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## [Laos: What did Smartwood know when it issued the certificate?](#)

Last month I wrote an article about FSC certification of “village forestry” in Laos. The article was based on a leaked report from a World Bank and Finnish government project, the Sustainable Forestry and Rural Development Project (SUFORD). The SUFORD report documented serious problems with logging under the project, of which 39,000 hectares has been certified by SmartWood under the Forest Stewardship Council system.

Villagers’ forests and livelihoods have been seriously damaged by the logging in their forests. According to the SUFORD report, logging crews have cut villagers’ resin trees and are taking out more timber than is in the management plans. The level of logging is driven not by villagers’ management plans but by demand from local sawmills and logging quotas set at provincial level.

The SUFORD report found that timber leaving villager’s FSC-certified forests (and other areas of forest in Savannakhet province) was not correctly marked. “Tracing and chain of custody of trees/logs is therefore impossible,” the author of the report commented. The logging is in breach of FSC standards and Lao forestry law, which, as the SUFORD report points out, states that logs that are not appropriately marked cannot be moved. This applies whether or not the logs are FSC-labelled.

I wrote the article last month to make public the findings of the SUFORD report and to generate a discussion about the certification. According to Scott Poynton, Executive Director of the Tropical Forest Trust, neither he nor SmartWood were aware of the SUFORD report before reading my article. My article also generated a fair bit of discussion.\*

In this article, I’d like to look at a question that I overlooked both in my previous article and in the discussion that followed: How much did SmartWood know about whether the logging operations complied with FSC standards when it issued the certificate? Clearly this question is critical to any certificate, regardless of whether the operation certified involves industrial logging, industrial tree plantations or small-scale community forestry operations.

SmartWood issued the certificate in January 2006. Four months later, SUFORD found that the logging was in serious breach of several of FSC’s principles and criteria. My first assumption was that SmartWood had issued a certificate in the knowledge that the certified operation did not comply with FSC standards.

As Scott Poynton points out, it’s not as simple as this short timeframe implies. “The truth needs a little deeper search through the project’s history,” he says. He suggests that we need to look back to June 2005 when SmartWood decided that all the pre-conditions had been met. There was then a six month delay in issuing the certificate, “due to the need to accurately translate the contract document; the need for both parties to understand each other; and because of personnel changes in Savannakhet”, according to Poynton.

Poynton explains that “there was ample time between June 2005 and May 2006 for systems to break

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down.” In other words, using Poynton’s argument, at the time that SmartWood issued the certificate it is perfectly possible that the operations did not comply with FSC standards.

SmartWood denies any such possibility: “At the time the FSC certificate was issued RA/SW [Rainforest Alliance/SmartWood] was confident that the communities were in compliance with the FSC standards.”

I suggest that we need to look even further back in time than Poynton suggests. SmartWood’s Public Summary of the assessment includes a record of the Certification Assessment Process. According to this record, SmartWood’s assessors visited the forests they certified in Savannakhet only once, in May 2003, almost three years before the certificate was issued.

In May 2003, SmartWood’s team spent three days in Savannakhet province assessing the 39,000 hectares of “village forestry” operations. They inspected two secondary log landings, one area which was logged in 1999 and one area of active logging. They also took part in several meetings. A year later SmartWood returned to Savannakhet but did not visit any forest operations. In July 2005, SmartWood carried out a desk review and determined that all the pre-conditions had been met and that the certificate could be issued.

As a result of SUFORD’s report and my article based on the report, SmartWood will conduct a field audit in October 2006. It’s about time. SmartWood’s assessors will hopefully be able to determine whether the village forestry operations comply with FSC standards. However, it is extremely unlikely that they will be able to determine when, for example, the system of marking the timber broke down. This could have been at any time between May 2003 and May 2006.

Ten days ago, in a discussion with Scott Poynton I wrote that “SmartWood certified an operation knowing that it does not comply with either FSC principles and criteria or the Lao Forestry Law.” I now realise that SmartWood certified an operation without knowing whether or not it complied with either FSC principles and criteria or the Lao Forestry Law. I’m not sure which is worse, but neither option inspires much confidence in SmartWood or in the FSC system.

\*The discussion can be followed here: [www.pulpinc.wordpress.com/tag/fsc](http://www.pulpinc.wordpress.com/tag/fsc)

By Chris Lang, e-mail: <http://chrislang.org>, [www.chrislang.blogspot.com](http://www.chrislang.blogspot.com)