

China and Certification: A Questionable Future

Is Forest Certification in China Sustainable?

China's Forest Product Industry

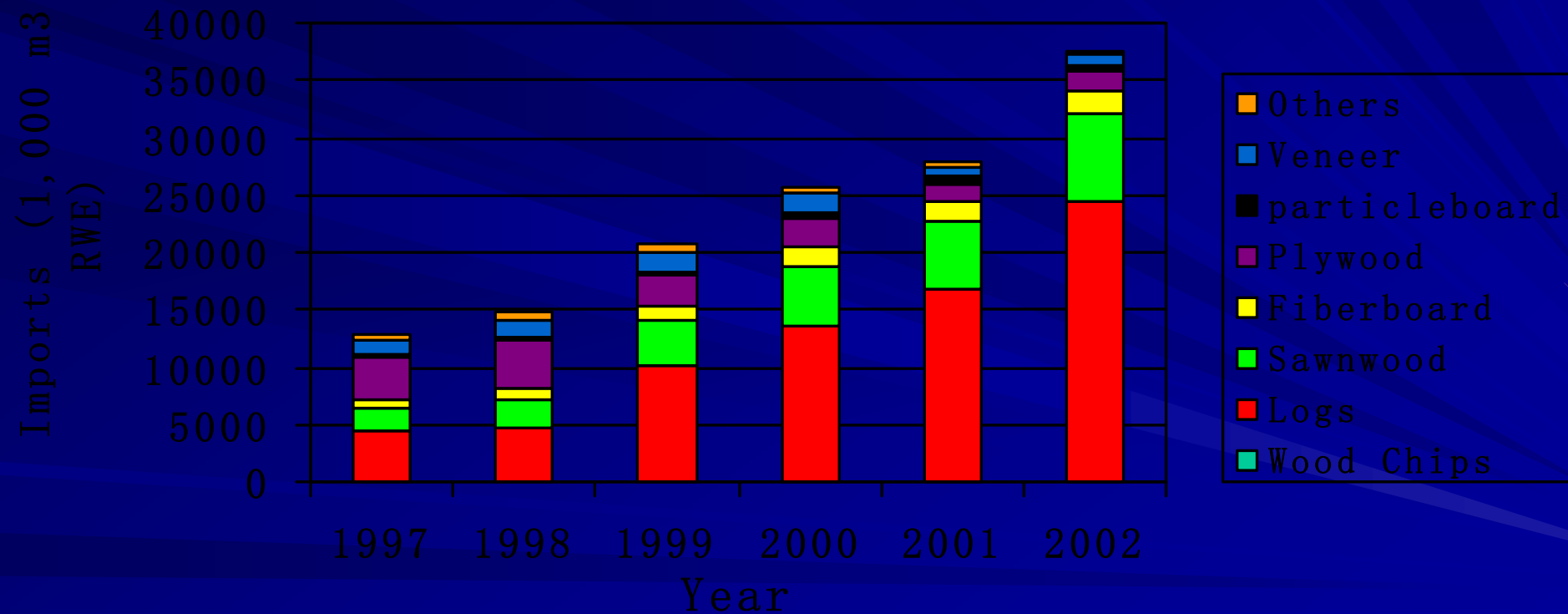
- Due to this impetus the export volume of furniture (including timber-work furniture) has increased from 50 million in 1990 to 3 billion in 2000, and is expected to further increase

China's Forest Product Industry

continued

- To respond to the environment degradation and its effects the Chinese government implemented the SLCP and NFPP
- A logging ban on 30.28 million hectares of natural forest and 30.80 million hectares of planted or as-yet unplanted forestland means that the growing demand for timber products in China has to come from abroad

Figure 1: China's timber products imports



Forest Certification in China

- WWF's Program Office in Beijing is facilitating the formation of a national working group on FSC certification to develop certification standards in China.
- Two forest management units have applied to FSC accredited certification bodies for forest management certification.
- There are nearly 30 wood processing companies that are FSC chain-of-custody certified.

Forest Certification in China

continued

- The government is very supportive of the process of forest certification in China, and is now actively promoting it.
- The National Working Group has received official support from State Forestry Administration and held its first meeting in May 2001 as well as two workshops in November and December 2001
- The Swedish certified furniture company IKEA receives 10% of its lumber supply from certified Chinese companies

Criteria of a Sustainable Certified Wood Product Industry: WWF

- Promoting the development of certification standards appropriate to the Chinese context and compatible with FSC
- Promoting the development of models and market for forest certified products in China
- Minimizing the negative impacts of the logging ban outside of China, with the aim of at least 50% of all imported timber coming from certified forests

Criteria of a Sustainable Certified Wood Product Industry: Academia

- Be credible to consumers and nongovernmental conservation organizations
- Develop measurable criteria that are as objective as humanly possible
- Perform each assessment in a reliable and independent manner
- Be independent from parties with vested interests
- Be cost-effective
- Be philosophically and functionally transparent to allow external critique
- Be institutionally and politically adapted to local conditions
- Be vision and goal oriented and effective in achieving reachable objectives
- Be acceptable to all parties involved
- Use regional-level forestry criteria that are compatible with generally accepted principles of both ecology and international forest certification

Criteria Gap: Key Focus

- Be credible to consumers and nongovernmental conservation organizations
- Be independent from parties with vested interests
- Be philosophically and functionally transparent to allow external critique

Challenges

A. Problems Internationally

- **Russian Sustainability**

- **Indonesian Sustainability**

B. Problems Internally

- **Culture**

- **Philosophy**

C. Problems attracting businesses

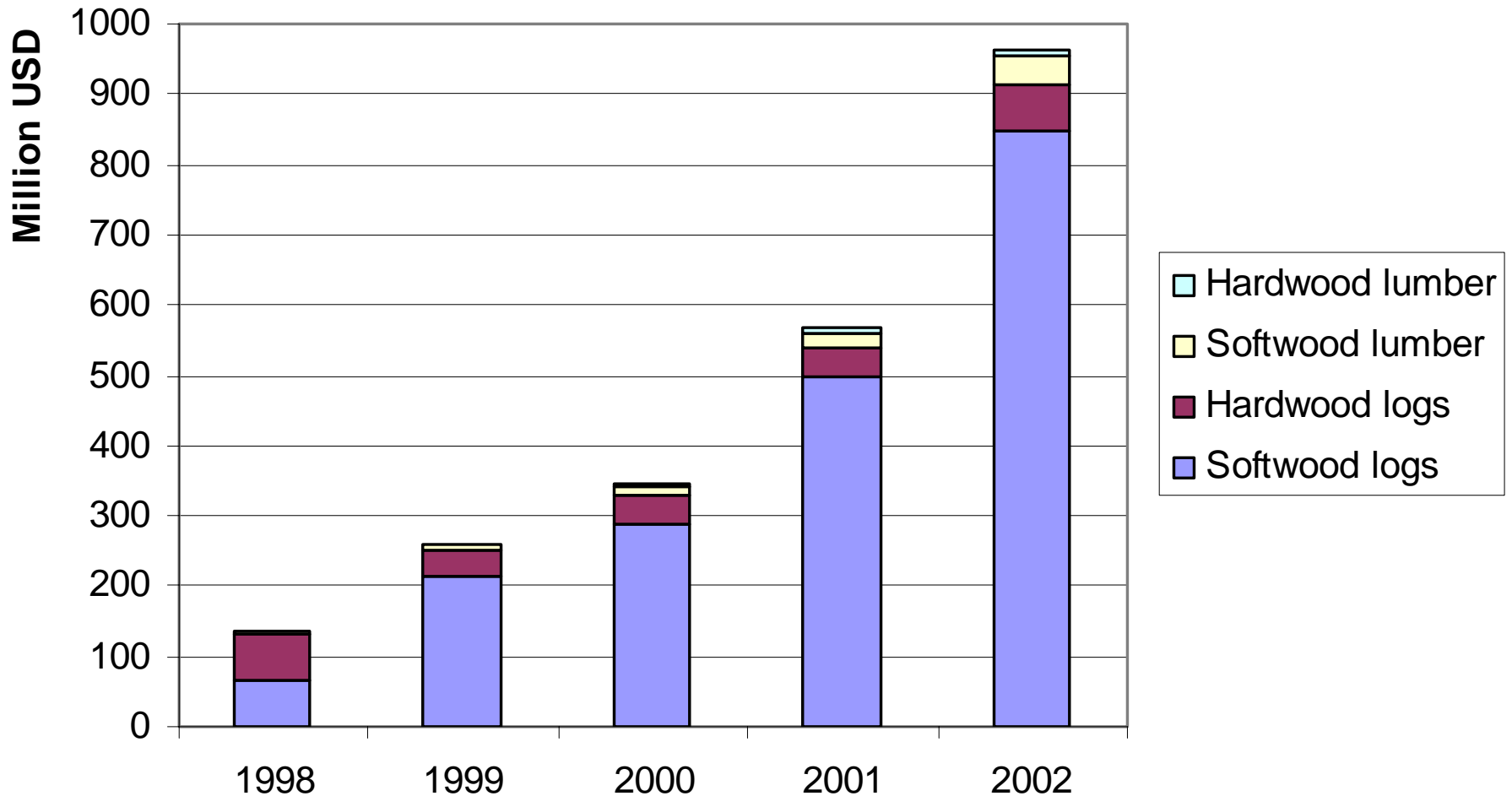
- **Domestically**

- **Internationally**

Russian Sustainability

- Russia is by far the main exporter of forest products to China
- Russian sustainability is undermined by two issues primarily
 1. Illegal Logging
 2. Forest Fires
- There is currently some debate on how genuine the certification successes in Russia have been

Figure 2: Russian timber export to China in 1998-2002 (by value)



Illegal Logging

- Violation of prescribed technologies.
- Intentional ignoring of harvesting regulations.
- Intentional extension of cutting site area outside boundaries legally allocated for cuttings.
- Extracting more than authorized amounts of timber.
- With legal documents arranged under violation of legislation or on the base of wittingly false documents

Corruption Story

- Chairman Lebedev and BROOC
- IKEA-Trendy middle class furniture for the environmentally conscious and cheated
- WWF-Friend or Foe?
- Tennessees-Certified Cheat?

Forest Fires

- In 1998 forest fires in Khabarovsk Krai destroyed more than two million acres of forest
- There are two main causes identified: change in local environment and lack of local support

Indonesian Sustainability

- In 1988 round wood production was at 27 million cubic meters while in 2000 it was down to 18.9 million cubic meters and then dropped severely to 10 million cubic meters in 2003
- This drop in export demonstrates the Indonesian government's increasing attempts to find a balance between its extensive forestry industry and environment protection and conservation.

Memorandum of Understanding with China

- . The MOU was originally signed on December 19, 2002 and included an extensive action plan which would not only heal the illegal logging situation but eventually lead to sustainable forest management through forest certification.

Memorandum of Understanding with China

- The Action plan lists 5 steps to be accomplished in sequence. (1) identification of illegal trade products; (2) civil society involvement; (3) data & info exchange; (4) combating ITT; (5) achievement of SFM & Forest Certification.
- While these steps would result in a utopia of sustainable forestry in Indonesia it remains lacking. Since its implementation in 2002 little to no progress can be observed

Problems Internally

- Lack of culture of stewardship
- Lack of philosophy of stewardship

Problems Internally

continued

- The efforts for creating certified forests have largely been rebuffed in collective forests. The problem is that certification takes conscious and dedicated management. This kind of attention is almost impossible on collective land because the nature of the shared responsibility means that a public group such as a village or county would be required to plan or maintain this land.

Problems Internally

continued

- State owned forests up until this point have been the producers of all of the certified lumber in China. The reason for this is that the government can assign foresters to be the stewards of the land and because the government can produce very good plans for actions are required to make the forest land sustainable in its production

Problems Internally

continued

- Because the foresters are not dependent on the state owned land for their lively-hood they are less likely to take the duties on in the same manner which made their American counterparts successful. While they may be adequately trained and dedicated to their work, they remain in a system which does not reward these qualities so the likely-hood of keeping these qualities on a long enough time line for real sustainability is quite low

Problems Internally

continued

- For understanding a philosophy of management it is best to look to the academic definition of sustainable certified forestry.
- This definition tries to look at the forest management as a system which has to hold up to significant pressure of a changing world and changing ecological conditions.
- To be able to have such a strong background the manager has to be able to incorporate the various perspectives on the stewardship of the land to be able to have the most progressive and community oriented forest

Problems attracting businesses.

- For the customer support the preference for certified products must not only be clear but they must also be educated enough to distinguish between different kinds of green labeled products.
- Such high levels of consumer intelligence are not only unlikely but are not occurring in much richer and more highly educated nations

Problems attracting businesses

continued

- Currently, the most important markets for certified products are Europe and North America.
- In Asia, they pay attention to the sustainability of forest resources, but not enough to purchase certified products.
- Most Asian developing countries do not have sufficient forest management codes and institutions

Problems attracting businesses

continued

- This lack of clear market has kept the businesses in China unwilling to seriously invest this prospect. While many make note that the Japanese and Chinese markets eat up other “green” products, consumers have as of yet sent no signals to businesses about the existence such a market and the business community has reacted accordingly

Conclusion

- The three primary sets of challenges all are inter-related and seem to get to a core problem. The international, domestic, and business problems all point to a simple fact. No one is willing to invest in this industry.

Conclusion

- As for the future of certification in China, it is highly unlikely that any real change will occur. While certification holds a great deal of promise, it fails to attract any businesses who are willing to tackle the mire of problems domestically and abroad to attack a niche which they are not sure even exists. Even brief success appears unlikely let alone a sustainable future