



## **FSC® and Plantations**

FSC's position on plantations



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The Forest Stewardship Council® (FSC) is an independent non-profit organization that promotes environmentally sound, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.



## Contents

1. Pressures on forests continue to increase.....	4
2. The role of plantations .....	4
3. FSC's position on plantations .....	6
4. Improving Plantation Management through FSC Certification.....	7
5. Environmental Aspects of Plantation Certification.....	10
6. Social Aspects of Plantation Certification .....	10
7. Economic Aspects of Plantation Certification.....	11
Conclusion .....	12

## 1. Pressures on forests continue to increase

The survival and prosperity of the human race has always been intrinsically linked to forests. They provide us with wood, fuel, fibers, food, shelter, medicine and other vital resources.

However, population growth and increasing prosperity have placed unprecedented pressures on forest ecosystems, resulting in greater deforestation, forest degradation and marginalization of local communities.

Measures to protect or manage forests sustainably have had some impacts. According to the FAO<sup>1</sup> the loss of natural forests slowed somewhat, from 16 million ha/year during 1990-2000 to 13 million ha/year during 2000-2010.

Even this lower rate, which represents a yearly loss in area comparable in size to Nicaragua, is (as the FAO points out) alarmingly high. From a total global forest area of 4 billion ha, this decline represents some 7% loss in just 20 years.

In 2011 the world's population surged past 6 billion people and it is estimated to reach 9,6 billion by 2050<sup>2</sup>, and the demand for resources may grow even faster—especially as we strive to further reduce poverty. Despite increased environmental awareness and implementation of conservation policies the global decline of forests risks continuing.

There are opportunities to reduce pressures on forests. Efficient resource use, minimising waste and increasing recycling, as well as preventing unsustainable consumption patterns are some such responses. Improving the management of forests, which excludes degradation or conversion of such forests, is another contribution and this is where FSC® plays a vital role. Despite these measures, and also because forests are expected to play an increasing role in reducing dependency on fossil fuels, it is extremely unlikely that net global consumption of forest products will decrease in coming decades. Therefore, plantations are crucial to meeting human needs.

## 2. The role of plantations

Plantations are not a new phenomenon. For centuries people have been planting trees and creating forests to increase resource yields, to reforest areas, and for purposes of recreation or aesthetics.

Many different types of plantation exist and are intended to provide:

- **Environmental services** – buffer zones for protected areas, soil conservation, water protection or carbon storage.
- **Economic and social benefits** – food, fuel wood, housing materials or income for small farmers or communities, for example from agro forestry systems or small tree plots.
- **High-yield fiber production** – for paper, lumber, panels and biomass.

Commercial plantations, which range from thousands of hectares to a single hectare or less, are managed by private companies, farmers, community co-operatives and other organizations. Half the world's plantations are found in Asia, thirty percent in Europe, ten percent in North and Central America, and the remainder in South America, Africa and

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<sup>1</sup> *State of the Worlds Forests, 2011, FAO.*

<sup>2</sup> *World Population Prospects: The 2012 Revision .*



Oceania<sup>3</sup>. Globally, half of the planted forest area is owned by governments, with private owners being the second group and large corporations the third<sup>4</sup>.

**FSC defines a plantation** as *“a forest area established by planting or sowing with using either alien or native species, often with one or few species, regular spacing and even ages, and which lacks most of the principal characteristics and key elements of natural forests.”*

In recent decades, planted forests have increased rapidly in coverage, from 178 million ha in 1990 to 264 million ha in 2010, an increase of almost 50%. Today, plantations represent nearly 6.6% of the world's total forest area.

Since growth rates of many plantation tree species exceed those of species in natural forests, production-oriented plantations can achieve concentrated production of wood with consistent qualities, helping reduce wood harvest pressures on natural forests. Indeed, plantations already play a vital role in supplying wood and other products: the FAO estimates that in 2005 plantation forests supplied around 33<sup>5</sup> percent of global industrial wood supply<sup>6</sup>.

However, in many cases plantations have also brought major environmental and social problems. This is especially true where natural forests or valuable ecosystems have been razed to make plantations, or where their creation violated rights of indigenous or local communities. Establishment of plantations on marginal agricultural or forest land can burden the poorest or create employment instability by employing migrant and local workers during peak harvesting and sowing seasons only.<sup>7</sup>

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<sup>3</sup> FAO (2006)

<sup>4</sup> Indufor (2012) Strategic Review on the Future of Forest Plantations. Helsinki, Finland

<sup>5</sup> FAO. 2014. *Assessment of Industrial Roundwood Production From Planted Forests*. Rome, Food and Agriculture Organization of the United Nations.

<sup>6</sup> FAO (2009) Wood from Planted Forests: Global Outlook, 2005-2030. Presentation to Join NZFOA and NZWPA Forest & Wood Conference 8-9 Oct 2009, Nelson

<sup>7</sup> Swedish Ministry of Agriculture (2009) Increased forest production in the South: threat or opportunity? Swedish FAO Committee Publication, Series 3.





### 3. FSC's position on plantations

FSC supports the responsible use of plantations as a strategy to complement conservation and the sustainable use of natural forests. While plantations cannot replace the richness, stability and beauty of natural forests or the complexity of the services they provide, applying the FSC standards to them ensures that their management is defined by transparency and fairness and minimizes negative environmental and social effects.

In 1995, the 400-strong FSC membership voted, by an 89% majority, to allow for plantation certification, with the exception of any plantation established as a result of forest conversion after November 1994.

The 1994 rule is an important one, as FSC in no way supports forest conversion<sup>8</sup>: its priority is to maintain and improve the environmental, economic and social value of existing natural forests. As with any other forest operations, certified plantations have to comply with strict FSC requirements.

In 2004, the FSC Plantations Review was launched in response to stakeholder concerns regarding, in particular, the certification of large-scale, intensively-managed plantations with fast-growing trees. Criticism focused on issues such as biodiversity loss, exploitation of workers and the displacement of persons. During the review, a number of expert working groups were tasked with reviewing FSC's engagement with plantations.

In 2009, the review produced key documents clarifying FSC's position on plantations and providing further guidance for their certification, but also concluded that the complexity and polarization of opinions demanded a comprehensive revision of the FSC Principles & Criteria (P&C), the core document on which FSC's forest management standards are based. This ultimately formed one of the incentives to revise the P&C, and this revision concluded in February 2012 with the adoption by the membership of the fifth version of the FSC P&C<sup>9</sup>, better integrating its requirements for plantation management into its demands for all types of forests.

During the P&C review, the 2011 General Assembly of FSC decided FSC should independently continue to spend special attention to plantations through the continuation of a balanced membership working group.

FSC organised a plantation conference in Brazil in April 2011<sup>10</sup>, which brought together community representatives, companies, NGOs, researchers and practitioners to explore company-community cooperation in the FSC system and to discuss strengthening the benefits from certified operations for local communities, while minimizing negative impacts of large-scale plantation management.

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<sup>8</sup> 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.

An exception is realised in Principle 10.9: Plantations established in areas converted from natural forest 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.

<sup>9</sup> <http://ic.fsc.org/principles-and-criteria.34.htm>

<sup>10</sup> <http://ic.fsc.org/plantationscommunities.483.htm>



At the conference, five case studies were presented which highlighted ways in which FSC certified companies in Latin America, Africa, and the South Pacific are engaging local communities to improve local economic development and reduce conflicts. In addition, participants developed and discussed indicators relating to company involvement with local communities; these have been taken into consideration by the IGI Working Group.

## 4. Improving Plantation Management through FSC Certification<sup>11</sup>

FSC certification is a powerful tool, providing plantation managers with guidance for positive change. Like corporate responsibility programs, it often leads to the development of more transparent and open internal company cultures, improving alignment with civil society and market demands.

FSC certification is not simply a 'stamp of approval', but a system which seeks to trigger improvements in forest management through ongoing multi-stakeholder engagement and review of forest management operations.

National forest standards are developed through dialogue with a wide range of stakeholders including indigenous groups, environmental NGOs and trade unions to determine the most appropriate forest management methods for that country.

Further, FSC certified companies take a conscious decision to adapt their operations to meet FSC standards and open themselves to external scrutiny through ongoing audits and continuous stakeholder consultation, and the mechanisms of the FSC Dispute Resolution System.

When stakeholder complaints and disputes cannot be resolved directly between the parties involved, they are addressed through the FSC dispute resolution system, which consists of a set of transparent, fair procedures for resolving them.<sup>12</sup>

FSC does not claim that certification will resolve all the controversies surrounding plantations. Instead, it offers a platform for ongoing debate and stakeholder scrutiny of management practices as a means to significantly raising the standards of plantation management towards an optimum combination of environmentally appropriate, socially beneficial and economically viable plantation forest stewardship.

### **FSC Certification in South Africa<sup>13</sup>**

South African plantations are a crucial part of the country's economy. The plantation forest industry contributes 4.5 percent of gross domestic product, employs 1 percent of the workforce and provides 95 percent of wood-based products. 84% of South Africa's 1.5 million hectares of plantations are FSC certified. In general, the impetus for certification was the perception that it would allow companies to expand their market share of certified products.

<sup>11</sup> The requirements for certification of plantations presented here are just a selection of those laid down in FSC's Principles & Criteria.

<sup>12</sup> The FSC Dispute Resolution System is defined in the FSC Dispute Resolution Standard (FSC-STD-01-005) and associated documents, which were developed through consultation with stakeholders. For more see the stakeholder portal on [www.fsc.org](http://www.fsc.org).

<sup>13</sup> Frost, B. *et al.* (2003) *The impact of certification on forests and people in South Africa*. London, International Institute for Environment and Development.



The uptake of FSC certification fostered initiatives for companies to systematically improve their forest management and increased transparency in discussions with civil society groups and government. It also triggered government support for the development of national standards for sustainable forest management, as well as making certification a compulsory condition in the lease of state forest assets.

#### **Forest Producers Association of Coruche, Portugal**

The bark of the cork oak has been sustainably harvested in Portugal for thousands of years, principally as a source of wine bottle stoppers. The country produces most of the world's cork.

The Forest Producers Association of Coruche (APFC) is a group of private forest owners in central Portugal who manage a variety of forest ecosystems including cork oak forests, some of which have been mixed with planted eucalyptus.

In 2006, driven by international market demand for certified cork, APFC applied for FSC certification. During the two-year certification process they received training and assessment by an accredited FSC certification body. This included visits to existing certified groups to learn about best practices, access to guidance on reporting and management, and extensive support from the World Wildlife Fund.

This input was especially valuable for conservation efforts. Although APFC members were familiar with the fundamentals of tree conservation, they knew less about threatened species, defining conservation and protection areas, or management to improve the environmental value of plantations.

FSC certification resulted in the establishment of a single forest management plan for all members, improving management efficiency. APFC set aside 5 percent of its forest as fully protected. Environmental monitoring and safeguarding were improved and surveillance records implemented. Price premiums for FSC certified eucalyptus and cork also resulted in financial benefits.

#### **Improving quality of life for plantation workers in Brazil**

Klabin, a pulp and paper producer which has achieved FSC certification for its plantation forests in Brazil, introduced an educational program, *Crescer (Grow)* specifically aimed at improving the skills of outsourced workers.

The program is a partnership between Klabin's Forestry Unit, local service provider companies and the *Serviço Social da Indústria* (National Industry Social Service). *Crescer*, which provides one-hour educational activities to workers during non-working hours, was created "*with the specific goals of increasing workers' skills and opening a channel of communication between them and the company*".





A survey of workers in 2010 found a *“high degree of satisfaction with the program among the participants”* and, further, that workers were better prepared with regards to accident prevention and had a better quality of life.<sup>14</sup>

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<sup>14</sup> Forest Stewardship Council (2012) FSC® Certified Plantations and Local Communities: Challenges, Activities, Standards and Solutions. Workshop Report 2012



## 5. Environmental Aspects of Plantation Certification

Plantations – especially large-scale, monoculture or intensively-managed operations – are often criticized for the negative environmental impacts of pesticide use, introduction of exotic species and biodiversity loss. Through bringing transparency into plantation management, FSC certification aims to bring substantial, measurable reductions in environmentally harmful practices.

FSC certified operations follow strict environmental requirements.

For instance, they are not allowed to use genetically modified organisms, pesticide use must be replaced as much as possible with integrated pest management and monitored, impacts on soil fertility and water resources must be minimized, measures are required to maintain or improve soil structure, fertility, and biological activity and harvesting, construction, and planting methods must not degrade the soil or affect the surrounding environment. Measures should also be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions.

Further, the design and layout of FSC certified plantations is required to 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 must be considered in the layout of the plantation, consistent with the scale of the operation.

FSC requires that in each certified operation multi-stakeholder processes take place to identify high conservation value areas. These areas must be managed with precaution, and a proportion is set aside: no harvesting can take place there, nor can there be any other ecosystem intervention.

In 2005 and 2008 analyses of all FSC certified forest operations<sup>15</sup> found that plantations tended to have significantly larger reserve areas than the 16 percent average of all certified forestry operations: 62 percent<sup>16</sup> were required to improve their management of HCVMs to receive or keep their certification.

## 6. Social Aspects of Plantation Certification

Certified plantations also have to respect a range of social indicators, including the long-term social and economic well-being of forest workers and local communities, respect for indigenous and worker rights, and safe working conditions. Plantations are often large rural employers, making certification an important means for ensuring that benefits from forestry operations pass on to workers.

Meeting certification standards often means that workers are better paid.

A 2009 study<sup>17</sup> revealed that FSC certified companies in Brazil pay above the salary offered by non-certified companies, also providing longer-term employment, contracts and health and social benefits that are less likely to be found in non-certified forest plantations. These findings echo those of an earlier study which concluded that FSC certification resulted

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<sup>15</sup> Newsom, D. (2009) Rainforest Alliance global indicators: First results from the Forestry Program (June 2007 – August 2008). New York, Rainforest Alliance.

<sup>16</sup> Smartwood is an FSC accredited certification body which deals with about half of all FSC certified forest operations

<sup>17</sup> Barbosa de Lima, A., Luiz, A., Sparovek, G., Alves, M., and Maule, R. (2009) Does certification make a difference? Impact assessment study on FSC/SAN certification in Brazil. Piracicaba, Imaflora.



in positive impacts on workers' health and safety, professional training, pesticide handling and reduction, and quality of life.<sup>18</sup>

At a November 2012 training course for forestry and wood union leaders in Brazil entitled *Social Aspects of FSC Certification*, participants observed that *"FSC certification has contributed to the improvement of environmental and working conditions in the forestry and wood sectors in Brazil"* and that they welcome further inclusion in order to continue to improve conditions, especially with regards to social clauses.<sup>19</sup>

While FSC certification cannot remedy complex historical land-based conflicts, it does require that ownership, land use and tenure rights are clearly established. Companies must also negotiate and obtain prior agreement from communities affected by their activities, on the basis of a well-informed and fair process. This is a mechanism which provides integrity in certification by preventing or resolving conflicts and facilitating transparent and fair contractual relationships.

## 7. Economic Aspects of Plantation Certification

FSC certification of both plantations and natural forests has a range of economic benefits, such as helping to build brand loyalty or providing access to new markets. On top of that, in some cases companies and end consumers are willing to pay a higher price for FSC certified products.<sup>20</sup> Between 2001 and 2006, for example, buyers in Pennsylvania, USA paid approximately 10 percent more for FSC certified timber than they would have for non-certified wood.<sup>21</sup>

In a plantation (which was established over sixty years ago and in later years was managed more like a natural forest) in Japan, buyers looking for certified timber increasingly obtain it directly from certified sawmills such as the Yusuvara Forest Owners' Cooperative, allowing the Cooperative to charge higher prices.<sup>22</sup>

Also, certification incentivizes companies to look objectively at their organizational structure and seek ways to become more efficient.

Pulp and paper companies recognize that there is a good business case for certification, indicated by increasing uptake in the sector, which accounts for nearly 40 percent of chain of custody certificates worldwide<sup>23</sup>.

In 2007, 60 percent of literary publishers in Canada and 40 percent in the UK had moved to environmentally-friendly sources such as FSC certified paper<sup>24</sup>.

FSC certification also helps attract long-term investments.

A 2001 study from Canada<sup>25</sup> found that certification which has a robust feedback mechanism to ensure that forest managers are following a strict set of environmental and social standards can provide potential investors with indicators about a company that would otherwise be hidden. FSC certification was found to be the *"best indicator available that superior forest management practices are being followed on the ground"* and as such, *"FSC certification can help pension*

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<sup>18</sup> Rezende de Azevedo, T. and Giacini de Freitas, A. (2003) Direct impacts of certification on working conditions: the case of Brazil. Piracicaba, Imaflora.

<sup>19</sup> <http://www.bwint.org/default.asp?Index=4547&Language=EN>

<sup>20</sup> PwC (2007) Sustainable investments for conservation: The business case for biodiversity. London, PricewaterhouseCoopers.

<sup>21</sup> <http://www.whyfsc.com/index1.asp?menu=4&sub=103>

<sup>22</sup> Ota, I., (2006) A forest owners' cooperative in Japan: obtaining benefits of certification for small-scale forests. Tokyo, Forestry Agency of Japan.

<sup>23</sup> FSC Global Market Survey, 2011.

<sup>24</sup> Markets Initiative (2007) Environmental leadership in the paper supply chain: Trend report 2007.

<sup>25</sup> Barrios, P. (2011) Protecting the value of Canada's timberland investments: The role of FSC certification. Vancouver, Shareholder Association for Research and Education.



*funds and other long-term institutional investors to protect the long-term value of their timberland investments and thereby secure sound future returns.”*

## Conclusion

FSC certification can improve all types of forest management, bringing transparency, democratic standard-setting and strict environmental and social requirements. By certifying the fullest range of forest types possible, we can improve performance and introduce greater oversight into forest management.

FSC certification creates guidance for plantation owners to manage plantations responsibly.

In many cases, the desire for the FSC logo has helped improve forest management practices through compliance with certification requirements. These improvements are at the core of the FSC mission. Thus, plantations established before 1994 that meet the high social, environmental and economic requirements of the FSC standards can be rewarded with FSC certification.

**Plantations do play a vital role in helping humans meet their needs.**

**By applying the rigorous FSC Principles and Criteria to plantations FSC can help ensure that plantations take, in an environmentally and socially responsible manner, some of the pressure off the world’s remaining natural forests and slow the rate of deforestation.**