
Contact: Michael Kinsley
E-mail: kinsley@rmi.org
Phone: 970/927-3807
Fax: 970/927-3420

Non-profit organization. Community involvement in forest planning and decision making, community and organizational development, and conflict management and resolution.

Jim Spitz, Consulting Forester

60045 River Bluff Trail
Bend, OR 97702
Contact: Jim Spitz
E-mail: jspitz@kmx.com
Phone: 541/389-5978
Fax: 541/389-9173

Consulting forester. Forest stewardship planning, business development, investment analysis, timber appraisal, and Indian forestry. Served on IFMAT-I resource team.

National Networks and Directories

Certified Forest Products Council

14780 SW Osprey Drive, Suite 285
Beaverton, OR 97007-8424
Contact: David Ford
Website: www.certifiedwood.org
Phone: 503/590-6600
Fax: 503/590-6655

Non-profit organization. Marketing of certified forest products, customer education on certified forest products, and published the Good Wood Directory with information on and market links for sustainable recycled wood and wood certification, distributors and business opportunities.

Directory of Forest Products, Wood Science and Marketing Online

website: www.forestdirectory.com
For more information contact: Esw@u.washington.edu

Indian Forestry Technical Assistance Directory

A listing of private firms and public agencies offering assistance to forest-owning tribes, allottees, Native American corporations, and the Bureau of Indian Affairs.

On-line version (BOFRP website): <http://snake1.cr.usgs.gov>
The Directory can be ordered by contacting:
USDI Bureau of Indian Affairs Division of Forestry
Branch of Forest Resources Planning
Attn: Preston Guthrie
12136 W. Bayaud Avenue, Suite 300
Lakewood, CO 80228
or Mr. David Wilson
E-mail: dwilson@snake1.cr.usgs.gov
Phone: 303/969-5270, ext. 239

National Association for Community Mediation

1527 New Hampshire Avenue, NW
Washington, DC 20036-1206
E-mail: nafcm@igc.apc.org
Phone: 202/667-9700
Fax: 202/667-8629

National Network of Forest Practitioners

305 South Main Street
Providence, RI 02903
Contact: Thomas Brendler
Website: www.nnfp.org
E-mail: thomas@nnfp.org
Phone: 401/273-6507
Fax: 401/273-6508
Non-profit organization. Publishes the Directory of the National Network of Forest Practitioners, provides personal and on-line technical assistance and reference services.

Northeast and East Coast

National Wildlife Federation, Northeast Natural Resource Center

58 State Street
Montpelier, VT 05602
Contact: Eric Palola and Mark Lorenzo
E-mail: palola@nwf.org and lorenzo@nwf.org
Phone: 802/229-0650
Fax: 802/229-4532
Non-profit organization. Natural resource and forest management research and education. Coordinator of the FSC regional working group in the Northeast.

Yellow Wood Associates, Inc.

95 South Main Street
St. Albans, VT 05478
Contact: Shanna Ratner
E-mail: yellowwood@yellowwood.org
Phone: 802-524-6141
Fax: 802-524-6643

Website: www.yellowwood.org
Consulting firm. Workforce development planning, business development, value-added wood processing and market studies (also non-timber forest products), community and organizational development, community involvement in forest planning and decision-making, and conflict management and resolution.

- What do we need to do to make the best use of the identified assistance services?
- What other opportunities will the certification process offer us?
- What do we need to do to make the best use of the identified opportunities offered by certification?

It is important to include these questions in the implementation strategy.

6. Putting the Pieces Together - an Implementation Strategy

What kind of strategy could help us implement the certification process and benefit most from it?

Based on your plan of action, the information obtained from the certifiers, and the objectives formulated in a TOR, you can begin drafting the step-by-step strategy that leads to the actual certification. Such a strategy should at least include the following steps:

- Documentation of answers to the action planning key-questions listed above (Step #2).
- Putting the organizational structure in place and beginning the internal communication process that facilitates decision-making on the certification process.
- Identifying a timeline for the process in a simple calendar that outlines all the steps, implementation and expected completion dates.
- Contacting the certifiers and submitting application forms.
- Sending out a Request for Bids and TOR for a scoping visit.
- Addressing any obstacles identified in the previous steps.
- Finalizing a budget for the process.
- Finalizing a funding strategy, if necessary in collaboration with your fundraising activities, planning or development department.
- Select and contract with a certifier (SmartWood or SCS), set dates for actions, and plan for internal staff support and availability of information during the scoping visit.
- Develop a monitoring and evaluation plan to assess whether you achieve what you want and whether procedures and criteria that were formulated as answers to the questions in the initial plan of action are effective and being followed.
- Draft a product development and marketing plan that integrates the answers developed in step 5 regarding follow-up planning.

Is this all?

The list of planning steps and questions to consider may dazzle you at this point. Please do not be discouraged. The certifiers and First Nations Development Institute as well as many non-profit organizations and consultants are available to help you through the process (Technical Resource Guide #3 provides some sources). Feel free to contact First Nations Development Institute for any questions or referrals to sources of financial and technical assistance that can help you pursue the certification of your forest management operation or forest products processing plant.

Scoping and Certification Assessments

The certifier you selected will guide you through the following steps after the scoping visit is completed:

- The certifier will help you develop a final plan and budget for the forest management and/or chain-of-custody assessment and the assessment team. The plan is typically the basis for a Professional Services Agreement (contract) for the assessment, which includes an authorization for the certifier to begin work, payment terms, and a confidentiality agreement.
- The assessment team will conduct a briefing at the end of the assessment to discuss preliminary findings, future steps, and the expected date of the assessment report.
- Within 30 days after the assessment, the certifier will send you a draft assessment report for your review and comments. At the same time, two independent specialists will review the draft report. You may suggest reviewers, although the certifier will make the ultimate selection. Certifiers will typically be in touch with you in this phase to ensure that they received all the correct and relevant information, to get answers to questions that may arise during the review, and to discuss (pre-)conditions or recommendations.
- Finally, the certifier will communicate the certification decision to you. The decision may either be an unconditional certification, a conditional certification or a decision not to certify, which is often accompanied with specific recommendations.
- If the certifier's certification decision committee approved the certification, you have to review and come to agreement within your community with the certifier's findings and decision, especially when the decision includes certain conditions and recommendations. If there is final agreement, you will sign a certification contract with the certifier and make the payments that close the certification process. Closure stipulations may include agreements on publicity and publications about the certification. The certifier will also inform you about the annual audit requirements and a reassessment and contract renewal after five years.

Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #4

Planning and Documentation Requirements for Forest Stewardship Council (FSC) Certification of Tribal Forest Management Operations

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Technical Resource Guide #4 describes the preparation process for voluntary, independent, third-party certification offered by the Forest Stewardship Council (FSC). In order to be successful in pursuing FSC certification of tribal forestry operations, it is essential that tribes follow a rigorous planning process and produce documentation that details forest and/or business planning and monitoring of management operations.

This Technical Resource Guide provides an overview of the planning steps that may help your tribe gain FSC certification. We assume that a commitment or decision has been made by the tribe to pursue certification of the forest management program, or forest products manufacturing operation. We also assume that the goals and priorities for the forestry operations have been defined. The following are the most important steps to proceed effectively toward obtaining certification.

For further information about the Sustainable Forestry Fund, please contact:

Grantmaking Department
First Nations Development Institute
The Stores Building
11917 Main Street
Fredericksburg, VA 22408
Phone: 540/371-5615 or 800/682-5384
Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to the Sustainable Forestry Fund, please contact:

Common Ground
811 Saint Michael's Drive, Suite 106
Santa Fe, NM 87505
Phone: 505/982-9806
Fax: 505/982-8557
E-mail: jjcgclp@earthlink.net

1. Develop a Plan of Action

What do we have to do internally to get the certification process going?

Developing an action plan will help prepare your organization and community for the certification process. Such a plan can be developed by addressing the following essential planning questions:

- How will the certification fit with the tribal goals, values and identity? What is the common denominator in the community that can make certification appealing to all of us?
- How long will it take to get certified? What will be the turn-around time in marketing certified products? What will be the pay-back period?
- What official recognition or authoritative document do we need from the tribal leadership that allows us to pursue certification?
- Who will be the tribal coordinator of the certification process?
- Who and what departments or agencies do we need to involve?
- What forms of communication and collaboration do we have to put in place?
- What work principles and decision making procedure should we adopt for the certification process?
- What are the political guidelines that we have to follow?
- What roles do spirituality, cultural heritage, and leadership play?
- What are the anticipated costs?
- How do we finance the process?

The answers to these questions are the backbone of most project planning and strategy documents, application forms of the certifiers, and funding applications. Your answers to these questions will prepare you for a solid plan of action and for seeking funding.

2. Contact a Certifier

Who can certify our operation?

In the USA, there are two organizations that can perform assessments that may lead to the award of an FSC certification label: SmartWood, a non-profit organization specialized in forest management certification, and Scientific Certification Systems (SCS), a corporation specialized in different kinds of environmental certifications. By contacting these two organizations you can obtain their certification guidelines, an overview of their services and accomplishments, and the names of contact persons in your area (refer to Technical Guide #6 for contact information). It is important to review and compare their information, and to talk with their contact people to familiarize yourself with their process, specific services, and fees. In reviewing their information, you should consider the following questions:

- What benefits do these programs offer?
- How can they help us achieve our goal(s) and complete our plan of action?
- What are the costs of these programs?
- How long does it take to get through the entire process?
- What do we have to do internally to contribute to these programs?
- What might be the indirect returns and benefits of the certification programs?
- Which of these programs are most in tune with our tribe's and operation's values and cultural and/or business character?

The information received from the certifiers can be incorporated into the plan of action you have developed.

3. Collect the Necessary Paperwork

What is the relevant paperwork we need to get certified?

Many types of documents are needed for the scoping and assessment certification. Ask the certifiers to give you exact lists of required documents necessary for the application process, the scoping visit, and the forest management and/or the chain-of-custody assessments.

Commonly required paperwork includes:

- documents that explain the land tenure and land use rights pertaining to the forest area
- documents that explain forest management authorities such as federal trust responsibilities, contracts, compacts, cooperative agreements, allotment titles, etc.
- forest inventory documents
- forest plan(s) for the entire forest or all forested areas
- descriptions of silvicultural prescriptions that are currently being applied to harvesting plans

- environmental assessments, environmental impact studies (EAs, EISs)
- field performance monitoring data
- harvesting administration with descriptions of harvesting dates and locations
- descriptions of equipment being used in harvesting and management operations
- list and description of chemicals being used
- topographic maps and map(s) delineating the forest areas and processing facilities subject to certification
- an organizational chart
- resumes of key personnel
- descriptions of the current forest products processing operations, their locations, processing steps, the estimated annual production volume, species, products for the past, current and next year, and markets
- plans or descriptions of any changes foreseen in the processing operation and its production
- description of processing equipment owned and contracted.

It is important to identify those documents that are missing, outdated, or incomplete. This will help you identify what you may need to do before certification can become a reality, and form the basis for a problem solving strategy that may help you in your plan of action.

4. Identify What You Want to Achieve from the Scoping and Certification Assessment

What do we want to get out of the scoping visit and the certification assessment(s) apart from obtaining the certification label?

The certification process may help your operation in many different ways. Important benefits of certification include: improvements in planning and management, efficiencies in the production process, access to new markets, a reputation of having an environmentally responsible operation, the development of a track record or documentation system that supports your reputation, and perhaps direct and indirect financial gain. Whatever the potential benefits, it is important to realize what your tribe wants to accomplish and to incorporate these goals as part of the scope of work for the scoping and full assessments.

Specifically, ask the certifier to include your tribe's goals in the scope of work for the scoping and full assessments, and work with them to figure out how specific issues can be addressed through the assessment process. Always check with the certifiers to see whether there are any additional costs involved, and try to keep issues that are outside the forest management operation to a minimum. In addition, you may determine who should be certified. Entities that can be certified include your forestry operation, the BIA agency, a forest manager, or an outside organization that is responsible for your operation. In some cases it may be possible to obtain certification as a group of tribes, bands, pueblos or native villages, etc.

Based on your objectives and the feedback from the certifiers, you can now begin drafting a terms of reference (TOR) and a bid request for the certifiers to conduct a scoping visit and/or an assessment. Once you have selected a certifier from the bidding process, the certifier may require a formal application. In collaboration with the certifier, you may want to combine or coordinate your TOR and their application process. A resource guide has been designed to assist you in the development of a comprehensive TOR (See "Terms of Reference Guidelines for a Preliminary Assessment (Scoping Visit) for Certification of Tribal Forest Management Operations," Technical Resource Guide #5).

5. Develop a Follow-up and Marketing Plan

What do we need to do after the scoping visit and certification assessment(s)?

The certifiers will walk you through the steps related to the assessment report reviews, the certification decision, signing of a certification contract, and annual audits and periodic contract renewals (see below). In addition, it is of great importance to have a follow-up or marketing plan that addresses issues of product development, product tracking, marketing, benefit analyses, and technical assistance. Steps for follow-up may be guided by another series of questions:

- What are the products that we produce, and on which of these products do we want to carry the FSC certification label?
- How can we separate and identify the certified products in our processing operation?
- What are the current markets for these products?
- How far away are these markets (customers)?
- What are the transportation costs to these markets?
- What revenues can we possibly expect from the certified products?
- What revenue changes can we expect in general as a result of certification?
- What are the causes of these changes? (e.g., changes in production volumes, changes in unit prices, changes in market value of our products, possible price premiums, secured market niches, changes in operations, etc.)
- To what extent will the revenues cover transportation and other costs related to marketing certified products?
- What product development and marketing assistance services are available to us?



Bids must also certify that funds awarded to the bidder (offerer) by [name of tribe and operation] through any contract issued pursuant this request will not supplant funds that the bidder (offerer) may have at its disposal from other sources.

6. BID EVALUATION CRITERIA

[Develop your own. The following is only an example:]

- A. Knowledge of and expertise in the field of tribal forest management and certification assessments. (25 points)
- B. Knowledge of and expertise in the field of assessing the feasibility of certification of a tribal forest management operation (or forest products manufacturing plant). (25 points)
- C. Knowledge of and expertise in the fields concerning the special topics that must be reviewed as outlined in the Scope of Work. (25 points)
- D. Proposed budget and time schedule. (25 points)

7. BID FORMAT AND CONTENT

[Develop your own. The following is only an example:]

Bids must be organized to address the following categories:

- A. Kind of assessment(s).
- B. Summary of activities.
- C. Format for delivery of results, including the manner and frequency of communication with [name of tribe and operation] representative, and the time schedule for completion.
- D. Description of final result/deliverables, and possible follow-up and additional technical assistance services that bidder can provide.
- E. Qualifications of bidder (offerer) and its agents, consultants, and other qualified representatives (provide curriculum vitae).
- F. Detailed budget with line item descriptions of costs.

8. BUDGET AND DISCLAIMER

The maximum funding available for this assessment is \$ [fill in what your maximum amount is that you can possibly spend based on available and foreseeable funding]. Awarding of contracts is contingent upon sufficient funds and authorization of the [name of tribe] Tribal Council [if applicable].

9. BID DEADLINE AND CONTACT PERSON

Bids should be received at the [name of tribe and operation] offices by [time and date]. The address is: [fill in address and town, state, zip].

Bids can be addressed to [name of department and person responsible for receiving bids].

Questions regarding this request for bids and TOR can be directed to [name of person, department, phone, fax, e-mail, address].

Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #5

Terms of Reference Guidelines for a Preliminary Assessment (Scoping Visit) for Certification of Tribal Forest Management Operations

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Technical Resource Guide #5 provides guidelines and a terms of reference (TOR) model for a certification scoping visit. First Nations cautions that tribal objectives and subsequent formulations of a TOR for certification assessments may vary considerably dependent on site-specific situations and expectations regarding forest management, economic development and certification. The following information is strictly meant to serve as a guide rather than as a blueprint for formulating a TOR. Ultimately, the TOR should be based on tribal goals and plans concerning forest management and community development issues.

For further information about the Sustainable Forestry Fund, please contact:

Grantmaking Department
First Nations Development Institute
The Stores Building
11917 Main Street
Fredericksburg, VA 22408
Phone: 540/371-5615 or 800/682-5384
Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to the Sustainable Forestry Fund, please contact:

Common Ground
811 Saint Michael's Drive, Suite 106
Santa Fe, NM 87505
Phone: 505/982-9806
Fax: 505/982-8557
E-mail: jjcgclp@earthlink.net

What is Scoping and Why a TOR for Scoping?

One of the first steps in the process toward certification is usually the performance of a preliminary assessment, also called "scoping." This preliminary assessment is a rapid appraisal of the operation to assess the feasibility and detailed scope of work of a full-fledged forest management certification assessment or chain-of-custody assessment. The result of a scoping visit by a certifier is a report that gives a "snap-shot" overview of the operation, an indication of the feasibility of certification, and recommendations for the specific scope of the certification assessment.

Within the context of the Forest Stewardship Council (FSC) principles and guidelines, certifiers have developed their own objectives for a scoping visit and a full-fledged certification assessment. However, the operation pursuing certification can benefit from the scoping by taking an active stand in formulating its own terms of reference (TOR). For example, the client may request that the scoping team look more closely at specific standards, evaluate national versus anticipated regional standards, and produce a detailed description of the forest management system and the regional environmental and socio-economic context of the operation, which may save some time during the full forest management assessment. By distributing an open bid request with a TOR that addresses tribal goals and objectives, the tribal operation can obtain the desired information from the scoping, often at little or no additional costs.

What are the Basic Steps in Drafting a Bid Request and TOR?

In order to establish an effective TOR for scoping and/or full certification assessments, forest managers and managers of forest products manufacturing operations may want to take the following steps:

1. Conduct a brief self-assessment of the operation. Identify goals, objectives, strengths, weaknesses, obstacles (or threats), and opportunities.
2. Consider how the assessment team might consider your goals, objectives, strengths, weaknesses, obstacles (or threats), and opportunities in the context of its tasks of studying the feasibility of certification of your operation.
3. Formulate a task list or focus points list based on the issues identified above.
4. Draft a letter or bid request to invite qualified certifiers or their consultants to conduct the scoping and/or full assessments based on the task list mentioned above and their own assessment requirements.

A template for a Request for Bids and the related TOR is outlined below. The template consists of (1) a bid coversheet with a summary of the bid content, and (2) an attachment with specified guidelines for the Request for Bids & TOR.

<p>Template Request for Bids and TOR</p> <p>[YOUR LETTERHEAD]</p>

TO: [name and address of potential bidder]
DATE: [date of the document]

REQUEST FOR BIDS
Bid/Proposal Number:

Re: Request for bids to conduct a (preliminary) forest management/chain-of-custody assessment [select the appropriate kind of assessment] for FSC certification of [your tribe's and operation's names], located at [mention town/location/reservation, state].

The [your tribe's and operation's names] requests bids from FSC-endorsed certifiers and otherwise qualified consultants and non-profit organizations to conduct an (preliminary) assessment (scoping) [or other kind of assessment of your choice] of the [name of the operation]. The [name of your tribe/operation] plans to enter into a contract/Professional Services Agreement [whichever is the appropriate terminology for your tribe] as a result of this request. The scope of work and contract requirements (TOR) for this request for bids is outlined in the attachment. Questions can be directed to [name of person in charge, address, phone, fax, e-mail].

One [or two or more, depending on your preference] copy of each bid must be received by [mention date of bid submittal] at [address/location of bid submittal]. Qualified bids should be accompanied by a description of planned activities and a time schedule for implementation. Bids can also/absolutely not [select what applies] be sent by fax and electronic mail.

[If applicable, insert a reference to the tribal, federal and state codes that regulate this notification and the bidding process].

ATTACHMENT TO THE BID REQUEST

REQUEST FOR BIDS - TERMS OF REFERENCE

ISSUED BY [NAME TRIBAL DEPARTMENT]
FOR
[INSERT THE KIND OF ASSESSMENT]

1. SCOPE OF WORK

In addition to and as much as possible in the context of the aspects of the operation that must be reviewed under FSC guidelines, also conduct an appraisal of the following issues:

[list the tasks formulated in step 3. Formulation of tasks must be to-the-point and, if possible, includes measurable/verifiable results]

The purpose and expected results of these specific appraisal items are [fill in your specific purpose and expected results]. Findings must be reported in a document that is made available in a hard copy format and on a diskette [mention the format you want it in]. Findings will be discussed in a briefing meeting with tribal representatives. The report will include a section with conclusions and recommendations regarding the issues listed above, the feasibility of certification of the [your operation's name], and any specific topics of attention for the certification assessment. The final product must be delivered before [mention the deadline for the assessment report].

2. BACKGROUND

[In this section you can give a brief overview of the history of the operation, its goal and objectives, its role in the community, the obstacles it faces, and the partners it is working with. Such a background description may help bidders better understand the context of the request for bids].

3. ELIGIBLE APPLICANTS

This request for bids and TOR is directed to FSC-endorsed certifiers and otherwise qualified consultants and non-profit organizations that operate in collaboration with an accredited certifier.

4. TIME SCHEDULE AND CONTRACT DURATION

The [name of tribe and operation] plans to have the assessment conducted before [mention a date, preferably within six months]. The [name of tribe and operation] will award a contract to the successful bidder resulting from this request for bids. The contract period will extend from the date of contract approval by both parties to [the tribe's preferred completion date].

5. CONTRACT TERMS AND REQUIREMENTS

Contract will be awarded in accordance with the terms of [name of tribe] contracting regulations and [if applicable] the [name of State, Federal Agency] contracting regulations.

Bids must indicate acceptance of terms required by this request for bids. If the offerer's bid substantially adds to, subtracts from, or otherwise changes the TOR and other provision of this request, the bid will be void.

Bids must certify that all entities responsible for authorizing the activities of the bidder (offerer) have agreed that their bid should be submitted as written.



More Information on Marketing

Websites and contacts:

Certified Forest Products Council (CFPC): www.certifiedwood.com
 Jeff Wartelle: Marketing Specialist, Phone: 503/590-6600

Directory of Forest Products, Wood Science, & Marketing Online:
www.forestdirectory.com

Forest Stewardship Council (FSC)-US Initiative: <http://antequera.antequera.com/FSC/>
 David Arens: Marketing Specialist, darens@foreststewardship.org,
 Phone: 202/342-0414

Scientific Certification Systems: <http://www.scs1.com>
 Robert Hrubes: Senior Vice President—Natural Resources, rhrubes@scs1.com
 Dave Wager: Forest Conservation Program Manager, dwager@scs1.com
 Wolfram Pincker: Manager—Chain-of-Custody, wpincker@scs1.com
 Phone: 510/832-1415 (Robert Hrubes, ex. 134; Dave Wager, ex. 137)
 Fax: 510/832-0359

SmartWood (Program of the Rainforest Alliance): <http://www.rainforest-alliance.org>
 Richard Donovan: Smartwood Director, Jon Jickling: CUSA Coordinator
 Phone: 802/434-5491 Fax: 802/434-3116
 For general information: info@smartwood.org
 For information about SmartWood in the U.S. and Canada: CUSA@smartwood.org

World Resources Institute (WRI): <http://www.wri.org/ffi/internet>

World Wildlife Fund (WWF): <http://www.wwf.org/>

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Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #6

Marketing of Certified Forest Products

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Third-party certification endorsed by the Forest Stewardship Council (FSC) is a voluntary, market-driven approach to forest conservation. The voluntary character of FSC certification is a result of the principle that the purchasing behavior of end-consumers drives the need for increased forest conservation practices. Consumers who want so-called "eco-products" or "green-certified products" can distinguish such products by a special eco-label, such as the FSC label, on products that passed the "green-certification" process. In this way, consumers can support the industry's choice for responsible forest management, and subsequently help improve forest conditions. This market process supports niche markets of consumers who prefer eco-products and allows consumers to vote for responsible forest management with their checkbooks. In turn, the development of niche markets will encourage forest owners to obtain an FSC certification label.

For further information about
the Sustainable Forestry Fund, please contact:

Grantmaking Department
 First Nations Development Institute
 The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
 Phone: 540/371-5615 or 800/682-5384
 Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to
the Sustainable Forestry Fund, please contact:

Common Ground
 811 Saint Michael's Drive, Suite 106
 Santa Fe, NM 87505
 Phone: 505/982-9806
 Fax: 505/982-8557
 E-mail: jjcgclp@earthlink.net

Most certified wood product specialists agree that the economic benefits of certified products serve as an incentive, but cannot be the single most important objective of certification. From a marketing point of view, certification is only an advisable investment if it is part of a larger business or community development initiative. In such cases, certification can enhance the return on investments in value-added manufacturing and marketing innovations. In turn, manufacturing and marketing innovations can enhance the return on investments in certification. In addition, the commitment to socially acceptable, economically viable and environmentally responsible forest management and business development should be strengthened by a specific product focus, development of value-added manufacturing processes, and appropriate capacity building through technical assistance and advice from consultants.

Technical Resource Guide #6 addresses how forest owners, and particularly Native communities, can benefit from marketing certified wood products. In looking at this issue, it's important to review the potential niche markets for certified forest products, identify products that are in demand in those markets, assess the market strength of the operation, and develop marketing strategies that help an operation sell the products.

Niche Markets and Certified Products

A first step in marketing certified forest products is to identify wood and non-wood forest products that are in demand in the market sector for eco-products, and that can be produced in the most efficient manner by your operation. The most efficient production can be defined as a process in which the benefit-cost ratio of investments in certification, manufacturing, and marketing is the highest of all alternatives of certified forest products business development. (For an overview of benefit-cost assessments, refer to Technical Resource Guide #7 — “Benefits and Cost of Certification.”)

The search for marketable products must focus on products that set themselves apart in the marketplace. The certification label can only help position a strong product in the marketplace. The selection of strong products and the most appropriate marketing approach requires a market assessment of your company and its potential products, and active networking among producers and technical assistance providers. Lists of forest products that have been successfully certified for the market sector of eco-products can be found on several websites mentioned at the end of this document.

Market Potential and Profit Potential

The market potential of a product can be defined as the degree to which a product can be sold in existing and new markets. In 1999, market potential for many certified lumber products increased dramatically after The Home Depot, the largest home improvement retailer in the U.S. and the world, announced that it planned to sell certified lumber in all of its stores by 2003. The recent decisions of The Home Depot and other well-known firms, such as Lowe's and Andersen Windows, to sell FSC-certified wood products paves the way for a rapidly growing need for certified softwood products, such as framing lumber. The Home Depot's President and CEO, Arthur Blank, believes that there is a growing group of people in the world who want to “feel good about their investments, their work, and their purchases.” It was precisely the company's intention to contribute to a better world and to get more people thinking about responsible forest management that made The Home Depot decide to promote the sales of FSC certified wood products.

The Home Depot's decision to sell certified wood products serves as an example of how a company's policy in support of responsible forest management can become a driving force behind the certification process. In 1999 and 2000, The Home Depot's decision created a large ripple effect across the wood products market, and suppliers and competitors have gradually begun including the sales of FSC-certified wood. Demand has outstripped supply for most certified wood products. However, in general, the willingness of consumers to pay more money for certified products remains variable and rather low. Certified softwood products, such as framing lumber, which are typically traded in bulk quantities, do not generate higher prices than uncertified commodity products.

Most businesses will find that it is important to reach an optimum balance between the price premium from certified wood products and a potential reduction of the sales volume due to the higher price of the certified products. Consumers' low willingness to pay premium prices for certified products forces producers of certified products to adopt low-price premiums or 0-price premiums in order to enable a growth in sales volume.

The current market dynamics dictate that certification may offer market expansion and business diversification opportunities, and to a lesser extent price per unit increases. This is a result of the limited possibilities to achieve price premiums. So, certification may contribute to an increase in sales volume and/or an increase in business flexibility and diversification, which can be an important strategy in long-term business and community sustainability. The current growth of the market for certified wood products may also serve as an incentive for certification of tribal forest management programs and sawmills throughout the United States.

“It's important to review the potential niche markets for certified forest products, identify products that are in demand in those markets, assess the market strength of the operation, and develop marketing strategies that help an operation sell the products.”

demonstration yard or booth with a display of product samples. The effectiveness of a yard or booth can be enhanced by providing written or audio-visual information along with the product, as discussed above.

5. Product Packaging

An important customer service appreciated in many market segments is the option to sell products in ready-to-go, one-stop-shop packages. For example, in the building market, builders and contractors prefer to buy packages of framing lumber. In the market of outdoor structures, customers prefer to buy entire kits for gazebos, swing sets, sheds, pergolas, and children's play equipment rather than go out and collect the different items prescribed by a building plan. Packaging of certified wood products in kits or custom packages, if necessary in combination with fasteners, specific connectors, accessories, an assembly guide and a technical suggestions sheet may increase sales. Similarly, offering different species, dimensions and grades of wood products enables the assembly of standards and custom combinations of product units to satisfy specific customer needs. Finally, discounts on large sales volumes and specific product packages or kits may enlarge sales volumes and attract more business.

6. Product Development and Quality Improvement through Value-Added Manufacturing

As discussed above, certification may increase the return on investments in value-added manufacturing, while value-added investments may increase returns from investments in certification. From an economic point of view, value-added manufacturing may help increase price premiums, and enlarge the viability of business development initiatives. In addition, by adding value to the forest products within the Native community, a larger percentage of the consumer price for the products remains in the community. As a result, value-added manufacturing adds to the social and economic capacity and assets of the community.

From a business point of view, value-added manufacturing can increase business flexibility through vertical integration (including successive processing steps in one company or community) and diversification of the production process. The higher returns from value-added products increase the possibilities of selling the products in more distant markets because the transportation cost per unit will be relatively lower.

Engaging in value-added manufacturing may help tribal forestry operations stay in tune with (inter)national trends in the wood industry. Currently, such trends include increasing levels of mechanization and automation, increasing diversification of value-added manufacturing, the advancement of engineered wood products, increases in the use of lower quality wood material, increases in wood recovery and recycling, increasing manufacturing efficiencies, and improved product tracking and sorting mechanisms. In time, innovations in these fields may provide competitive advantages.

A forest product plant can expand its value-added manufacturing component through internal diversification of the plant. However, a company can also expand through collaboration and joint-ventures with other corporations, which is often less costly and risky than the first option while offering similar community capacity benefits.

Given the importance of responding to customer needs, businesses may find it attractive to develop systems that allow for custom-made, value-added production. One may offer customers a choice of different species, dimensions, shapes, and finishes for certain value-added, certified products. Such a customized, value-added manufacturing approach may help reach a higher price premium per product unit. Additional value can be added by simple product quality improvements generated from sorting, grading (strength, visual), custom finishes, multiple dimensions, predrilling services, and the sales of wood connectors, etc.

The most promising value-added product lines in 1999-2000 were dimensional lumber, framing lumber packages, component manufacturing, and engineered wood products such as glued-laminated (glulam) products, I-joints, and oriented strandboard products (OSB). Other successful certified products can be found on lists provided by the websites mentioned below.

associations, such as the Western Wood Products Association and the American Forest and Paper Association, fall in to this category. These trade organizations provide resource and pricing information, technical assistance, market information and marketing support.

Facilitated, non-profit networks tend to focus on strengthening an individual firm's production efforts and marketing capacities. For example, the Certified Forest Products Council (CFPC), a non-profit membership organization that brings together certified wood producers, wholesalers, retailers and consumers, actively promotes and facilitates the increased purchase, use and sales of certified forest products. The CFPC helps its partners develop relationships with environmental groups and forest products suppliers throughout North America. In addition, the CFPC offers technical assistance, assistance with training and education, and assistance in networking through the *Good Wood Directory*, on-line information and personal contacts. Although the CFPC is a wood products marketing association, it has received support from the nation's major environmental organizations such as the Natural Resources Defense Council, the Rainforest Alliance, The Wilderness Society, World Resources Institute, and World Wildlife Fund.

National certifiers such as SmartWood can also provide important marketing information. These organizations can help tribes and tribal businesses break through their geographical and social isolation. Networking with these organizations may also help tribal communities build business partnerships and a reference base of specialized knowledge on business development and forest products marketing. Collaboration with the organizations may also lead to joint media events, production of catalogues and other forms of advertising. Relevant websites and references are listed at the end of this document.

2. Customer Service

An important component in successfully marketing certified, as well as any non-certified, products is providing excellent customer service. In an increasingly competitive marketplace, customer service differences may determine whether customers buy from you or from the competition and whether customers will come back to buy from you again. In addition, excellent customer service is very important to build public trust in certified products.

Important customer services include: professional communication services (courteous telephone service, use of answering machine, fax, e-mail, and website) and punctual and courteous response to orders or requests, delivery and product protection (packing/shipment) services, replacement services, flexibility in supply volumes, diversity in products, custom design and finishing, referral services, product information, technical assistance and trouble shooting services, and community outreach services (assistance with community projects, education workshops, apprentice programs). Other services may include giving priority to orders from existing and long-time customers.

3. Product Branding

Consumers like to buy familiar products from companies they can trust. Therefore, consumers want to be able to distinguish specific products from their alternatives and substitutes. Wood products companies can respond to these consumers' needs by creating specific brands for product lines that reflect a high level of assurance that product quality is homogeneous and high, no matter where and when you buy it. The FSC, SmartWood or SCS labels only provide limited forms of branding, as they emphasize only one quality of the products: the environmentally responsible manner of resource management of its primary product, the wood. For example, one or more Native forestry operation could establish their own unique marketing label, accompanied by advertisements that explain that the label stands for certain guaranteed product qualities. Such product qualities could include FSC certification.

4. Product Information

Many customers love to know a story associated with the products they buy. They want to know where a product comes from and how it is made. The life and history of Native communities appeals to the imagination of many customers nationally and internationally. In turn, many Native communities want to tell their story and share their viewpoints on their history and way of life with the outside world. Both needs can be met by simple information brochures that are provided with each order or product unit sold. The brochures may include a compelling story with a brief summary of the history and geography of the area where the wood products are harvested, the culture of the Native community, the ecology of the area, harvesting practices, and product specifications, such as the tree species used and manufacturing details. This method of selling products is often termed "marketing with a story," and has proven to be effective for products that have a distinct cultural and environmental background. Certified forest products from tribal operations constitute a prime opportunity for this kind of marketing.

Product information can also be provided verbally. In this case, it is helpful to demonstrate samples of different products, species, or product grades. When an operation expects to sell to customers who physically visit the business location, it is useful to establish a

Market Assessment

Although FSC certification may open doors to many new marketing opportunities, wood product operations must conduct market assessments to identify which of those opportunities are most appropriate for viable business development. A simple market assessment includes an analysis of:

- The market attractiveness of an operation and its product(s).
- The operation's competitive position, and
- The market potential of the (certified) products the company wants to sell.

The answers to the following questions will give you a qualitative overview of your company's market attractiveness and its competitive position.

A. Determine the market attractiveness of your operation by asking:

- ⇒ Why do customers purchase from you instead of your competition?
- ⇒ What makes your products stand out in the market?
- ⇒ What makes your products more attractive than similar products, substitutes, or completely different products?

B. Determine the competitive position of your operation by asking:

- ⇒ What market position do you have? (What market share do you have and how important is that market share in relation to the market share of others?)
- ⇒ What product research & development capabilities do you have or have access to?
- ⇒ What production capability do you have in terms of land, infrastructure, capital, equipment, and human power and skills?
- ⇒ How do your current and proposed products sell given the projected demographics, global supply and demand, government regulation, litigation, etc.?
- ⇒ What is the product mix of other companies in the region?
- ⇒ What are their current markets and customer bases?
- ⇒ What is the quality and level of acceptance in these markets?
- ⇒ What is the distribution reach of these products?
- ⇒ What species are currently and potentially used by these businesses?
- ⇒ What are the information and management needs of the industry to facilitate growth?

There are several ways to collect objective answers to these questions. To assess the market attractiveness of your business, you can develop standard procedures of asking customers some informal questions about these issues during sales transactions, or have customers fill out a brief questionnaire. You can increase customer response levels by offering customers certain discounts or services if they return their questionnaires. You can also hire marketing consultants or student interns from business schools to conduct a customer or market survey in your region. A regional industry survey may also help you find answers to questions about your competitive position. Business development centers, university departments and consultants may be helpful sources of assistance for such a survey.

C. Determine the market potential of the (certified) products you plan to sell by asking:

- ⇒ What is the size of the market where we can sell these products?
- ⇒ What is the growth potential of this market?
- ⇒ What price are consumers willing to pay for my products? And what price premium are they willing to pay for these products if these are FSC certified?

The outcome of your market assessment must be combined with a feasibility assessment of your company's capacity to develop new products and improve the quality of existing products to meet changing customer needs. Value-added manufacturing capacity and flexibility that permit innovations are essential in a company's viability in a rapidly changing marketplace. The market assessment and product feasibility assessment may result in at least five different business development options. The five options are summarized in the following chart.

Market and Product Assessment Outcomes	Market Development Options
<p><u>Outcome 1</u></p> <p>Market Attractiveness (of having certified wood products): LOW</p> <p>Competitive Strength: LOW</p> <p>Market Potential [of the operation's product(s)]: LOW</p> <p>Product Development Feasibility: LOW</p>	<p><u>Option 1</u></p> <p>The operation should sell its existing wood products without a certification label and use the certification only for publicity purposes to attract new clients or larger sales. This may increase the operation's market share for its existing products. In fact, this form of marketing is merely focusing on an increase of sales volume, but may not result in the penetration of new markets.</p>
<p><u>Outcome 2</u></p> <p>Market Attractiveness: FAIR to HIGH</p> <p>Competitive Strength: LOW</p> <p>Market Potential: MODERATE</p> <p>Product Development Feasibility: LOW</p>	<p><u>Option 2</u></p> <p>The operation should try to sell its existing products with a certification label to the same clients. In this case, the quality of your products is further enhanced by the added value of certification. These products may generate a slightly higher price because of the increased quality (added value), if the customers appreciate this quality difference and are willing to pay for it. Customer education and excellent customer service may help retain customers who otherwise would be lost as a result of the price increase. If the market is very price-driven, however, such as in softwood commodity markets, the price premium may be negligible.</p>
<p><u>Outcome 3</u></p> <p>Market Attractiveness: FAIR to HIGH</p> <p>Competitive Strength: FAIR to HIGH</p> <p>Market Potential: FAIR to HIGH</p> <p>Product Development Feasibility: LOW</p>	<p><u>Option 3</u></p> <p>The operation should try to sell its existing product lines with a certification stamp in new niche markets of customers who are interested in certified products. Tribes can get assistance with diversifying their markets in this way by networking and forming marketing alliances with businesses that sell certified wood products, organizations that help link to markets of certified wood products, and buyers groups of certified products. In addition, brand development may help make product lines stand out in the market and enhance customers' sense of familiarity, trust, and security toward the products. Marketing efforts will also benefit from excellent customer service, product information brochures, marketing with a story, and product packaging (development of kits or combinations of products).</p>
<p><u>Outcome 4</u></p> <p>Market Attractiveness: FAIR to HIGH</p> <p>Competitive Strength: LOW</p> <p>Market Potential: MODERATE</p> <p>Product Development Feasibility: HIGH</p>	<p><u>Option 4</u></p> <p>The company should try to sell new products with a certification label in small quantities in specific niche markets where competition is relatively limited. In the meantime, the company should try to increase its competitive strength by applying the marketing techniques mentioned in option #3.</p>
<p><u>Outcome 5</u></p> <p>Market Attractiveness: HIGH</p> <p>Competitive Strength: HIGH</p> <p>Market Potential: HIGH</p> <p>Product Development Feasibility: HIGH</p>	<p><u>Option 5</u></p> <p>The operation should develop new products that sell well in markets of certified wood products. This typically requires the development of new value-added manufacturing processes and specific customer services. As in the previous options, marketing efforts will benefit from networking, product branding, product information brochures, marketing with a story, and product packaging.</p>

Theoretically, there are more possible outcomes of your market and product feasibility assessments. However, the business development options flowing from these outcomes may require you to make fundamental changes in your business, such as changing your product lines, changing your location, and changing the company's image and relations to customers.

Marketing Strategies

An important final step in achieving market benefits from forest products certification is identifying and reaching the markets and individual customers. Thorough knowledge of the niche markets and the costs of reaching such markets is essential for the development of marketing strategies. In addition, satisfying customers and ensuring that customers prefer your business above that of your competitors may also be critical components of a successful marketing strategy.

A general marketing rule of thumb teaches that the most successful market approach is to work with the needs of customers in mind, be it end-consumers or manufacturing and marketing businesses (intermediary customers). Responding to customer needs should be the starting point of any marketing effort. Often customer needs go beyond the physical possession of a material good. Customers want to know what additional benefits the products provide. Thorough knowledge of the potential customer benefits of your products helps you satisfy customer needs in a more complete manner. Because customer needs change, this approach requires flexibility in your manufacturing and product development capacity and marketing approach.

Consideration of the following marketing techniques may help your operation overcome the marketing barriers mentioned above and be more successful in responding to customer needs:

1. Marketing Networks and Alliances,
2. Customer Service,
3. Product Branding,
4. Product Information,
5. Product Packaging, and
6. Product Development and Quality Improvement through Value-added Manufacturing.

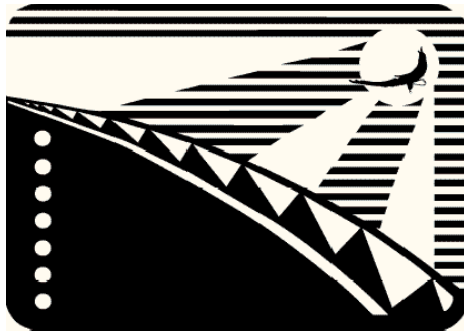
1. Marketing Networks and Alliances

Tribal forestry operations can identify and reach markets for certified wood products by conducting some preliminary market research and by obtaining assistance from regional and national marketing networks and buyers groups. First, forestry operations should do a web search for certified wholesale and retail businesses, regionally, nationally and internationally. An overview of these businesses and telephone conversations with sales representatives can help provide valuable information about the definition of the market area and market niches the forestry operation may want to target. The initial market assessment can also help you identify the regional trend setters and promoters of certified forest products in the business world in your region. Collaboration with these businesses may be crucial to the development of your certified forest products operation.

Marketing specialists suggest that clients that have a visible presence in the market are promising parties. Flagship retailers and consumers of certified wood products include prestigious businesses such as The Gap, Gibson Guitars, The Disney Corporation, The Home Depot, beer brewers, and companies in the entertainment industry in Hollywood. Such companies have a high public image profile and find it important that the public knows that they have an environmental policy. In addition, such companies are excellent sources of public education and image building that will help generate a larger market for certified forest products.

Further business collaboration in marketing wood products and especially certified wood products can lead to the establishment of so-called flexible marketing networks. Flexible marketing networks are joint production ventures between small to medium-sized manufacturing firms who choose to cooperate in order to compete. Such firms share services such as quality assurance, market forecasting, or supply purchasing. Successful networks help participating firms to respond to increased competition and the need for product differentiation by creating "economies of scope." Economies of scope allow firms to broaden their range of products and develop their capacity to respond to rapidly changing market demands by producing relatively limited amounts of specialized components. The components of all participants in the network together satisfy niche markets that no single firm would be capable of supplying on its own.

Flexible marketing networks fall into two categories: market-driven networks that are primarily initiated by the industry and non-profit networks that are initiated by government or non-profit organizations with a focus on capacity building. Market-driven networks tend to involve highly competent, innovative firms that want to capture market opportunities that they cannot capture on their own. Such market-driven networks often operate as manufacturing associations for specific product categories. Regional and national lumber manufacturers



Grantmaking Department
 First Nations Development Institute
 The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
 Phone: 540/371-5615 or 800/682-5384
 Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #7

Benefits and Costs of Certification

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

Technical Resource Guide #7 addresses the benefits and costs of third-party forestry certification. In order to be successful in planning of sustainable forest management, establishing a forest products manufacturing plant and pursuing certification, Native communities may want to identify the benefits and costs of their forestry operations. If local decision making procedures require a Native community's forestry operation to conduct a comparison of benefits and costs of management alternatives with and without certification, this document provides a method to conduct a simple benefit/cost assessment. We caution readers that a benefit/cost analysis alone would generally not suffice as a means for making a viable decision about certification. Most operations that have been certified chose to pursue forestry certification not because of a favorable benefit/cost ratio of certification, but because they believed that it was the right thing to do. Although it certainly is not a panacea, benefit/cost analysis can play an important role in raising awareness of the possible financial impacts of new management alternatives, with and without certification, in forest planning and business development. Comparison of plan alternatives may indicate that certain alternatives gain with certification, while others do not.

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Grantmaking Department
 First Nations Development Institute
 The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
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 Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to
 the Sustainable Forestry Fund, please contact:

Common Ground
 811 Saint Michael's Drive, Suite 106
 Santa Fe, NM 87505
 Phone: 505/982-9806
 Fax: 505/982-8557
 E-mail: jjcgclp@earthlink.net

What are the Benefits and Costs of Forest Management?

Management of forests may offer a great diversity of benefits, while generating a similarly great variety of costs. Typically, the cost of forest management often comes due long before the benefits are realized. Many benefits and costs are not commonly expressed in a dollar value. As a result, forest benefits or “outputs” are often only expressed in receipts from timber sales (stumpage), and sometimes in receipts from other forest products. Non-material benefits or “amenities,” such as forest health, clean air, recreation opportunities, and people’s sense of land stewardship (see list below), are hard to gauge, and often omitted in benefit/cost assessments. Yet, they are an essential component in culturally sensitive, sustainable forest management. We will need to develop a better understanding of these intangible benefits in order to compare them effectively with other benefits and costs of certification.

Non-material or intangible forest products and amenities are typically not exchanged in the marketplace and, therefore, not priced. As a result, they can be called “non-market” benefits. Examples of such non-market benefits are listed below. The valuation of these non-market benefits is often the most difficult aspect of a benefit/cost assessment. If the net benefits of certification comprise the profits received through the timber and alternative forest products market and the subjective value increase of non-market benefits, certification may require tribal decision makers to negotiate a tradeoff between an increase of non-market benefits for the community and a decrease of timber profits. Forest values may be highest at the point where the tribe reaches a chosen combination of (reduced) timber profits and (increased) amenities.

As a result of the complexity of valuing non-market benefits, one may be tempted to compare only the costs and risks of certain management alternatives and take the returns and opportunities as a constant given, especially if those returns are absorbed by a general fund, as is common with many Native communities. However, this will lead to a conservative forest management style, in which only investments that solve immediate problems, such as issues of access (roads, fences, and cattle guards), fire hazard, and insect infestations, are acceptable and other investments are readily rejected as too costly and too risky in comparison with business as usual. Long-term costs and risks as well as benefits and opportunities are overlooked in such management approaches, which reduces the fairness of the benefit/cost assessment. Therefore, it is important that all possible tangible costs and benefits are considered for all management alternatives.

Each tribe must develop its own method of identifying and valuing non-market benefits. One method is to estimate the cost of purchasing or restoring amenities when they are lost. For instance, estimating the losses in amenities (and related services) when forest land is lost to wildfire or development. Using these types of methods may provide some insight as to the value of non-market benefits. Financial and real estate advisors may be able to help establish a representative valuation of the non-market benefits of your forestry operation.

What are the Benefits and Costs of Certification?

The nature of the benefits and costs of certification are highly forest specific and relative to the forest management objectives of each forest owner. The valuation of identified benefit and cost items is equally forest and community specific. The following lists of possible benefits and costs only serve as an example of the variety of benefit and cost items that can be considered for analysis.

Benefits of Certification

1. *Tangible (monetary) benefits:*

- ✓ Revenue increases through increased sales volumes of certified forest products.
- ✓ Revenue increases through price premiums of certified forest products.
- ✓ Revenue increases through an increase in the diversity of products sold as a result of product and market diversification and business flexibility.
- ✓ Revenue increases from wildland conservation values through payments and bonuses received for conservation easements, carbon sequestration, increased hunting and fishing receipts, revenue from recreational activities, etc.
- ✓ Cost savings (for example as a result of increased management efficiencies and reduced costs of litigation and fines, mitigating a bad reputation, and mitigating negative management impacts).

2. *Intangible (non-market) benefits:*

- ✓ Improved forest health.
- ✓ Sustainable forest use (assurance of long-term availability and diversity of resources for multiple purposes).
- ✓ Prestige, recognition, a positive reputation, and increased respect from the public.
- ✓ Improved accountability (a better-documented track record of forest management practices)
- ✓ Improvement of staff capacity (knowledge and experience) and a sense of land stewardship in the community.

Conclusions

Model-specific Conclusions

1. The business in the model is profitable with and without certification. Without certification, the business may not generate many intangible benefits and may become unprofitable over time if negative impacts of forest management practices have to be mitigated or if costs related to litigation and public scrutiny increase.
2. Running the model with revenue and price percentages that make the business unprofitable show that certification cannot easily help the business become more profitable.
3. Changes in the revenue growth percentages from sales or price increases, and changes in the basic production and administrative (and personnel) cost percentages dominate the real B/C ratio outcome and the profitability expectations of the business. If a business can keep the growth percentage of revenues higher than the growth percentage of fixed costs, the business is more likely to remain profitable. Certification may add to the increased profits by increasing the market size and price levels of the company’s output. In addition, certification will offer the community many non-marketable benefits.
4. In this example, certification costs in the first year are high (\$465,000 for assessments and management investments, equivalent to 4.4% of the total of operational costs in Year 1), and significantly reduce the company’s profit margin and its possible contributions to the community. In many cases in reality, upfront investments are much lower than in this example. Although the B/C ratio of the operation with certification remains higher than 1, the company will incur costs in terms of foregone profits. The B/C ratio for the alternative with certification increases gradually over time. However, the loss of profit in comparison with the alternative without certification remains throughout the 10-year assessment period.
5. This model excludes many non-marketable forest outputs and other intangible benefits of having certification, such as increased pride and public recognition. The community will have to decide whether the average costs of certification of \$285,300 per year (\$2.85 per acre per year) in terms of foregone profits are worth the increase of intangible benefits gained from certification.

General Conclusions

1. In order to reach a return on investments earlier than described in this model, the operation may want to seek a so-called “compensating price premium,” which is a higher market price for the certified products that offsets the costs of certification. In cases where the net benefits are determined simply by the higher returns from the price premium of certification, the “compensating price premium” has to cover the costs of having certification.
2. Native communities that have to make little investments to get FSC certification, will require a lower compensating price premium than communities that need to make large investments in obtaining certification. As a result, Native communities with little investments and low compensating price premiums theoretically have a chance of selling more certified products, as they can sell them at more competitive prices.
3. Native communities that have timber-dependent economies typically have forest management operations that focus less on non-market benefits. Such communities may need to introduce more changes in their forest management plans and practices to obtain certification, which may require higher adoption costs of certification, than Native economies that are less dependent on timber. Therefore, timber-dependent Native communities may require higher compensating price premiums than communities that are less timber dependent, if all other circumstances are equal. However, timber-dependent communities that have high annual allowable cut levels and high levels of autonomy in forest management may find advantages in economies of scale, which may offset the costs of certification. This may reduce their need to introduce compensating price premiums to maintain profit levels in the years after certification.
4. Forest product companies with value-added processing capabilities that are certified will most likely be able to increase their market share and benefit from price premiums (see also Technical Resource Guide #6 “Marketing of Certified Forest Products”). As a result, their revenues will increase, and they will more quickly recover the costs of certification than operations without value-added capabilities. In addition, the B/C ratios for value-added manufacturing operations with and without certification will most likely go up. The B/C ratio for a certified operation may eventually even surpass that of an operation without certification as a result of additional revenue gained from price premiums. If the business in the model would have a value-added manufacturing component, the B/C ratios for the alternative with certification might be equal to or higher than that of the alternative without certification.

The Discounted Present Value Model of Benefits and Costs

Benefits Year	Without Certification		With Certification		Discount %
	Annual Value	Present Value	Annual Value	Present Value	
Yr 0	\$11,300	1,300	\$11,300	\$11,300	100
Yr 1	\$11,506	\$10,461	\$10,720	\$ 9,747	90.92
Yr 2	\$11,716	\$ 9,680	\$10,934	\$ 9,035	82.63
Yr 3	\$11,930	\$ 8,963	\$11,153	\$ 8,379	75.13
Yr 4	\$12,149	\$ 8,449	\$11,376	\$ 7,769	68.29
Yr 5	\$12,372	\$ 7,683	\$11,603	\$ 7,205	62.10
Yr 6	\$12,599	\$ 7,112	\$11,836	\$ 6,681	56.45
Yr 7	\$12,831	\$ 6,584	\$12,072	\$ 6,194	51.31
Yr 8	\$13,068	\$ 6,096	\$12,314	\$ 5,744	46.65
Yr 9	\$13,309	\$ 5,643	\$12,560	\$ 5,325	42.40
Yr 10	\$13,556	\$ 5,226	\$12,811	\$ 4,939	38.55
TOTAL B yr 1-10:	\$125,046	\$75,897	\$117,379	\$71,018	
Costs Year	Without Certification		With Certification		Discount %
	Annual Value	Present Value	Annual Value	Present Value	
Yr 0	\$10,280	\$10,280	\$10,280	\$10,280	100
Yr 1	\$10,474	\$ 9,523	\$10,467	\$ 9,517	90.92
Yr 2	\$10,671	\$ 8,817	\$10,272	\$ 8,488	82.63
Yr 3	\$10,872	\$ 8,168	\$10,476	\$ 7,871	75.13
Yr 4	\$11,078	\$ 7,565	\$10,684	\$ 7,296	68.29
Yr 5	\$11,287	\$ 7,009	\$10,896	\$ 6,766	62.10
Yr 6	\$11,501	\$ 6,492	\$11,147	\$ 6,292	56.45
Yr 7	\$11,719	\$ 6,013	\$11,334	\$ 5,815	51.31
Yr 8	\$11,942	\$ 5,571	\$11,539	\$ 5,392	46.65
Yr 9	\$12,168	\$ 5,159	\$11,789	\$ 4,999	42.40
Yr 10	\$12,400	\$ 4,780	\$12,023	\$ 4,635	38.55
TOTAL C yr 1-10	\$114,112	\$69,097	\$110,647	\$67,071	

Summary	Without Certification	With Certification
Total B (discounted present values):	\$75,897,000	\$71,018,000
Total C (discounted present values):	\$69,097,000	\$67,071,000
The Benefit/Cost Ratio (B/C):	1.10	1.06
The profit of the business without certification (P-) can be expressed as: (B-) - (C-) = \$6,800,000 (for the entire 10-year assessment period).		
The profit of the business with certification (P+) can be expressed as: (B+) - (C+) = \$3,947,000 (for the entire 10-year assessment period).		
The costs of certification in terms of foregone profits is: (P-) - (P+) = \$2,853,000 (for the 10-year assessment period). These costs correspond with an average of \$285,300 per year, or \$2.85 per acre per year.		

- √ Improvement of forest planning and management.
- √ Increased collaboration between tribal departments and efficiencies reached in collaboration.
- √ Increased potential for establishing strategic marketing alliances.

Costs of Certification

1. Tangible, immediate upfront costs:

- √ Cost of collecting information, fundraising and proposal writing for certification.
- √ Cost of communicating and negotiating with certifiers.
- √ Cost of time for providing information and facilitating the process (outreach and education) within the tribal community and tribal government.
- √ Cost of scoping, and the forest management and chain-of-custody assessments.
- √ Legal fees in relation to the establishment of a certification contract.

2. Tangible, additional costs over time:

- √ Investments in personnel training in new management practices.
- √ Cost of additional documentation and reporting.
- √ Investments in chain-of-custody tracking.
- √ Investments in forest management plan adaptations.
- √ Investments in more sophisticated harvesting methods.
- √ Cost of foregone revenues and benefits of reduced forest use and resource extraction (for example, cost of foregone yields as a result of harvesting restrictions).
- √ Investments in road closure and enforcement.
- √ Investments in new marketing techniques and activities.
- √ Cost of annual audits.
- √ Cost of reassessment after 5 years.

3. Intangible costs:

- √ Social and political damages (perceived or real) as a result of disclosing internal management information.
- √ Cost of conflicts as a result of the certification outcome.

Conclusions

1. The overview of benefits and costs described above illustrates the complexity of a fair benefit/cost analysis for forestry operations, and especially for certified forest management. The commonly cited possible tangible benefits are fewer than the intangible benefits. In addition, the possible tangible costs outnumber the intangible costs. It may, therefore, be easier to calculate the costs than the benefits, which may deter potential applicants from pursuing certification.

2. In many cases it will be impossible to value non-market benefits in an accurate manner. Reasons for this problem include that the community's political or cultural rules may prohibit the expression of these benefits in a monetary value, that the community's values are constantly changing, or that people are uncertain how substantial the expected non-market benefit will be after certification. In case a community decides not to value certain (or all) non-market benefits, it is still possible to compare the costs of certification with the list of non-market benefits that are expected to be gained from certification. In that manner, decision makers can judge whether the expected non-market benefits weigh up against the cost of certification as part of the total forest management cost per acre of forest and woodland, or as part of the total tribal budget for a certain number of years.

3. Analysis of benefits and costs in a simple assessment may help shed light on the nature and magnitude of tradeoffs that tribal decision makers may face in discussing a tribe's pursuit of FSC certification.

A Benefit/Cost Assessment Model

A Model

In an inclusive benefit/cost assessment, one looks at all tangible (monetary/market) and intangible (non-market) benefits and all tangible and intangible costs. If the total dollar value of benefits (B) is divided by the total dollar value of costs (C), one arrives at the benefit/cost ratio (B/C) of a management alternative. Comparison of the B/C ratios of different management alternatives will make it possible to distinguish the alternative with the highest ratio, which is typically the preferred alternative.

When the B/C ratio of a management alternative is smaller than 1, the alternative costs more money than it generates. In general, such an alternative will be rejected, unless all alternatives and the current situation ("0-action alternative") show B/C ratios smaller than 1, in which case the least costly alternative (the largest ratio) will be the preferred one.

The following model may help tribal planners assess and compare the net benefits of one or more management alternatives and the current situation. The model is based on the discounted present value method. For purposes of simplification, the model is limited to returns of stumpage and other primary forest products and a selection of intangible benefits. Value-added aspects of the industry are left outside the scope of the model. However, value-added manufacturing often helps increase the B/C ratio.

To arrive at the most precise benefit valuation, benefits should be calculated for each landscape class or forest type separately, for example, high mountain conifer forest, low mountain conifer forest, hardwood forest, and woodland. Benefits should be expressed in a dollar value per acre per year (\$/acre/year) for each landscape class or forest type. The sum of benefit valuations for each landscape class or forest type in \$/acre/year will generate a total of benefits for the entire forest area. However, for purposes of simplification in this example we will use only one forest type.

For long-term planning purposes, common to forest planning, benefits can be prorated in the future by choosing a discount rate, similar to the interest rate of a qualifying loan program or commercial bank. A discount rate of 8% to 10% is often acceptable in B/C analysis. One must also choose a projection period during which the innovation's benefits are expected to generate an impact. The projection period can be as short as an arbitrarily chosen period in which one wants to see return on investments (for example, 5 years) or perhaps the forest plan term (for example, 10 years), or as long as the rotation period of the timber harvesting program (for example, 100 years). A term of ten to twenty years may be most practicable because it allows Native communities and their leaders to appreciate an overseasable period, in which one can calculate a return on investments, while leaving forest managers time to implement forest management changes in relation to certification. Longer periods are beneficial in terms of forest management planning and accrual of discounted benefits for the B/C analysis, but may not be acceptable for political reasons. In this model we will work with a conservative present value accrual period of 10 years and a discount rate of 10%.

Assumptions of the Model

General Assumptions

- √ The model forest consists of 100,000 acres of mountain conifer forest lands.
- √ This forest type will be certified during "year 0" and will produce marketable and non-marketable products and amenities.
- √ There will be no land or forest type conversion in either case (with and without certification).
- √ Profits of marketable products are a result of harvested volume changes only, not of added price premiums.
- √ Cost of living increases are 2%, which is reflected in the 2% increase of administrative costs. In the benefit calculations, timber and other forest products receipts grow equal to the cost of living.
- √ The benefit and cost values and their trends are fictitious and somewhat arbitrarily chosen, but attempt to approach reality.

Benefit Assumptions

The benefits of forest management are comprised of:

- √ Timber (stumpage) receipts (R), with R- as the receipts in an alternative without certification and R+ as the receipts in an alternative with certification,
- √ Other forest products receipts (F),
- √ Hunting and fishing receipts (H),
- √ Cost savings in public relations, litigation, goodwill, and mitigation of management impacts (S),
- √ Savings through management and staff capacity improvements (M), and
- √ Ecological sustainability benefits (E).

We also assume the following revenues and revenue trends (in \$1,000 increments):

Benefits	Without Certification		With Certification	
	(Year 0)	(Trend)	(Year 1)	(Trend)
R	\$10,000	grows 2%/yr	90% of R-	grows 2%/yr
F	\$100	grows 2%/yr	\$120	grows 2%/yr
H	\$100	grows 2%/yr	\$120	grows 2%/yr
S	\$0	no savings	\$100	grows 2%/yr
M	\$100	grows 2%/yr	\$200	grows 2%/yr
E	\$1,000	no change	\$1,000	grows 2%/yr

Cost Assumptions

The costs of forest management are comprised of:

- √ Overhead costs of interest, planning, management, and administration (O).
- √ Cost of collecting information, fundraising and proposal writing, cost of communicating and negotiating with certifiers (I)
- √ Cost of time for providing information and facilitating the process in the community (outreach and education) (E)
- √ Cost of the scoping, assessments, and legal fees (total \$0.20/acre) and cost of annual audits (10% of scoping and assessment costs), and cost of reassessment after 5 years (same as initial scoping and assessment costs)(A)
- √ Cost of additional documentation and reporting (D)
- √ Cost of new management and sophisticated harvesting methods (H)
- √ Cost of chain-of-custody tracking (T)
- √ Cost of management plan adaptations (M)
- √ Cost of implementing and training personnel in new management practices (P)

We also assume the following costs and cost trends (in \$1,000 increments):

Costs	Without Certification		With Certification	
	(Year 0)	(Trend)	(Year 1)	(Trend)
O(interest)	10% benefits (B-)		10% benefits (B+)	
O(plg&mgmt)	50% benefits (B-)		50% benefits (B+)	
O(administr.)	\$3,500	grows 2%/yr	\$3,500	grows 2%/yr
I	\$0		\$30	10% in yr 2 etc.
E	\$0		\$5	20% in yr 2 etc.
A	\$0		\$30 (yr 1 and 6)	\$3 audits
D	\$0		\$10 (yr 1 and 6)	\$3 (yr 2-5, 7-10)
H	\$0		\$250	10% in later years
T	\$0		\$100	10% in later years
M	\$0		\$20	no change
P	\$0		\$20	\$5/yr after year 1

Between 1997 and 2001, SFF has assisted 4 tribal communities in their efforts to become certified:

- The Stockbridge-Munsee Band of Mohican Indians received a small grant to support the scoping of the tribe's forest land. The scoping assessment was completed in 1998, and the tribe was formally certified by SmartWood in 2000.
- The Hoopa Valley Tribe in California received a grant to assist them with the first annual post-certification audit in 2000. The tribe's forest lands received certification from SmartWood in 1999.
- The Confederated Tribes of Warm Springs in Oregon received a grant to support the scoping of the tribe's forest lands by Scientific Certification Systems. The scoping was completed in 2001.
- The Penobscot Nation in Maine received a grant to support the scoping of the tribe's forest lands by the National Wildlife Federation, a regional SmartWood certifier. The scoping assessment was completed in 2001.

First Nations Development Institute
 The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
 Phone: 540/371-5615
 Fax: 540/371-3505
www.firstnations.org

Sustainable Forestry Fund

First Nations Development Institute

Technical Resource Guide #8

Maintaining Certification Status

Introduction

Created in 1997, the Sustainable Forestry Fund (SFF) offers opportunities for funding and technical assistance to tribes and Native forestry programs that seek to manage their forest assets in a sustainable manner. Offered by First Nations Development Institute, a Native American non-profit economic development organization, SFF provides specific financial assistance for training, technical assistance, forest management planning, scoping and chain-of-custody assessments to Native communities interested in third-party forestry certification. SFF has produced a series of eight Technical Resource Guides that provide information on different aspects of the certification process.

When considering the certification of a forestry enterprise it may be important to know what it will take to maintain the certified status once the FSC label has been awarded. This topic is rarely discussed, but there is much to learn from conversations with forest owners whose forests were exemplified as "well-managed" by the FSC certification process.

Technical Resource Guide #8 intends to provide some answers to the question what it takes to maintain certification status. It is based on the lessons learned at the three tribal forestry operations that passed certification in the last 10 years: Menominee Tribal Enterprises, Hoopa Valley Forestry, and Stockbridge-Munsee Forestry. The experiences acquired by these three operations can be subdivided in four categories, which will be discussed below: procedural issues, internal organization, contacts with outside entities, and business development.

For further information about
the Sustainable Forestry Fund, please contact:

Grantmaking Department
 First Nations Development Institute
 The Stores Building
 11917 Main Street
 Fredericksburg, VA 22408
 Phone: 540/371-5615 or 800/682-5384
 Fax: 540/371-3505
[Http://www.firstnations.org](http://www.firstnations.org)

For technical assistance in relation to
the Sustainable Forestry Fund, please contact:

Common Ground
 811 Saint Michael's Drive, Suite 106
 Santa Fe, NM 87505
 Phone: 505/982-9806
 Fax: 505/982-8557
 E-mail: jjogclp@earthlink.net

After certification, what procedural issues must be anticipated?

■ Contract and Legal Fees

The awarding of the FSC certification label and the specific label of the certifier is made official by a contract between the certifier and the certified party. The certification contract spells out the conditions for the use of the certification label, publicity and confidentiality issues, the delimitation of the certified area and its acreage, re-auditing conditions, financial requirements, duration terms, conditions for the resolution of disputes regarding the certification status, and so on. In most cases, it may be invaluable to seek council from an attorney to sort out the details of the contract in the best interest of the community. This may require investments in legal fees, which typically range from \$100 to \$200 per hour. An engagement of legal council for 10 to 15 hours in reviewing and adjusting the contract is not unusual.

■ Publicity

A certified forestry operation is considered a leader at the forefront of sustainable forestry and sustainable economic development. To maintain that leadership position, it is essential to document and make public what achievements one has made. Such a paper trail is required for annual audits by the certifier as well as for public scrutiny by community leaders and forest management partners such as the BIA Forestry Division. In addition, certification organizations, economic development institutions, forestry organizations, and the media will encourage certified forest owners to tell their story to the world. However, public claims of having or selling certified products must be reviewed for accuracy by the certifier before release in order to protect the market from false claims of certification. Native communities may also feel the need to review publicity requirements and requests in relation to Native rules and customs that intend to protect and preserve a community's traditional and spiritual values and ceremonies. Therefore, it is important that a certified Native operation seriously considers the extent and the conditions of publicizing any information related to the tribal forestry operation and the lands it manages. Publicity conditions can be discussed and negotiated with the certifier to ensure the protection of Native community interests, while providing information necessary to maintain the FSC certification status.

■ Fulfilling Certification Conditions

One of the outcomes of a certification assessment may be that the certifier makes certain recommendations, which may include conditions that must be met to satisfy the certification standards. This means that the certifier only awards the certified status if and when the indicated conditions have been fulfilled by the client (the party seeking certification). The certifier discusses any conditions or preconditions to certification with the client after the assessments and before a final report is completed. The certifier may even provide suggestions for the improvements that are required to meet the conditions. The conditions set by the certifier may involve a significant level of discussion, activity or investment on the part of a Native community's forestry operation. Such discussions, activities, and investments can lead to valuable improvements of the operation. However, it often takes time, perseverance and rigorous follow-through to meet the conditions in a satisfactory and timely fashion.

■ Annual Audits and Five-Yearly Reassessments

The Forest Stewardship Council (FSC) guards the validity of certification claims in the marketplace. As a result, the FSC requires that certifiers conduct annual audits of their certified clients in order to maintain current information on the management structure and practices of certified operations. The annual audits are crucial in sustaining the credibility of the certification program as much as that of the certified operation. The character and intensity of annual audits may differ between certifiers. For example, Scientific Certification Systems (SCS) is known to conduct rigorous, independent, on-site audits, and to reserve the right to conduct irregularly timed, short-notice inspections of both the client's facilities and pertinent records. SmartWood's approach is reportedly more personal and less costly than that of SCS. SmartWood auditors also meet with certified clients annually to verify whether their operations meet SmartWood guidelines and

■ Benefitting from New FSC Certification Specifications

FSC certification is developing rapidly. This sometimes results in changes of the certified quality claims specifications of certified products. For example, over time, the FSC has introduced the concept of percentage-based claims to indicate whether a composite wood product or a shipment in bulk is considered certified or not. In addition, negotiations between FSC and the industry may soon result in a separate, new principle in the FSC Principles and Guidelines for harvesting of non-timber forest products. It is important to stay abreast of these changes in specifications of certification claims to provide better information to customers, and to adjust manufacturing and product tracking according to the latest policies. A practical way to remain informed of the latest developments in FSC policies is to check the website of the FSC headquarters on a regular basis at: www.fsc.org. You can also become a member of the FSC-US Initiative. You can contact the FSC-US at: 1134 29th Street, NW, Washington D.C. 20007, phone: 202/342-0413 and website: www.fsc.us.

The certification of tribal forestry operations does not include the certification of timber sales or joint-management programs between Native communities and the USDA Forest Service. Although some Forest Service officials have shown interest in the FSC certification movement, the agency has no intentions to pursue certification on its forests in the near future. Environmental organizations that support the FSC have also strongly opposed possible certification of federal forestlands. Native communities that rely on timber resources from neighboring national forests or that have entered in joint-management agreements with the Forest Service will probably face opposition if they propose to have their federal timber resources certified. It may take a few more years before the FSC is closer to a resolution on the certification of such joint-timber management activities on federal land. In the meantime, ongoing conversations with both the Forest Service and the FSC may help Native communities come closer to a breakthrough in this impasse on certification of Native homelands on the national forests.

How will certification influence tribal community and business development?

■ A Long-Range Plan

FSC certification provides public recognition of the multi-faceted character and the environmental responsibility expressed by an operation's forest management plan and practices. In order to maintain this status, operations will benefit from having a long-range plan for forestland management and value-added business development. A long-range plan will stimulate a dialogue in the community about the long-term functions of the forest for the benefit of the community, the long-term forest conditions and processes, species and habitat diversity, visual character and three-dimensional structure of the forest, and the opportunities the resource offers for jobs and economic development. The long-range perspective should also address issues of education, public involvement in forest management and forest product business development, decision-making procedures, and capacity building in the community for a diversification of value-added processing operations of forest products. In such a development process, FSC certification will most likely become a means to a greater end and support the community's long-term development perspective.

■ Value-Added Processing

The more value a business or a community can add to each piece of wood it has harvested, the higher the revenue it will accumulate in the marketplace for that piece of wood. The increased revenue will entirely benefit the business or community. It also means that the community can employ people with different skills and that revenue from intermediary products is reinvested one or several times more in wages in the community. As more and more products are produced locally, this process of revolving amounts of money within the community can generate many jobs at the same time and be an economic boost to the community.

Value-added processing brings the products that a business or community produces closer to the end consumers. This may support marketing strategies that help identify the product with the region or community it was produced in, which may increase sales volumes. It may also make the value-added manufacturing plants more aware of the changing needs of consumers and able to adapt the products more adequately to consumer needs. This will, in turn, help increase the return on the investments in certification, secure the long-term viability of the business and provide economic security in the community. Finally, continuing investments will keep the operation in a leadership role in the forestry field.

Continuing development of value-added manufacturing activities will diversify and strengthen the local economy and workforce. It will also help utilize all forest resources more fully and increase production efficiencies. Full utilization of all forest products including waste products such as bark, chips, shavings, and ends, will help increase revenues and generate cost savings in the elimination of waste. For example, use of forest waste as fuel in dry kilns or in a local power plant, in stakes and stickers, or as the base for small manufactured products is environmentally friendly and may generate cost savings in waste hauling and use of substitutes.

recommended conditions. SmartWood auditors typically review a client's past year's activities and its new forest management planning documents, and may conduct a field audit. For a small tribe, such as the Hoopa in California, SmartWood has required annual reports and does not necessarily conduct a site visit. However, this practice increases the reporting burden of the tribal forestry department. In general, costs of annual audits range from a few cents per acre for large operations to 20 cents per acre for small operations, and are typically no more than 15% of the cost of the initial certification assessment. SCS and SmartWood certification for the FSC remain in effect for five years. In the sixth year after the initial certification, forestry operations can request that the certifiers conduct a reassessment in order to secure recertification for another five-year period. It is important that operations take the freedom and time to reconsider the benefits and costs of certification at this time. Costs of reassessments vary depending on the size and complexity of the operation, from 10 cents per acre to several dollars per acre. Costs of chain-of-custody reassessments are typically in the range of \$3,000 to \$5,000.

What are the requirements for the internal organization of a certified operation?

■ Leadership and Staff Capacity

A certified operation requires a high level of leadership and staff capacity. The leadership capacity of a forestry operation begins and ends with the leadership skills of its managers and staff. Strong leadership, commitment and dedication at the management level of forestry operations will ensure that the operation can maintain its certification status over time.

Pursuit of certification requires thorough knowledge of the operation and of the procedures and possible benefits of certification. Such knowledge is typically located at the executive levels of forestry operations. However, it is important that business managers share information about certification with their employees to internalize the values and management procedures that come with the concept of certification. In that way, an investment in certification is not only an investment in a forestry operation but also in people.

■ Workforce Development

A certified operation will benefit most from its certification status if it invests in its workers on an on-going basis. It is important that the workers in the forest and the mill understand the concepts of the operation's environmental philosophy that are the basis for the FSC certification. In addition, they have to master any new skills and knowledge that result from operational changes brought about by the certification process. If workers understand that these changes make their company perform better and more environmentally responsible they will be able to share in the pride of being part of a certified operation. Community and business leaders must therefore invest in workforce development through training courses, information pamphlets or special campaigns that help improve work habits and adapt workers to new operational procedures or equipment (see also SFF Technical Resource Guide #2, "Training Programs for Sustainable Forest Management").

■ Education and Outreach

It is important that forest managers and mill executives develop a continuing outreach and education program to inform the community of their achievements. Such a program must be continuous because the membership of political councils and committees has a natural turnover, and community interests evolve. Outreach and education may help generate the necessary confidence in the reliability of FSC certification as an independent, third-party verification system of the forestry operation's performance. In addition, certification may help tribal forestry operations gain credibility and trust from community members and political leaders in the quality of the forest lands and the reliability of the wood products manufacturing operation. Effective outreach and education on forestry activities and FSC certification has been achieved in many different ways. The Menominee and Stockbridge-Munsee forestry programs in Wisconsin and the Hoopa Valley forestry program in California have conducted successful outreach and education with presentations before the tribal legislature, articles in local and regional newspapers and

magazines, distribution of publications such as annual reports, forest management plans and audit reports, public presentations, special events, hands-on activities with children and youth, and contests and other educational events in schools. At Menominee and Hoopa, the forestry departments also produced educational videos, which were used to inform community members about the forestry programs and the impact of certification.

■ Product Tracking Systems and Record Keeping

The ultimate goal of certification is to set aside products from well-managed forests in the marketplace by means of a label that customers recognize as a sign for earth-friendly products. To reach this goal, it is essential that it is possible to track the certified products from the forest, through sort yards and manufacturing plants, to the distribution chains and sales locations. Operations can be certified for this tracking process, which is called the chain-of-custody certification. The certified tracking process and the certification label assure consumers that the FSC certified products they buy originate in fact from a certified forest.

The FSC and the certifiers require that certified wood is stored and handled separately from non-certified materials. If an operation generates or processes wood products that are both certified and non-certified, it should develop a marking system for the certified products, be it logs or manufactured products. The operation and its chain-of-custody certified clients must be able to show exactly on paper and in reality which wood products are certified and which are not. In addition, the company must keep inventory and production records that track the flow and volume of certified material from the point of harvest or purchase to the point of sale. Finally, invoices, bills of lading, customs inspection forms and other documentation related to shipping or transport must specify the certified status of the products, including the FSC chain-of-custody code.

For auditing purposes, operations must keep records of all harvest, purchase and sale documents of certified wood products. However, it may be a challenge to develop simple, efficient and effective tracking and reporting systems that fit the size and complexity of the operation and are understandable for outside auditors. Small tribal forestry operations with limited staff and operations, and tribal operations that recently signed "638 compacts" with the BIA may have limited experience with record keeping and, therefore, may have extra difficulty fulfilling the tracking and reporting requirements. Training of staff and the development of automated tracking and recording systems may offer some relief to these problems but may also present additional challenges and costs. Differences in the rigor of scrutiny of chain-of-custody certification between the certifiers may create difficulty in selecting which certifier gives most credibility to the program while keeping cost at a minimum.

■ Coordination and Information Management

Certification may, to some degree, complicate the internal coordination in a forestry operation, especially if it works with certified and non-certified wood product streams. Management of information systems that provide accurate data on the availability of certified product volumes and product types for each month in the year are essential to provide accurate product and delivery assurances to chain-of-custody certified customers. Most chain-of-custody customers, be it manufacturers or retail stores, require a consistent flow of certified products throughout the year. Certified forest product businesses that provide consistency and quality service to their chain-of-custody customers have a greater chance to obtain premium prices for their certified products. Menominee Tribal Enterprises in Wisconsin learned that coordination of the timing of all processing steps – from harvest, through drying and final manufacturing, to shipping and delivery – could improve the operation's capacity to guarantee customers a consistent flow of products within a certain margin of variability.

How will certification influence contacts with outside entities?

■ Contractors and Neighboring Forests

Certification may help forestry operations sharpen internal performance standards with outside contractors and neighboring forest owners with whom the operation is used to conduct business. This may eliminate certain contractors that cannot meet the

increased standards, which may result in complaints and challenges from these businesses, especially if they consider themselves to be part of the local community. It may also result in a lack of contractors that can live up to the standards, which may jeopardize the operation's production if there are fewer contractors to work with. However, if the operation continues to work with contractors that do not meet the standards, the operation's certification status may be jeopardized.

Early involvement of the contractors in discussions about the new forest management standards and timely support of their operations through training and financial assistance with investments in equipment that is lighter on the land may help spread the impact of the certification standards to businesses on the periphery of the certified operation. Likewise, neighboring forest owners may discover the benefits of certification and follow suit to expand their options for timber and log sales in the region.

■ Markets

The newly acquired certification status opens the possibility to reach out to niche markets of certified products. For tribes in isolated areas and small tribes that have difficulty meeting the required supply volume of the market, it may be difficult at first to reach the certified market. Therefore, it is important to begin developing a network of buyers and sources of marketing assistance during the preparations for certification in order to have established market contacts at the time that the operation produces its first certified logs or manufactured products. The certifiers and the Certified Forest Products Council, a membership organization of buyers of FSC-certified wood products, may help develop valuable market connections (see also SFF Technical Resource Guide #6, "Marketing of Certified Forest Products").

■ Networking

FSC certification will most likely propel a forestry operation forward in the advancement of innovative forestry practices and forest product manufacturing. The operation will most likely have a chance to improve its competitive edge and increase its market attractiveness and market opportunities. The increased competitiveness may trigger reactions from large competitors in the region. Such reactions may be purely in the field of pricing, marketing and product development, but may also focus on discrediting the validity of FSC certification, as has been reported in northern California.

Certified operations can rely on a growing network of certified operations throughout the country and beyond as well as a large number of consulting firms, non-profit organizations, and agencies that can provide technical assistance and marketing support. Active networking with these organizations can help certified businesses remain leaders in their field and counter hostile reactions from competitors (see also SFF Technical Resource Guide #3, "References for Tribal Forestry Programs: Forest Management Planning, Business Development, Community Organizing, and Conflict Resolution").

■ Federal Agencies

It is important to establish an open line of communication about the certification program with the forestry divisions of the BIA Agency and Area Offices. This may help alleviate misapprehensions on the part of BIA foresters who believe that FSC certification may criticize their management activities of the past or replace BIA oversight. The certification process may also help tribes improve their information flow to the BIA forestry staff. A more complete and rigorous exchange of information may facilitate the BIA's monitoring functions and improve working relationships between foresters from the BIA and Native communities.

In some cases, it is possible that FSC certification will be awarded to the BIA Agency as the virtual forest manager of one or more reservation forests. In these cases, close coordination between the Native communities and the BIA will be essential to pass certification and have Native communities make use of the benefits of certification. The certifiers, in collaboration with First Nations Development Institute, will be able to advise Native communities on issues that involve the certification of a BIA Agency as a forest manager for a group of tribal forests.

Appendix 3: Addresses

Certification Organizations

Forest Stewardship Council- US

1155 30th Street NW
Suite 300
Washington, DC 20007
877-372-5646 (toll free)
fx 202-342-6589
Contact: Debbie Cohen
info@foreststewardship.org
fscus.org

Forest Stewardship Council-Mexico

Estudios Rurales y Asesoría, Apartado Postal 24, Col
Reforma, 68050
Oaxaca
Tel/Fax: +52 951 35671
Contact: Francisco Chapela
era@antequera.com

Rainforest Alliance

665 Broadway, Suite 500
New York, NY 10012
212-677-1900
888-MY-EARTH
fx 212-677-2187
<http://www.rainforest-alliance.org>

SmartWood

Goodwin-Baker Building
65 Millet St. Suite 201
Richmond, VT 05477 USA
802-434-5491
fx 802-434-3116
info@smartwood.org
www.smartwood.org

Scientific Certification Systems

Robert Hrubes, Senior Vice-President
2000 Powell Street, Suite 1350
Emeryville, CA 94608
510-452-8007
fx: 510-452-8001
rhrubes@scscertified.com
<http://www.scs1.com>

Mr. Chris Ridley-Thomas
Box 10426
777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
604-691-3000
fx 604-691-3031
cridley-thomas@kpmg.ca
www.kpmg.ca

(On January 14, 2003, KPMG received FSC accreditation to operate worldwide for FSC forest management certification. KPMG reportedly may want to operate in the U.S. in the near future. Because of this recent change in certifiers operating in the U.S., more detailed KPMG information could not be included in the main text of this manual).

Assistance with Certification

Certified Forest Products Council

721 NW 9th Avenue, Suite 300
Portland, OR 97209
503-224-2205
fx 503-224-2216
info@certifiedwood.org
www.certifiedwood.org

Common Ground

811 St. Michael's Drive
Santa Fe, Nm 87505
505-982-9806
fx 505-982-8557
Contact: Jan-Willem Jansens
jjcgclp@earthlink.net

First Nations Development Institute

The Stores Building
11917 Main Street
Fredericksburg, VA 22408
540-371-5615
fx 540-371-3505
www.firstnations.org

KPMG FCSI (Forest Certification Services, Inc.)

The Forest Trust

PO Box 519
Santa Fe, NM 87504-0519
505-983-8992
fx 505-986-0798
forest@theforestrust.org
www.theforestrust.org

Forest Stewards Guild

P.O. Box 8309
Santa Fe, NM 87504-8309
505-983-3887
fx 505-986-0798
info@foreststewardsguild.com
www.foreststewardsguild.org

Institute for Sustainable Forestry

46 Humboldt Street
Willits, CA 95490
707-459-5499
fx 707-456-1851
isf@igc.apc.org

or

Institute for Sustainable Forestry

PO Box 1580
Redway, California 95560
707-247-1101
fx 707-247-3555
info@isf-sw.org
www.isf-sw.org

National Network of Forest Practitioners

Thomas Brendler, Coordinator
305 Main Street
Providence, RI 02903
401-273-6507
fx 401-273-6508
Thomas@nnfp.org
www.nfp.org

**Northeast Natural Resource Center/National
Wildlife Federation**

58 State Street
Montpelier, VT 05602
802-229-0650
fx 802-229-4532
Contact: Eric Palola
palola@nwf.org

Pinchot Institute for Conservation

1616 P Street NW, Suite 100
Washington, DC 20036
202-797-6580
fx 202-797-6583
pinchot@pinchot.org
www.pinchot.org

Appendix 4:

Congressional Appropriations

The following information was compiled by the Native American Fish and Wildlife Society (1997) to help tribes with the process of requesting funds from Congress:

1. In early March the House Interior Appropriations Subcommittee usually hears oral testimony from tribes requesting funds. Tribes are limited to 5 minutes of oral testimony but may submit their entire written testimony for the record and for funding consideration. As an example, if a tribe has 10 prioritized funding requests, the tribal chairman or spokesperson may discuss only the two most important tribal priorities and not mention the other eight. However, all 10 will be considered for funding since they were submitted as written testimony.
2. To get the exact dates when the Appropriations Sub-committee will be taking tribal testimony, contact the Subcommittee staff office (202-225-3081) and request placement on their tribal witness list. Call by early January or their schedule may be filled.
3. If the tribe cannot testify or chooses not to, it can still be considered for funding by writing a letter to the Chairman of the Appropriations Subcommittee. The letter is given the same importance as the tribe's oral and written testimony. All letters should be signed by the tribal chairman.
4. If the tribe writes a letter requesting funds from Congress, it should be addressed to:
The Honorable Ralph Regula, Chairman
House Interior Appropriations Subcommittee, B-308 Rayburn House Office Building
Washington, D.C. 20515-6023
5. One person tribes should always make contact with when they go to Washington is Joel Kaplan (202) 225-3081. He is on the Appropriations Subcommittee staff and makes decisions regarding funding add-ons. It is important to meet him and discuss your program needs. You can also invite him to visit your program.
6. Notify your Senators and Congressmen of your funding requests and ask for their support. If tribal representatives are in Washington, they should make an appointment with their Senators and representatives to explain their program needs and solicit support for the tribal requests. Often the Senators and Representatives will send a letter to the House Appropriations Subcommittee Chairman requesting funds for their tribes or supporting tribal requests.
7. When preparing tribal testimony for Congress, try to incorporate all the positive benefits to the tribe that will occur if funding is provided for the program. Explain how the funding resources will be protected and how important these resources are to the tribe. Also include how many people will be employed and any additional benefits.

Note: After national elections, the Chairman of the Appropriations Subcommittee and the staff may change. The addresses and phone numbers will stay the same but the tribe should contact the BIA in Washington or the Subcommittee to confirm the identity of the Subcommittee Chairman and the key

staff person.

Appendix 5: The Place of Third Party Forest Products Certification in Native American Forestry

Abstract

Consistent with earlier research findings, a recent study completed by First Nations Development Institute, reveals that many Native communities encounter major obstacles in pursuing sustainable forestry practices and independent forestry certification. These challenges include a lack of financing, an absence of forest planning, and complexities in the decision-making process. The authors conclude that a community-specific and collaborative approach may be the most appropriate for the promotion of sustainable forestry and certification in Indian Country.

Introduction

Many of the fundamental concepts upon which third-party forest products certification is based, including long-term resource sustainability and community well being, are consistent with commonly held beliefs about tribal resource management. In 1993, the Indian Forest Management Assessment Team (IFMAT) identified “a striking potential for managed Indian forests to serve as models of sustainability” (IFMAT, 1993). Petersen, in a 1998 issue of *Evergreen Magazine*, confirmed that the integrated and considerate manner of tribal forest management has contributed to the good conditions of many Indian forests and to the relatively larger acreage of old-growth forest on Indian land than on neighboring national forest lands (Peterson, 1998). However, in spite of the signs of sustainable forest management on Indian land, to date only two tribal forest management operations, Menominee Tribal Enterprises in Wisconsin and Hoopa Forestry in California, have achieved an independent, third party certification. While these celebrated examples of tribal forestry may well fit the certification mold, caution should be exercised in extrapolating from a limited number of examples across the whole spectrum of tribal forestry operations. The reality of forest management and community capacity in Indian Country indicates that many tribes face several obstacles to pursuing certification of their forestry operations. The complexity of sustainable forest management and the certification process, coupled with the diversity of tribal circumstances, render the readiness of Indian country for third-party forest products certification less likely than generally assumed.

Encouraged by the recorded potential of sustainable forestry on Indian land, First Nations Development Institute (FNDI), a Native American-controlled economic development organization, identified forest products certification as a means to assist tribes in the management of tribal forests and the generation of economic benefits. In 1998, FNDI established the Sustainable Forestry Fund (SFF), a technical and financial assistance program, to assist tribes interested in pursuing certification. SFF assistance may cover the costs of (1) technical assistance, (2) training in forest planning, sustainable forestry and certification, (3) the preliminary analyses or “scoping visits” by certifiers, (4) certification assessments of tribal forest management operations, and (5) chain-of custody certifications of tribal manufacturing and marketing enterprises. The SFF has been largely supported with funding from the Ford and Surdna Foundations. A key objective of the SFF is to assist tribes in obtaining certification for their forest management programs and wood product manufacturing operations. Hopefully, tribes that receive SFF support will in turn be an impetus for other tribes interested in sustainable forestry practices and certification.

Since the inception of the SFF program, FNDI learned that a reputation for responsible forest management of tribes in general does not necessarily correlate with readiness or interest of specific tribes to pursue certification. In spite of nationwide publicity, networking at conferences, training and information workshops,

and canvassing activities, FNDI has received few requests for assistance through the SFF.

In response to the limited number of applications, FNDI asked its forestry consultant, Common Ground, to conduct targeted outreach activities for forest products certification. As part of the outreach activities, Common Ground conducted a rapid appraisal in the fall of 1998 to assess tribal community readiness for independent forest products certification (Molnar, 1989). The appraisal successfully reached 17 respondents (tribal foresters, consultants, environmental planners, and entrepreneurs) in a sample of 11 tribes, 10 of which are listed among the 44 tribes in category 1 (tribes with major timberland resources), and 1 among the 53 tribes in category 2 (tribes with minor timberland resources) of the U.S. Bureau of Indian Affairs (BIA) directory of Indian nations with forest resources (BIA, 1996). In addition, in 1999-2000, FNDI and Common Ground organized three regional workshops, one in collaboration with Menominee Tribal Enterprises in Wisconsin for tribes in the Great Lakes States area, another hosted by the Confederated Tribes of Warm Springs in Oregon for tribes in the Pacific Coast region, and one in collaboration with the Zuni Tribal Forestry Department for tribes in the Rocky Mountain region. In organizing these workshops, Common Ground surveyed many tribal forestry representatives, business development staff and tribal council members regarding third-party certification of tribal forests. Through these assessments, the researchers collected information from 33 tribes located in the Pacific Coast region (14), the Southwest (3), the northern Rocky Mountains (5), and the Great Lakes States (11).

Findings

The rapid appraisal and follow-up assessment found that most tribal foresters are familiar with FSC certification and the SFF. In addition, the assessments revealed that tribal forestry programs vary widely in terms of historical forest management practices, current directions and management capabilities. Appraisal respondents reported that limited community capacity, inadequate forest management planning and practices, limited marketing opportunities, and financial shortages are conditions that hinder tribes in pursuing sustainable forestry and certification.

Familiarity with Certification

The appraisal revealed that most tribal forestry programs received information about forest products certification, the SFF or both. Only about 17% of the respondents were unfamiliar with certification or the SFF. This may be partially attributed to the high personnel turnover of tribal forestry programs and decision-making bodies. Only a few tribal representatives received the information about the SFF before they were familiar with current thinking on sustainable forestry practices or the potential benefits of forest products certification.

Appraisal findings also indicated that in several tribes SFF information might not have reached the appropriate people. The SFF initially targeted only tribal forestry staff, who, in many cases, did not have the authority to change the forest management program for the purpose of getting certified. Respondents indicated that the SFF should expand its focus to include tribal decision makers, business development staff, and tribal entrepreneurs.

The Diversity of Tribal Forestry Programs

The assessment findings reconfirmed that throughout the nation, Native communities exhibit considerable diversity in historical, geographical, and cultural assets. As a result, Native communities differ greatly in their goals, objectives, community capacity, and readiness for certification. Factors such as a tribe's size, the nature of its forest products, the extent of a tribe's economic reliance on forestry operations, and the level of a tribe's wood products manufacturing capabilities all impact the potential benefits and costs of certification. Each tribe is therefore likely to face its own unique set of opportunities and challenges in regard to certification and requires to some extent a customized outreach approach.

The initial SFF outreach strategy was based on several assumptions that were inadequately suited for the diverse tribal community and forest management circumstances. For example, the 1998 version of the SFF grant guidelines implicitly required tribes to have a forest management plan in place and have a business development and funding strategy that could accommodate forest products certification. The 1998 appraisal revealed, however, that many tribes did not have these items. In fact, the current forest management priorities of many tribes were to obtain assistance in forest management planning and developing a funding strategy. A 1997 BIA report estimated, for instance, that only 40% of the 17.1 million forest acres under trust management was covered by current management plans (BIA, 1997). As a result, the SFF guidelines were modified in 1999 to improve tribal readiness for certification.

Community-Based Forestry

Tribal forest management is in most cases a uniquely community-based process with specific social and political objectives, in which many tribal members have a voice. At first glance, the community aspect of forest management that enables community members to benefit from the land appears an ideal match for the social objectives of FSC certification. However, community decision-making can be very time-consuming and typically involves a wide array of concerns, of which forest management may form but a part. In this context, pursuit of an innovation such as certification may not receive a high priority. The modest turnout at the information workshops FNDI organized in 1998 and 1999 seemed to confirm these observations.

In some cases, tribal community objectives for forest management work against compliance with FSC-endorsed certification standards. Several Native communities focus primarily on satisfying social and cultural needs, which at times can only be met at the expense of sound, long-term silvicultural and ecological objectives. For example, as employment programs, some tribal forest management operations may sacrifice efficiency and profitability. Tribes that focus their forest management practices on ceremonial activities and use forest products predominantly for internal, non-commercial use may not be interested in the market-driven characteristics of FSC certification. Some tribal forest management operations are geared to provide affordable construction materials, household and food products to tribal members within the community, rendering certification irrelevant for marketing purposes. Among other tribal communities, financial targets and internal politics may set the parameters for decisions in forest management in ways that diverge from certification standards.

In addition to satisfying the needs of all segments of the community, decisions regarding tribal forests often must go through various layers of tribal administration as well as the BIA bureaucracy. However, the results of the assessments suggest that communication between tribal natural resource departments, such as forestry, wildlife, environment, and recreation is often inadequate to achieve the level of cooperation necessary for effectively conducting Integrated Resource Management Planning or an initiative like certification. Collaboration between forest management departments and economic agencies, such as the tribal planning departments, is generally insufficient for developing an integrated community development and funding strategy that can embrace certification. Ineffective coordination between forest management departments and timber operations may also result in an inability to track resource flow, which is a vital requirement for chain-of-custody certification.

During an SFF information workshop in May 1999, managers of Menominee Tribal Enterprises (MTE) shared that community involvement in forest management and forest product manufacturing issues of an established tribal enterprise such as MTE is significant. For example, the Board of Directors is elected from enrolled community members at large. MTE managers are often reviewed and critiqued internally from the community and externally from special interest groups on management decisions regarding the forest and sawmill operations. Strong leadership, ongoing innovations and investments in value-added manufacturing and product diversification, and continuing efforts for public education and satisfaction of local social and economic needs are essential for MTE to maintain its sustainable forestry approach and certification status.

Forest Management Planning and Practices

Third-party certification requires a high level of management plan development and documentation. Many tribes only recently gained authority to control and direct management practices, and are just beginning to find

their way when it comes to management planning. Since the 1988 amendment of the Self-Determination Act (PL. 93-638), 48 tribes have taken over all of the BIA's tasks in forest management through self-governance compacts (Motanic, 1998).

In many tribal communities, staff capacity and BIA support are insufficient for basic forest management, let alone the development of management practices that are certifiable. Respondents mentioned that many tribes are hampered by a shortage of forest management personnel. Staff shortages are aggravated by high turnover rates of tribal and BIA staff and relatively limited staff expertise. Often forestry personnel are over-committed, hindered by poor communication between tribal departments, or inadequately informed to negotiate the certification process.

Issues of tenure and ownership on tribal forestlands are another area of complication for certification. Certification requires clear land tenure. Several tribes that work with the BIA Forestry Division are concerned that confusion over federal trust responsibilities could jeopardize their chances of obtaining certification. In addition, many tribal lands are allotted and owned by private individuals, or are leased to individuals for agricultural or timber production for an annual fee. In these situations, planning becomes more complicated as individual objectives must be reconciled with tribal and federal objectives.

Financing Certification and Gaining Financial Benefits

Financing of forest management planning and practices in general and of certification assessments in particular is one of the greatest and most persistent obstacles most tribal forestry programs face in pursuing certification. Survey respondents consistently cited inadequate funding as the largest problem confronting tribal forest management, and recent literature supports this contention (Peterson, 1998). Low levels of funding result in insufficient investments in forest inventory and management planning, training of personnel, and equipment such as computers. Several studies trace funding difficulties to the persistent state of tribal dependency on the federal government (Peterson, 1998). Tribal lands held in trust by the federal government cannot be used as collateral for bank loans in support of forest management planning and business development. Moreover, federal financial compensation for ownership of tribal land typically falls far short of the promised amounts. Hence, financial independence remains out of reach for many tribes.

The shortage of funds for proper forest management and planning often leads to inadequate documentation of forest planning components and management practices. In addition, irregularity of funding results in gaps in the consistency of forest management practices and documentation, which can be a serious impediment to certification.

Coupled with the difficulties in covering up-front costs, the as yet limited "green premium" for certified products provides little incentive to risk scarce resources without a better guarantee of returns. To date, encouraging financial benefits from certification have been restricted primarily to cases where there is local control over forest products manufacturing and where the production is focused on hardwood products, such as flooring, guitars, and small kitchen utensils (Hausam, Jansens, Harrington, 1998). Lower value, mass-produced softwood products have yet to yield noteworthy profits through certification. Many of the primary timber-producing tribes largely manage softwood forests, and many of these tribes do not yet consider certification to be a worthwhile investment from an economic point of view.

Finally, some tribes remain uncertain about their preference for the different sustainable forestry programs that are prominent in the country, such as FSC certification and the American Forest and Paper Association's Sustainable Forestry Initiative (SFI). In particular in the Pacific Northwest, some of the larger forest-based tribes have been reportedly weighing participation in some form of sustainable forestry programs for marketing purposes, but are still uncertain as to the relative merits of independent, third-party certification by international guidelines or recognition through a leading national industry association.

Conclusions and Recommendations

The results of the assessments indicate a need for those working with tribal foresters to recognize that the large diversity between different tribes and tribal forestry programs requires a regional and tribe-specific

education and outreach approach that addresses sustainable forestry issues as a part of overall tribal community goals and priorities. Such an approach will most likely be successful through personal contacts with tribal representatives and the early inclusion of tribal leaders in the process toward certification. Assessment findings also suggest that there is a need for those working with tribal foresters to broaden the scope of their assistance by addressing issues of community assets and community capacity in planning the outcomes of sustainable forestry and certification. In many cases, service providers need to begin by helping build community capacity through technical assistance and the mobilization of funds for tribal forest management, and by encouraging internal and external collaboration. In the past, collaboration between the Intertribal Timber Council (ITC) and the BIA Forestry Division has helped channel more funds from Congress to forest management planning (Motanic, 1998). It may be important to intensify and expand such collaboration in order to raise tribal forest management planning to levels that can achieve certification. In addition, it is important to encourage private charitable foundations to provide support for basic equipment and planning activities to facilitate integrated resource management planning.

The results of the assessments indicate a need for tribal foresters and tribal leaders to consider sustainable forestry as part of the cultural, spiritual, and economic goals and assets of the tribe, which will help the forestry program be a more integrated and holistic component of the tribal community. Therefore, it is important that tribal leaders identify community assets and capacity in relation to sustainable forestry, and strengthen assets and capacity while pursuing certification. Another important issue to consider is the development of a policy decision or resolution by the tribal government regarding the pursuit of sustainable land use programs in the community. Such a policy decision allows for the early engagement of the tribal government in the search for sustainable forestry practices and certification. As part of a more integrated and holistic view of community development, tribal leaders may discover that the intangible benefits of certification satisfy a diversity of community goals beyond the purely economic and monetary ones. Collaboration and partnerships with organizations outside the tribal community in the field of forest management, forest products manufacturing, and marketing may help tribal administrations accomplish these goals in an effective and efficient manner.

Jan-Willem Jansens and Steven Harrington

Jan-Willem Jansens is a community and natural resources planner and principal of Common Ground Community & Landscape Planning in Santa Fe, New Mexico. Common Ground serves as the forestry consultant for FNDI's Sustainable Forestry Fund.

Steven Harrington is a staff forester of The Forest Trust, Inc. in Santa Fe, New Mexico, regional coordinator of the FSC-US Initiative for the Southwestern Region, and a member of the FSC-US Board of Directors. Mr. Harrington supported Common Ground in 1998 in providing advisory and outreach services to FNDI's Sustainable Forestry Fund.

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US Bureau of Indian Affairs. 1997. *Status of Forest Management Inventories and Planning*: In Petersen. 1998: 13, see Peterson, above.

About the Authors

Common Ground - Community & Landscape Planning (Jan-Willem Jansens and Eliza Kretzmann)

Jan-Willem Jansens and Eliza Kretzmann work with Common Ground - Community & Landscape Planning, a consulting firm in Santa Fe, New Mexico, that specializes in natural resource management services on public and common lands. Common Ground helps build bridges between communities and public land management agencies to establish land use practices that ensure more equitable access to and distribution of the natural resources for present and future needs. Common Ground is involved in forest products development studies, rural development training programs, outreach projects on forest products certification, and facilitation of community participation in forest and watershed management and restoration programs. Mr. Jansens is a landscape planner with international experience in community forestry, watershed management, and rural economic development. Mr. Jansens holds a Masters Degree in Agricultural Sciences from the Agricultural University Wageningen, in The Netherlands. He is has extensive experience in natural resource management and planning issues with indigenous people. Mr. Jansens worked and lived in Kenya, Burkina Faso, and Niger, and has worked for more than nine years with Native American communities. Mr. Jansens is a member of the National Network of Forest Practitioners, the Society for Ecological Restoration, and the International Association for the Study of Common Property. Ms. Kretzmann is the Assistant to the Director of Earth Works Institute, and has a degree in Environmental Studies from Pitzer College, a member of the Claremont Colleges.

Steven Harrington

Steven Harrington is the coordinator of the Forest Stewards Guild and staff forester for The Forest Trust, Inc., in Santa Fe, New Mexico. Mr. Harrington has developed forest management plans and Stewardship Incentives Program plans for private landowners in northern New Mexico and southern Colorado. Mr. Harrington's experience also includes forest inventory work, resource analysis, mapping, habitat classifications, silvicultural prescriptions, and the preparation of plan documents. Mr. Harrington has coordinated the development of a national professional forestry organization, the Forest Stewards Guild, organized national and regional conferences, developed a newsletter, and initiated a mentor program for forestry students. He also serves as coordinator of Forest Trust's certification program, and chairs the FSC Southwest Regional Standards Working Group. He has been a certification assessment team member and lead writer on a certification assessment report. Mr. Harrington holds a Master of Forestry degree from Yale University's School of Forestry and Environmental Studies. He is a member of the Society of American Foresters and the Forest Stewards Guild.
