

**Webinar on
Sustainable Consumerism and Management of Natural Resources
05 June 2020**

**Certification for Sustainable
Management of Natural
Resources**

By:

Suneel Pandey
Vice President,
Paperboards and Specialty Papers Division, ITC Ltd.
Secretary, NCCF



Why are forests important?

1 Sinks of carbon dioxide

The world's forests **absorb and store carbon** in both above and below ground biomass.

2 Habitats for biodiversity conservation

The world's forest area **primarily designated for biodiversity and forest within protected areas** have increased since 1990.

3 Providers of important environmental services

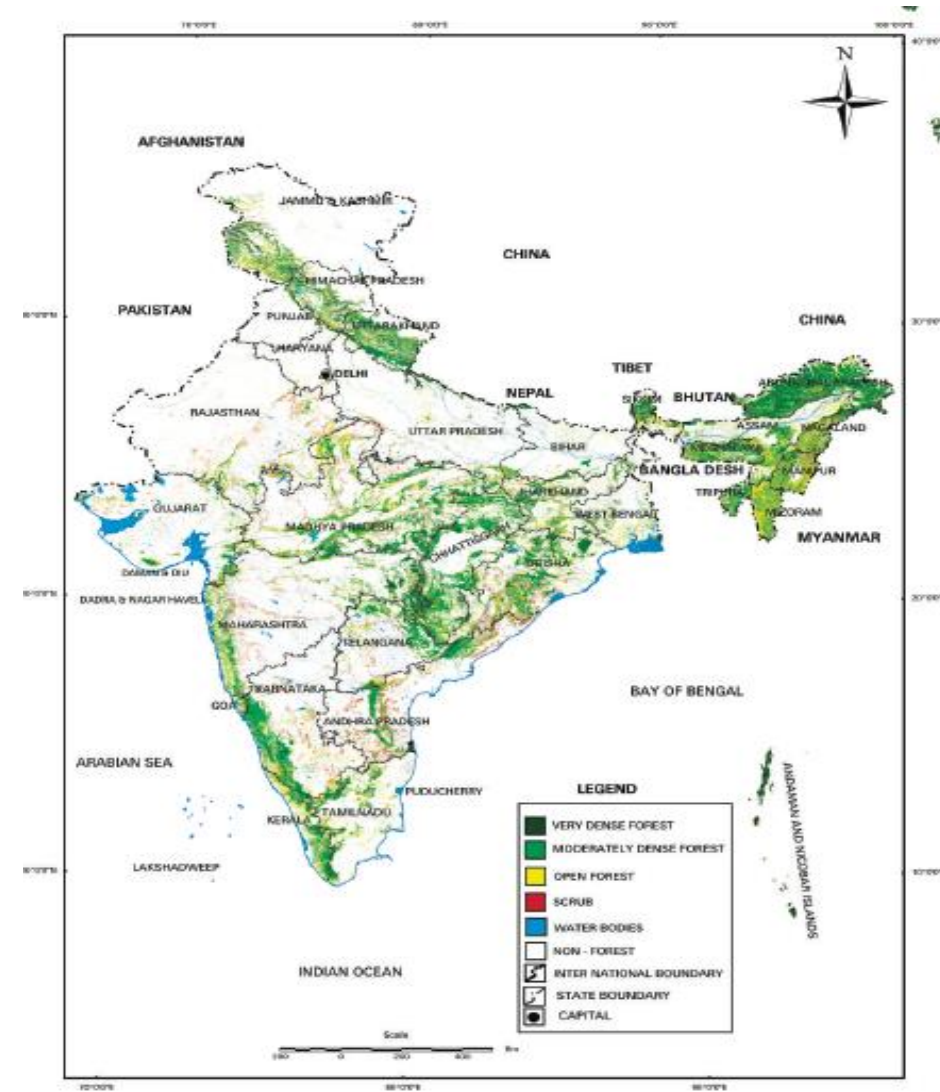
Forests managed for **clean water supply, resilience against disasters, recreation, cultural and spiritual activities** have increased since 1990.

4 Sustaining livelihood and economic opportunities

Forests supply the world's population with **wood and non wood forest products**. In **low-income countries** woodfuel is still the most important wood product.

India's Forests

- ✓ Globally, India stands at 10th position accounting for **2% of Total Forest Cover** of the world
- ✓ As per India State of Forest Report 2019:
 - Forest Cover = 71.22 mha (21.67%)
 - Tree Cover = 9.50 mha (2.89%)
 - **Forest & Tree Cover = 80.72 mha (24.56% of GA)**
- ✓ Out of 6.5 Lakh villages in India, around 1.73 lakh villages are located in and around forests
- ✓ Protected Areas Network is 868 PAs spread over 16.5 mha (5.02 % of GA)
 - 104 National Parks
 - 550 Wildlife Sanctuaries
 - 87 Conservation Reserves
 - 127 Community Reserves



Forests and GDP

- ✓ **Forests in GDP ; 2.6% in 1950s ; 1.7% in 2010**

- ✓ ***We need to double the GDP contribution of forests to 3.4% by 2025??***

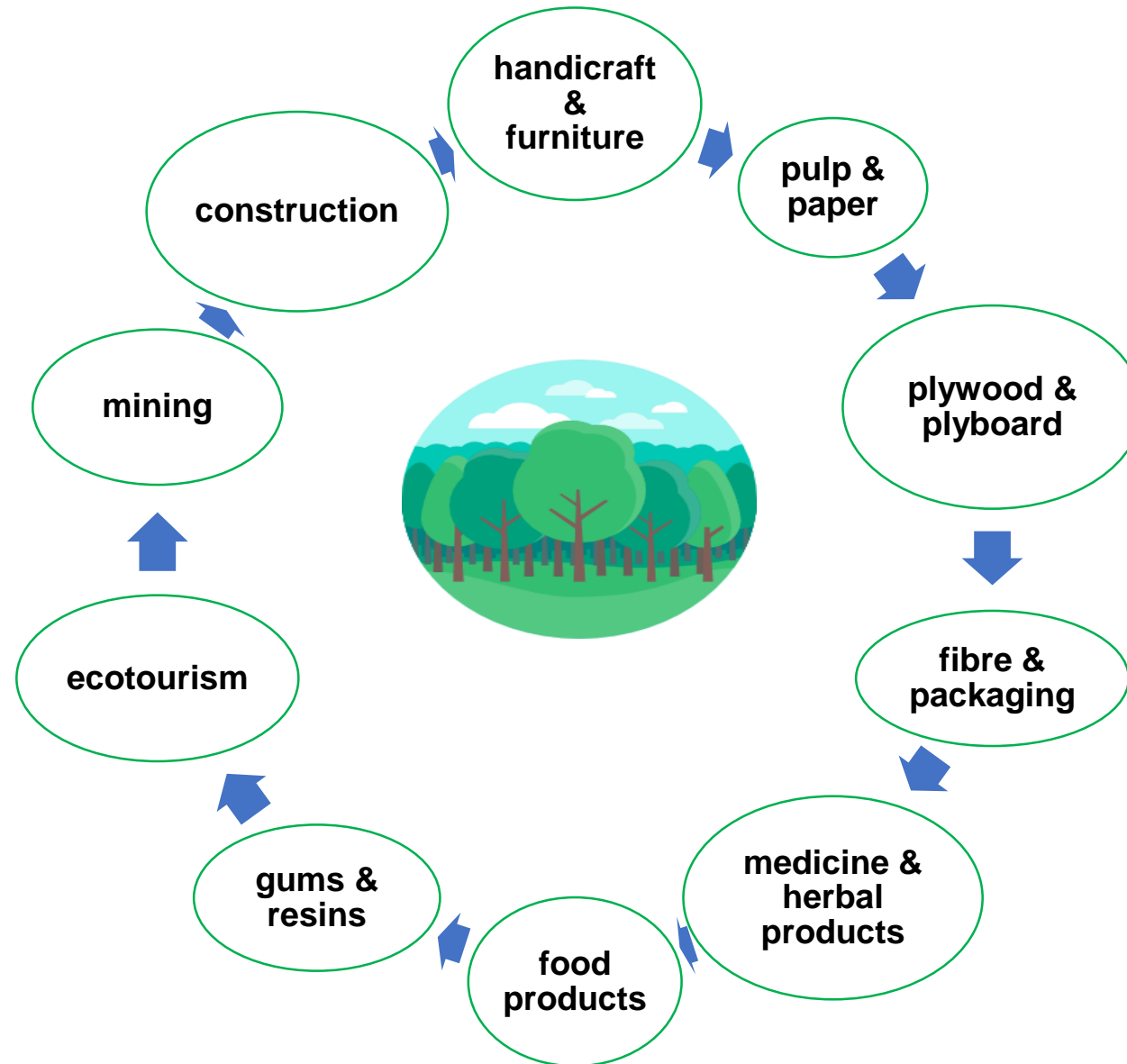
- ✓ **Reasons for low contribution:**
 - Higher growth of economy in other sectors
 - Less productivity of forests; Under valuation of forest products & ecosystem services
 - Reduction in import tariffs to let imports satisfy growing Indian demand for wood products

- ✓ **How to increase contribution:**
 - Increasing productivity of forests
 - **Using Forest Certification as a management and improvement tool**
 - Correct valuation of forest products & ecosystem services
 - Promoting domestic Indian wood market
 - Checking import tariffs

Pressure & threats on forests

- Competing land demands
- Biotic Pressure-Fuelwood & Fodder Collection
- Encroachment & illegal felling
- Forest Fire
- Insignificant regeneration
- Pest, diseases and invasive species

Industrial Dependence on Forestry Sector-Sustainable Consumerism can drive Sustainable Forest Management

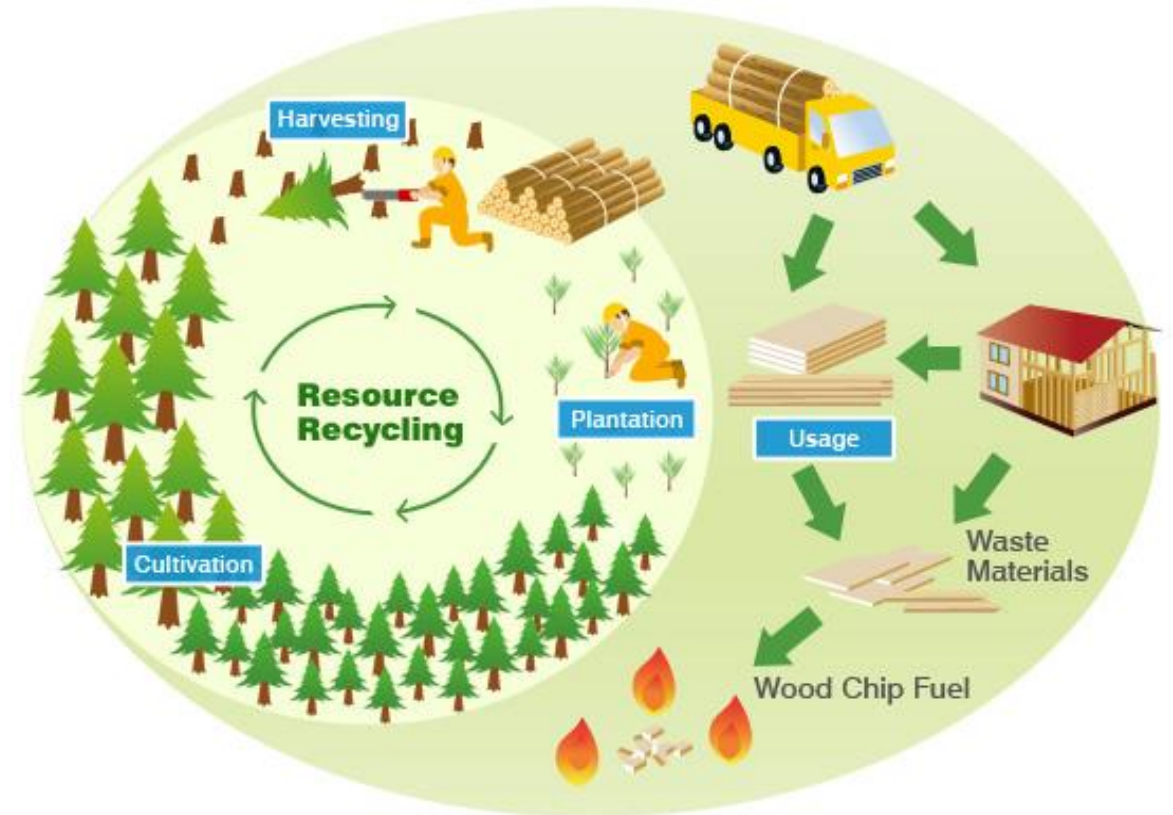


Sustainable Forest Management (SFM)

SFM: management of forests on principles of Sustainable Development; balancing environmental, economic and social aspects

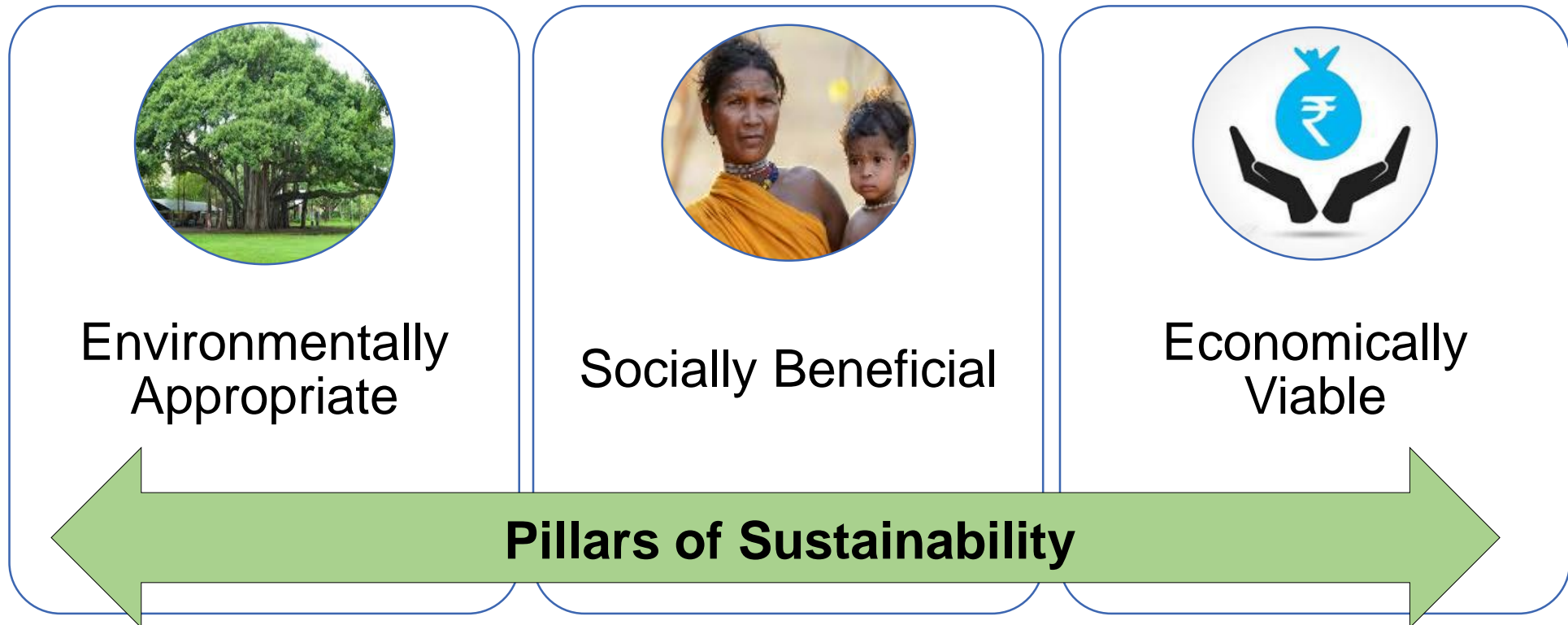
Elements of SFM (as per Non-legally binding Instruments of FAO)

1. Extent of forest resources
2. Biological Diversity
3. Forest health and vitality
4. Productive functions of forest resources
5. Protective functions of forest resources
6. Socio-economic functions of forests
7. Legal, institutional and policy framework



Certification: Market and Consumer Driven Tool for Sustainable Forest Management

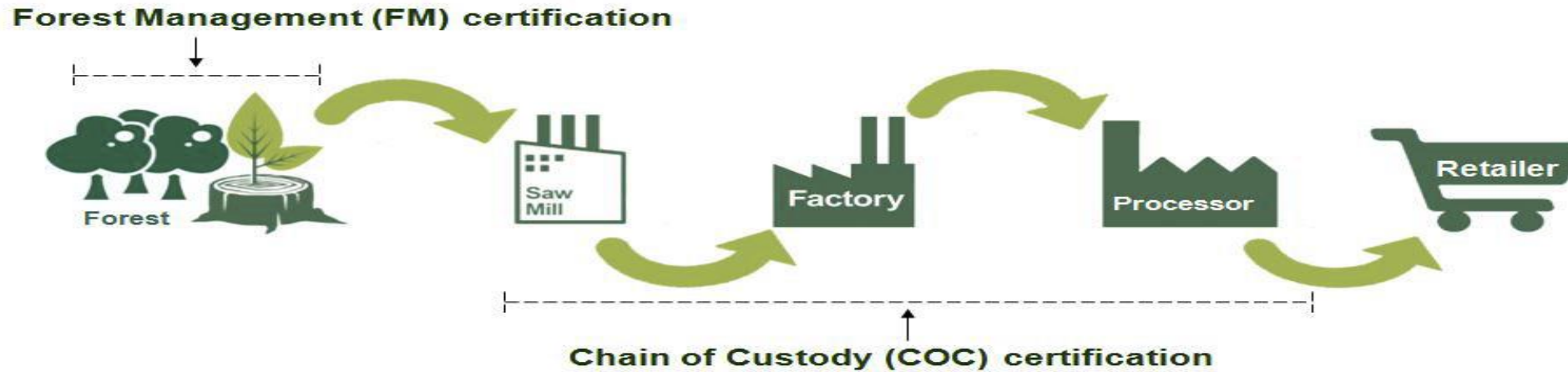
Forest Certification: *“A voluntary process whereby an independent third party (“certifier”) assesses **quality of forest management** and production against a set of requirements (“standards”) predetermined by a public or private certification organization”. (FAO)*



Types of Forest Certification

Forest Management Unit (FMU) certification:

Process leading to issuance of Certificate by an independent party, which assesses forest/ plantation against defined standards – Owners and Managers



Chain of Custody certification (CoC)

Process of tracking wood products from certified forest to point of sale to ensure certified origin of product

Forest – Primary & Secondary Manufacturers- Traders- Retailers

International Policy Shift towards Certification

- ✓ Globally, about 13 million ha of natural forests are unsustainably logged every year
- ✓ Both producer and consumer countries can help ensure SFM

Two aspects of responsible trade management:

1. Demand Side:

- European Union Timber Regulation (EUTR)
- Forest Law Enforcement in Governance and Trade (EU-FLEGT), 2005
- Lacey Act, 2008, USA
- Illegal Logging Prohibition Act, 2011 (Australia)

2. Supply Side:

Forest Certification: a tool to guide foresters to improve their forest management practices, verified by independent auditors

Need for consumer awareness, people's movement and demand for certified products

Global Forest Certification Schemes

International schemes:

- Forest Stewardship Council (FSC)
- Programme for Endorsement of Forest Certification (PEFC)

Regional & Country specific Forest certification Schemes:

- Sustainable Forestry Initiative (SFI)
- American Tree Farm System (ATFS)
- Canadian Standards Association (CSA)
- Malaysian timber Certification Council (MTCC)
- China National Forest Certification Scheme (CNFCS)
- Sustainable Green Ecosystem Council (SGEC), Japan
- ***Indian Forest Certification Scheme: Network for Certification and Conservation of Forests (NCCF); PEFC Endorsed Scheme***



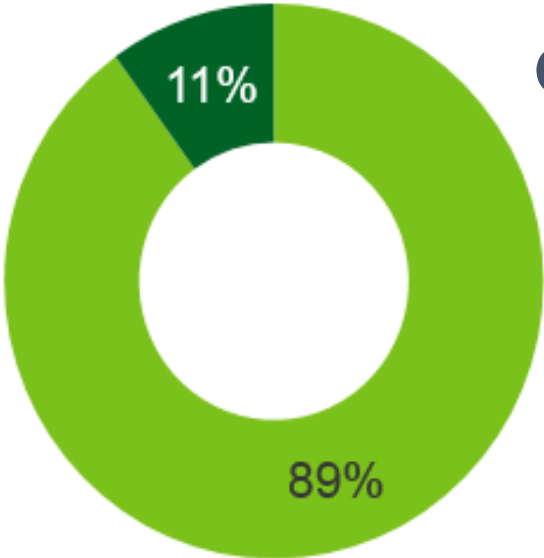
NCCF



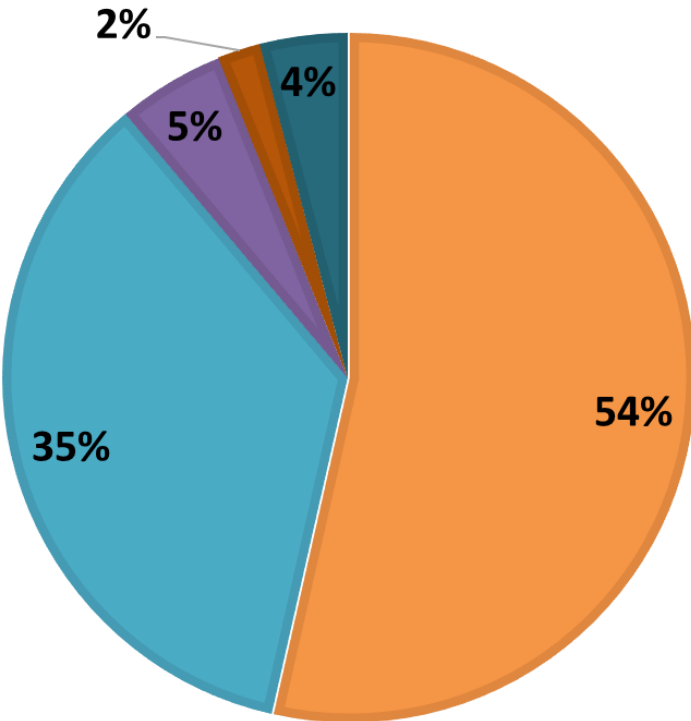
NCCF

Global certified forest area

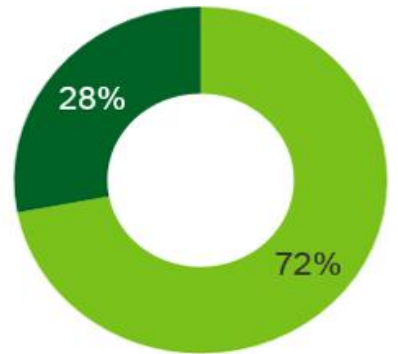
Globally, 525 million hectares (11%) of forests are certified



11% of the world's forests are certified



North America Europe Asia Central and South America Oceania

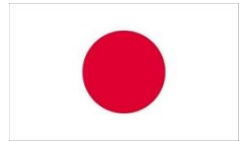


28% of the world's industrial roundwood supply is certified

89% of world's forests are still uncertified

Certification is accepted and recognized internationally

included in public and private procurement policies worldwide



Japanese Clean Wood Act



South Korea's Act on the Sustainable Use of Timbers



U.S. Lacey Act



Australian Government
Australian Illegal Logging Prohibition Act



How Forest Certification Works

**Goal:
Forest Conservation**

Set of Rules (Standards):

***For Forest
***For Processors

To manage
rules

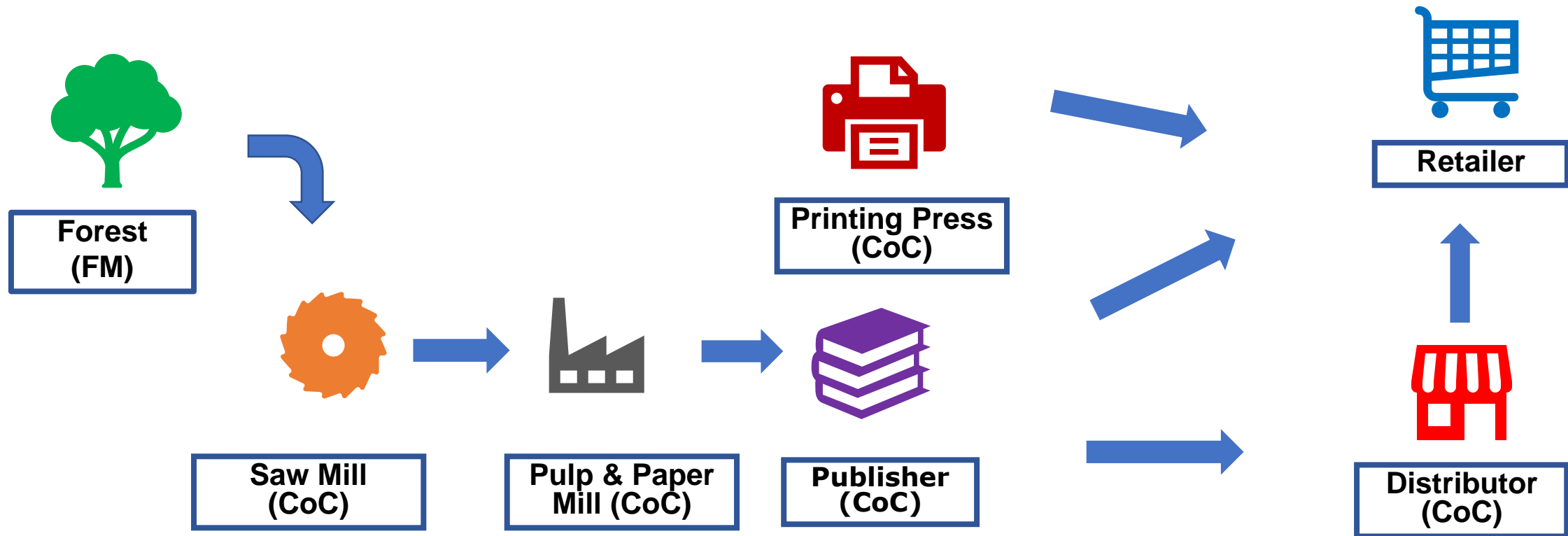
**Independent
Third party Certifier
(TPC)**

**Chain -of-Custody
(CoC)
for processors**

**Forest Management (FM) for
Forest/farm owners**

Forest Certification : A tool for sustainable consumption and production

From forest to consumer, including all successive stages of processing, transformation, manufacturing and distribution



- ✓ Identify/certify well managed forests
- ✓ Establish linkages in the production chain
- ✓ Create recognizable label
- ✓ Enable consumers to support responsible practices

Benefits of Forest Certification

Environmental	Social	Management & Economic
<p>No use of banned Chemical Pesticides</p> <p>No negative impact on environment</p> <p>Management of High Conservation Value (HCV) Forests</p> <p>Safe collection and disposal of toxic waste</p> <p>Controlling off-site regeneration of exotic species</p> <p>Preserves water catchment and water bodies</p> <p>Protection of hill sides and slopes from erosion</p>	<p>Emphasis on occupational health and safety</p> <p>Ensures social equity and livelihood opportunities to locals</p> <p>Ensures legal labour wages and facilities</p> <p>Supports development of forest dwellers and communities</p> <p>Capacity building for women</p> <p>Respect for rights of tribals, local communities and forest workers</p> <p>Compliance with ratified ILO Conventions</p>	<p>Third Party, Market Driven</p> <p>Regular staff training</p> <p>Regular (Annual) monitoring of management activities</p> <p>Ensures legality and economic viability</p> <p>Control of illegal harvesting and wildlife crime</p> <p>Potential access to new markets</p> <p>Brand recognition, preference and value addition due to use of certification logo</p>

NCCF: not-for-profit organization established in 2015



- ✓ NCCF is the only Member of PEFC Council for India
- ✓ NCCF is a Member of IUCN
- ✓ NCCF has got Observer status of UNCCD after CoP14

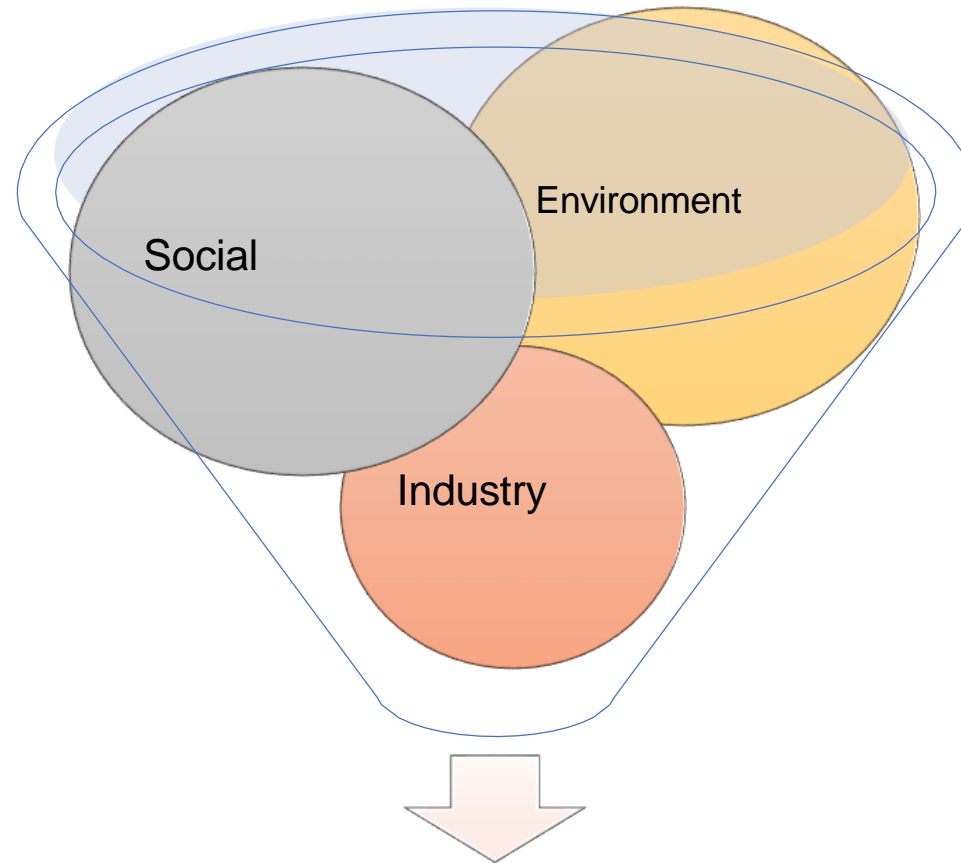
NCCF's Stakeholders associated with development of Standards

Social

- BWI
- STADD
- Forest officers in individual capacity
- Development Alternatives
- Satpuda Foundation
- TRIFED
- Uthaan Trust

Industry and association

- ITC PSPD
- CII
- EPCH
- Greenply
- Century Plywood
- IPRITI
- IPMA
- QCI
- EPCH
- TNPL
- CBs



NCCF Stakeholders

Environment

- ICFRE
- IIFM
- WWF
- IUCN
- WTI
- WII
- TNC – India
- TERI
- TRAFFIC
- ICRAF
- CAFRI
- INBAR
- GIZ

Ministries

- MoEFCC
- Ministry of Agriculture & Farmers Welfare
- Ministry of Commerce
- Ministry of Textiles

and many more..

Development of NCCF's Sustainability Standards

Forest Management Certification Standard (*launched and endorsed by PEFC*)

Trees Outside Forest Certification Standard (*ready for launch*)

Non Wood Forest Produce Certification Standard (*In Progress*)

Protected Areas and Wetlands Certification Standard (*In Progress*)

Quality Planting Material Certification Standard (*In Progress*)

Ecotourism Certification Standard (*In Progress*)

Biofuel and Biomass Certification Standard (*In Progress*)

Development of Carbon Registry-India (*In Progress*)

NCCF-PEFC Forest Management Certification Standard

- ✓ This is the only **Indian Scheme** of **forest certification** in India
- ✓ Developed by NCCF through a multistakeholder standard development group
- ✓ Standard has been **endorsed by the PEFC**, giving it an **international recognition**
- ✓ This scheme is being used by many states for certification

CERTIFICATE OF ENDORSEMENT



This is to certify that the
**NCCF FOREST
CERTIFICATION SCHEME**
submitted by the PEFC National Governing Body
member in India
**NETWORK FOR CERTIFICATION
AND CONSERVATION OF FORESTS**
was verified as meeting the PEFC Sustainability
Benchmarks and subsequently endorsed by
the PEFC Council General Assembly
on **27 February 2019**.

This endorsement is subject to ongoing PEFC Council membership,
continued compliance with the PEFC Sustainability Benchmarks and
timely fulfilment of the endorsement milestones. Any revision of the
system has to be submitted to the PEFC Council for assessment.

Peter Latham
Peter Latham, OBE,
Chairman

Ben Gunneberg
Ben Gunneberg,
Secretary General

Government support for Certification

- ✓ Ministry of Environment Forest and Climate Change
- ✓ Ministry of Agriculture and Farmer Welfare
- ✓ Ministry of Commerce and Industry
- ✓ Ministry of Textile



Advisory from MoEF&CC to State Forest Departments on Forest Certification

- ✓ **Director General of Forests, has written to all SFDs to initiate forest certification in some divisions, having economic activities, like extraction of timber, NWFP and bamboo etc.**

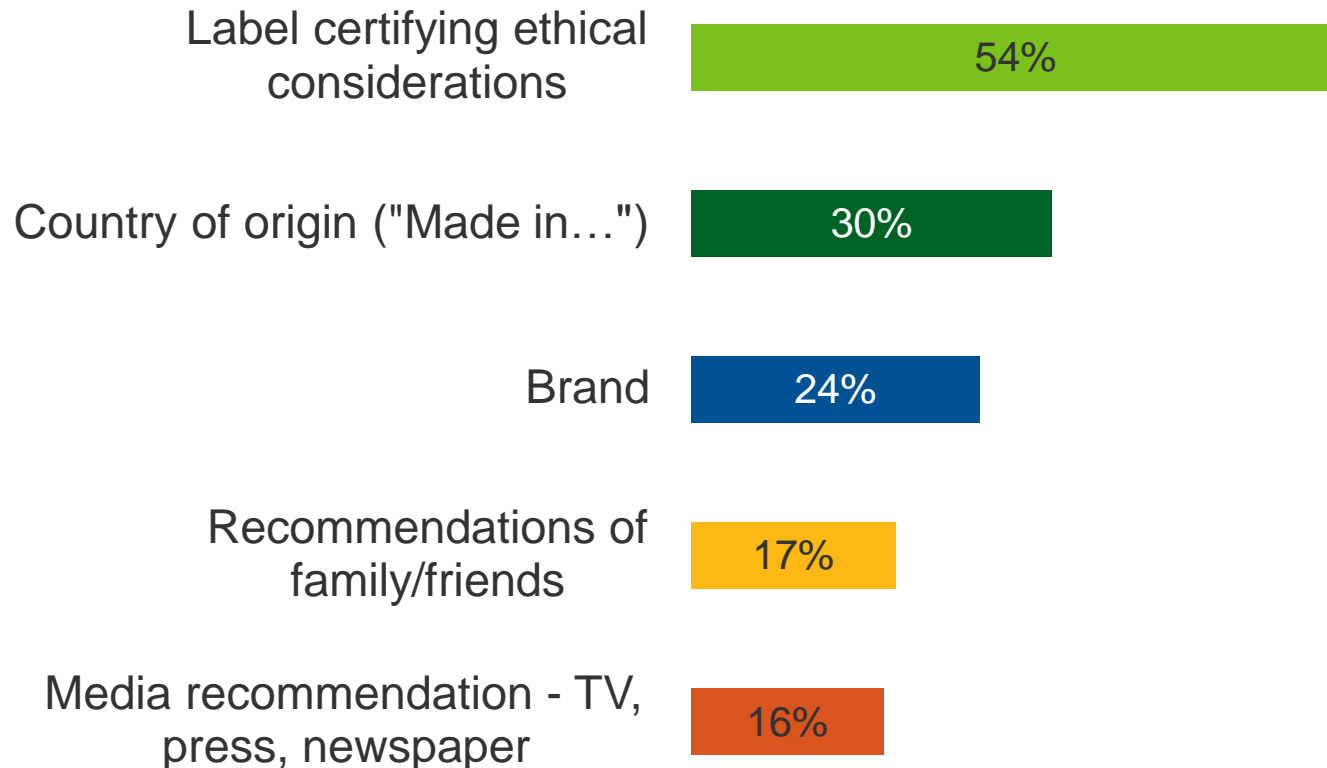
He has suggested:

- *Forest certification is **voluntary, non-regulatory and facilitative tool** to promote SFM*
- *Includes **forest monitoring, tracing and labelling** of timber and non-timber forest products*
- *Certification brings in enhanced **credibility** to our **forest governance** with **international recognition** and improves **market acceptability** of our forest products*
- *Forest Certification helps in **reducing illegalities** in **import and export** of wood products and strengthens **compliances** to international conventions*
- *Accounts for **social, environmental and economic well-being** of workers and local communities with **transparency and inclusiveness***

MoEF&CC vide letter dated 11th December 2019 requested states to report progress on Forest Certification.

Market Demand: Consumers request responsible products

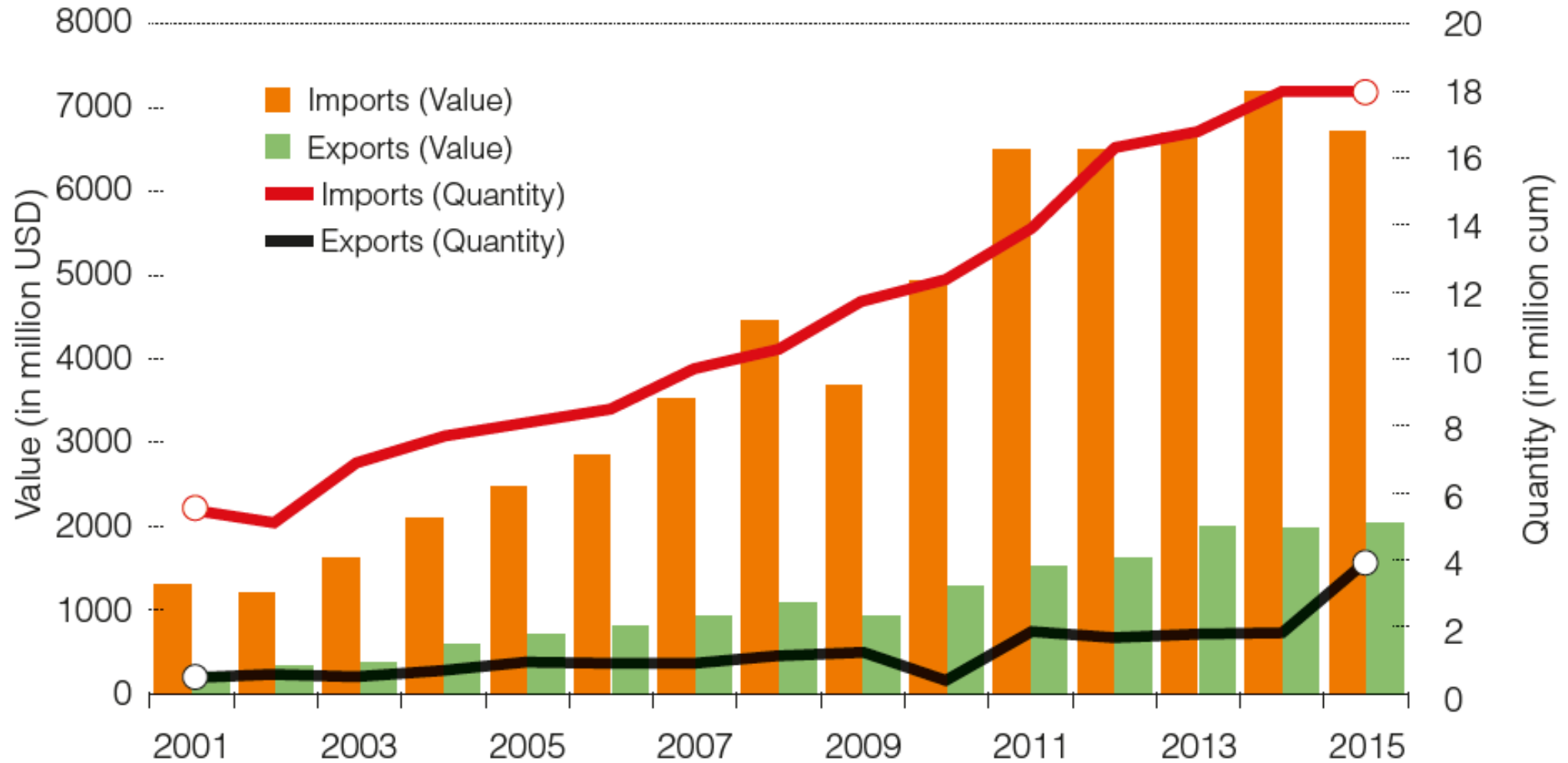
What reassures you most that environmental considerations have been taken into account?



Source: PEFC/GfK Global Consumer Survey (Nov 2014)



Trends of Timber Trade in India



Source: International Trade Center/UN COMTRADE, 2016

Potential to embrace certification not only for exports but also for domestic consumption



- ✓ **Timber imports to India:** USD 441 mn
- ✓ **Furniture imports to India:** USD 602 mn
- ✓ **Furniture exports from India:** USD 807 mn
- ✓ **Employment potential:** more than 11.29 million employees by 2022*
- ✓ India is a **global timber importing** country as well as **furniture exporting** country
- ✓ India's **furniture clusters** are currently operating at **25-30% capacity** due to **less raw material**

Value chains needs to be strengthened to increase availability of timber in logistics, infrastructure etc.

Demand for certified wood material

✓ Identifying and addressing sector specific requirements:

- Pulp & Paper
- Furniture
- Textile
- Plywood
- Packaging, etc.

✓ International MNCs/Retailers like **IKEA, Otto, H&M, Walmart, Target, Unilever,** etc. are searching for certified raw material in India

The logo for H&M, featuring the letters 'H&M' in a stylized, red, cursive font.The OTTO logo, featuring the word 'OTTO' in a bold, red, sans-serif font.The Unilever logo, which includes a blue crest with intricate floral patterns above the word 'Unilever' in a blue, serif font.The Walmart logo, consisting of the word 'Walmart' in a blue, sans-serif font followed by a yellow six-pointed starburst symbol.

Names of few brands committed to Responsible Sourcing and certification in Procurement Policies

Waitrose



GLOBAL TIMBER.



And many many more!



Way Forward

- ✓ Till now market was only for export which is only about 5-10%
- ✓ We need to create domestic market for certified products
- ✓ Domestic demand for certified material will increase
- ✓ Trees on farmlands will also be eligible for certification
- ✓ Certification has to no longer be export oriented

Way Forward

1. Ministry may like to issue a policy guideline on Forest Certification
2. Encourage “Green Public Procurement”
3. National Working Plan Code 2014 lays emphasis on “*assessment of forest management through forest certification schemes*”.
4. Ministry of Commerce and Industry should facilitate streamlining export-import provisions
5. Certification is an eligible activity under CAF Rules 2018
6. Externally aided forestry projects should have a component for supporting Forest Certification
7. NCCF is ready to join a campaign with the MoEFCC on “Certification for Sustainability”
8. Scaling up domestic production of wood and wood products in trees outside forests
9. Use of Chain of Custody certification to improve traceability of forest based products
10. Schemes and incentives for organizations using domestically procured certified wood and gradual reduction in import of wood

Thank You!!

Network for Certification and Conservation of Forests

Contact:

Mr Suneel Pandey

Email: suneelrasra@gmail.com; secretary@nccf.in

Email: info@nccf.in