
The rot at the core of the FSC apple: Vested interest and so-called 'independent certification'

As one of its Founder members, I am at least partly responsible for having allowed a fatal flaw to be built into the FSC system when it was established: quite simply put, the so-called 'independent' certification bodies that are accredited to the FSC are not, in fact, independent at all. Having been a close observer of the FSC since it was established, it now seems clear to me that this flaw underlies much of what has subsequently gone wrong – and why we now see so many utterly unjustified certificates being issued to logging and plantation companies that fail to comply with the majority of the FSC Principles and Criteria (P&C).

The problem is that, at present, contracts for certification assessments are arranged directly between logging and plantation companies and the FSC's accredited certifiers. Because of this – and especially because the award of a certificate will ensure future profits for the certifiers from monitoring visits and re-assessments – certifiers have a strong financial incentive to award certificates even when the logging/plantation company does not comply with the FSC's P&C.

Another consequence is that certifiers are effectively competing with each other to show prospective 'certifyees' that they are the most likely to award a certificate – and the way that they do this is by lowering their assessment standards, 'turning a blind eye' to any major problems that they find, or taking a very 'sympathetic' view towards the logging or plantation company under scrutiny. In effect, the accredited certifiers are in a commercial 'race to the bottom' in terms of the rigour of their assessments. This serves to completely undermine the integrity of the FSC system.

The evidence for this is plentiful. For example, four years ago, the Rainforest Foundation obtained internal documentation from one of the accredited certifiers showing that it had deliberately ignored the demands of the entire environmental and social NGO community in Indonesia – who were calling for a complete moratorium on certification - in order to pursue its own "strategic economic interests". This involved, amongst other things, issuing lucrative FSC certificates to at least one company that was self-evidently in gross breach of the P&C (and which, after a protracted campaign, subsequently had to be withdrawn).

In other cases, certifiers' internal assessment systems appear to have been manipulated in order to ensure that the logging/plantation company under inspection just achieves the 'pass mark' necessary to qualify for a certificate. In other cases still, the supposedly independent 'certification councils', which are meant to oversee the decisions of each of the accredited certifiers, have blatantly ignored the assessors' actual findings or any adverse recommendations, and instead recommended that a certificate be awarded nonetheless – thereby promoting the economic interests of the certification company that, in reality, they are working for.

Through its monitoring and accreditation procedures, the FSC should be dealing with these problems. However, in practice, it cannot and does not. The FSC's legally binding contract with the certifiers prevents it from doing anything that might 'harm the economic interests' of the certifiers. Moreover, some of the 'Big 4' certifiers (SGS, SCS, SmartWood and Soil Association Woodmark)

have simply threatened to leave the FSC if it is too strict in applying the rules. No doubt aware of how this would be viewed by its competitors and funders, the FSC has therefore been cowed into complete submission – with the result that it continues to allow totally inappropriate certificates to be issued around the world, including in Brazil, Cameroon, Ecuador, Indonesia, Ireland, Slovakia, South Africa, the USA...

A further consequence of the present structure is that the vast majority of the 'income stream' from certifications is captured by the certifiers, whilst the FSC itself is left permanently short of cash and dependent on donors, who themselves have their own agendas for the organisation.

Of course, the benefit of hindsight is a wonderful thing. But it seems clear that this problem of conflict of interest at the heart of the FSC has to be addressed if any meaningful progress is to be made in making the FSC work for the objectives that most readers of this bulletin share. For example, one has to question the value of putting a lot of effort into the Plantations Review process when, even if P10 is radically improved, the certifiers would be allowed to continue to totally ignore it anyway.

The direct financial link between the certifiers and the logging/plantation companies has to be broken. One way to do this would be for logging/plantations companies to have to contract directly with the FSC Secretariat for certification assessments. The sub-contracts for carrying out the assessments (and subsequent monitoring) could be awarded by the FSC to certifiers on the basis of competitive tenders, with the certifier promising the highest standards of assessment, at the best price, winning the contracts for any given assessment. The present 'race to the bottom' would thus immediately be transformed into a 'race to the top'. Certifiers could be obliged to include, for example, a certain percentage of community forest certifications in their total 'portfolio' in order to be eligible to bid to certify the larger, more lucrative, industrial forestry operations.

The FSC Board would be responsible for commissioning an independent evaluation of a random sample of certifications each year to ensure that the certifiers were fulfilling their contracts – and any that were not would be heavily penalised or have their contractual payments withheld. The FSC Secretariat would charge for its services, thus ensuring a steady income stream and reducing its dependence on external funders.

Of course, the certifiers will fiercely resist these changes – as it would force them to increase the rigour of their assessments. But the choice seems to be simple: either the certifiers' stranglehold on the FSC is broken, or the FSC will continue to slide towards total collapse of its credibility.

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