

Environmental Aspects of the Forest Management Certification Process

David F. Scott



***Environmental Aspects of the
Forest Management Certification Process***

David F. Scott

2000

**A report prepared as part of the South Africa Country Study
for the international collaborative research project steered by IIED:**

Instruments for sustainable private sector forestry

Partners in the South Africa Country study:

CSIR-Environmentek

International Institute for Environment and Development (IIED)

In association with:

Department for Water Affairs and Forestry

Forestry South Africa

**Production of this report has been made possible by the financial support of
the**

**UK Department for International Development
and the European Commission**

Citation: Scott, D.F. 2000. Environmental Aspects of the Forest Management Certification Process. Instruments for sustainable private sector forestry, South Africa series. International Institute for Environment and Development and CSIR-Environmentek, London and Pretoria.

Contacts for the lead author David Scott, Department of Earth and Environmental Sciences, Okanagan University College, 3333 College Way, Kelowna, British Columbia, Canada V1V 1V7, Tel: (250) 762 5445 (ext 7565), E-mail: dscott@ouc.bc.ca

About this report: This report is one of a series prepared as part of a collaborative research project on instruments for sustainable private sector forestry in South Africa. The reports in this series are listed below.

Instruments for sustainable private sector forestry, South Africa – report series

Overview and synthesis

- Mayers, J., Evans, J. and Foy, T. 2001. *Raising the stakes: impacts of privatisation, certification and partnerships in South African forestry*. This report draws on all the studies below and widespread consultation in South Africa. It analyses the impacts to date of privatisation, certification, outgrower schemes and company-community partnerships and presents conclusions and a set of options and next steps for all the main stakeholder groups.

Redistribution of opportunities and assets in forestry

- Khosa, M. 2000. *Forestry contracting in South Africa*. This study of trends in outsourcing and contracting in the South African forest industry seeks to deepen understanding of the national context within which contracting is an increasing practice, and examines possible options for outsourcing.
- Heyl, L., von Maltitz, G., Evans, J. and Segole, R. 2000. *Issues and opportunities for small-scale sawmilling in South Africa: an Eastern Cape case study*. This report describes the scale, structure and market niche of the small sawmilling subsector, with a focus on the Eastern Cape Province.
- Horn, J. 2000. *The role of small-scale sawmilling in household and community livelihoods: case studies in the Eastern Cape*. This study focuses on the livelihoods of small-scale sawmillers in the Eastern Cape, using a case study approach.
- Bethlehem, L. 2001. *Bringing democracy to the forests: developments in South Africa's forestry policy and legislation*. This paper describes the policy and legislative changes in the forest sector, and sets recent initiatives in the context of a drive towards sustainable and equitable forest management.

Forest certification in South Africa

- Frost, B., Mayers, J. and Roberts, S. 2002. *Growing credibility: impact of certification on forests and people in South Africa*. This is an overview of all the certification studies with additional supply chain analysis.
- Scott, D. 2000. *Environmental aspects of the forest management certification process*. This report by a member of FSC certification audit teams examines the audit inspection instrument and provides commentary on how it is used.
- Clarke, J. 2000. *Social and environmental aspects of the forest management certification process: a discussion of social assessment components in South Africa*. This report, drawing on audit experience, tackles the ability of FSC certification and the certification process to improve the wellbeing of workers and communities dependent on plantations.
- Hamman, J. 2000. *Forestry certification: social aspects*. Also by a member of FSC inspection teams, this report analyses the composition and focus of the audit teams and highlights issues which can compromise the positive impact of certification.

- Dunne, N 2000. *The Impact of Environmental Certification on the South African Forest Products Supply Chain*. This study traces the route of FSC certified timber from mill to market, seeking to understand the impact of certification on traders and retailers in South Africa and the UK.
- von Maltitz, G. 2000. *The impacts of the ISO 14000 management system on sustainable forest management in South Africa*. This is a study focussing on one company's decision to adopt ISO accreditation, comparing the impacts of the ISO system with those of FSC certification.
- Crawford Cousins, C. 2000. *The impacts of stakeholder consultation in the FSC certification process on sustainable forest management in South Africa*. Focussing on the Stakeholder consultation process within FSC certification, this report highlights key assumptions about the efficacy of consultation.

Outgrower schemes and community-company partnerships

- Zingel, J. 2000. *Between the woods and the water: tree outgrower schemes in KwaZulu-Natal - the policy and legislative environment for outgrowing at the regional level*. This report discusses the environment surrounding trends in outgrower development, both past and future.
- Cairns, R. 2000. *Outgrower timber schemes in KwaZulu-Natal: do they build sustainable rural livelihoods and what interventions should be made?* Focussing on case studies of outgrower households, this examines the role played by schemes in rural livelihoods.
- Ojwang, A. 2000. *Community-company Partnerships in forestry in South Africa: an examination of trends*. This is a broad overview of types of partnerships in Southern Africa, with comparisons between forestry and other sectors.
- Andrew, M., Fabricius, C. and Timmermans, H. 2000. *An overview of private sector community partnerships in forestry and other natural resources in Eastern Cape*. Focussing at a provincial level, this report captures partnership trends in the Eastern Cape, drawing on five case studies.
- Sisitka, L. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Lambazi case study*. This case study examines the relationships between stakeholders and actors in a corporate-initiated scheme
- Cocks, M., Matsiliza, B. and Fabricius, C. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Longweni woodlot case study*. This report examines community preferences and options for the use of a woodlot in the context of opportunities provided in the forest restructuring process.
- Sisitka, L. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Umzimkulu case study*. This is a study of a corporate-community joint venture project in a part of the province that has good afforestation potential.
- Cocks, M., Matsiliza, B. and Fabricius, C. 2000. *Private sector community forestry partnerships in the Eastern Cape: the Manubi woodlot case study*. This study examines issues around partnerships and joint forest management around a state-conserved indigenous forest
- Ham, C. 2000. *The importance of woodlots to local communities, small scale entrepreneurs and indigenous forest conservation*. Comparing issues and opportunities arising around two woodlots, this study highlights the relative importance of government-planted woodlots to different community interest groups.

Copies of the CD containing the above reports can be obtained from:

Forestry and Land Use Programme, International Institute for Environment and Development, 3 Endsleigh Street, London, WC1H 0DD, UK.

Tel: +44 207 388 2117 Fax: +44 207 388 2826 e-mail: forestry@iied.org

<http://www.iied.org>

and The Librarian, Environmentek CSIR, PO Box 395, Pretoria 0001, South Africa.

Tel +27 12 841 3640 Fax: +27 12 841 2689

Contents

1. Preface
 2. General thoughts on the contribution of certification
 3. The process: basics
 4. Theme 1: The assessment team
 5. Theme 2: The consultative process
 6. Theme 3: The decision-making process
 7. Theme 4: The learning process
-

1. Preface

My experience with certification is confined to work with and for SGS Forestry, and applies to certification in terms of the Forest Stewardship Council's (FSC) Principles and Criteria. I have no direct experience with ISO 14000 that is also referred to as certification. However, there are important differences between these systems and my comments are really only applicable to FSC certification.

2. General thoughts on the contribution of Certification to Forest Management in South Africa

Certification has been responsible for a very large improvement in the standard of forest management in South Africa. The reasons for the positive role of certification are set out briefly below.

Firstly, and most importantly, certification has provided the motivation or impetus for issues other than short-term profitability to be taken seriously by the companies. Companies would probably still prefer to have a certificate without having to give too much attention or funding to many of the issues raised by certification. But because of the commercial imperative of certification, many issues that were previously overlooked now receive full attention. Part of how this works is by convincing top management that such matters have to be given serious attention and are not simply optional extras. In many cases, certification works by strengthening the hand of good foresters who have always known how work should have been done (particularly with respect to environmental matters) but could not give these equal importance in their management.

Secondly, is the importance of setting the agenda. The FSC certification sets a broad standard that encompasses a very wide range of issues. The result is that the audit checklist now contains many more new issues than would have been considered part of management in the past. Most of the social issues would not have been on the agenda in the past and this has to be a major achievement of FSC certification, especially given the dedicated move by timber companies toward outsourcing all services (contracting). Some environmental issues (such as monitoring) now enjoy attention from an independent and more rational perspective than the companies were able to provide when setting their own agenda. Previously, with internal audits or even where an industry-wide standard has been set, many issues did not receive attention. {This point would probably not apply to ISO 14000 certification.}

Thirdly, FSC certification has introduced an independent, absolute and specific forestry standard. Previously in the forest industry in South Africa, auditing was done more to raise awareness and educate foresters on the issues. Rating was on a basis of ranking performance within a company ("who has done the most on environmental aspects"). In many cases the independent standard is much higher, as well as being broader. {This point would not necessarily apply to ISO 14000 certification.}

3. The process: basics

Pre-assessment and the Checklist

These are vital communications tools. The checklist is the foundation of the assessment and provides the link between the auditors and the company being audited. As such the checklist is an important and vital document. The checklist is a standard document for each country, though it is regularly updated as areas are revised or added by FSC or as a result of new legislation. The pre-assessment is important in

developing a common understanding of the checklist and its interpretation, and specifically of what the standard is. Pre-assessment will provide the forest owner with a guideline as to their general readiness for a full assessment as well as pointing out specific problem areas and possible problems that might prevent them being certified. Following pre-assessment it is up to the forest owner as to if and when they will request a full assessment. The likely interval would vary between 3 and 18 months.

Assessments, and surveillance

This is where the independent auditors assess the performance and progress of the company, and is an important learning and communications phase. It is important for the company being assessed that they make the most of the opportunity to learn from these audits.

The main assessment would typically involve a team of between two to five assessors, depending on the size and complexity of the assessment. Surveillance audits are usually done by one auditor, sometimes assisted by one local expert, and are scheduled for every six months following certification. A full re-assessment would be done again after five years. Surveillance audits check on progress; specifically on “closing-out” corrective action requests (CARs), and aspects that have been raised as concerns previously or that have been raised by stakeholders. Surveillance visits would aim to sample parts of the certified operation that have not been visited before.

Self-assessment and continuous improvement

The company needs to spread the standards set during the assessments to the rest of the un-sampled operations. This is done by revising the operating standards and procedures and through first and second party audits.

4. Theme 1: The Assessment Team

4.1 The team leader needs to be

1. a trained forester, in order to understand the issues and nature of the operations that are being audited, and carry adequate credibility with the people being audited,
2. a trained auditor, in order to provide leadership, guidance and perspective for the team, and provide insights into the process for the clients,
3. preferably, experienced in forestry internationally, either by virtue of international auditing experience or by direct experience in forestry in different countries. This requirement also serves the purpose of credibility and perspective: necessities from the viewpoint of both the client and the stakeholders. An important aspect of certification in this country is that it indicates compliance with an international standard - being “world class”. For this reason it helps to have internationally exposed and non-local people on the team (Marais, 1999).

SABS and people with international experience. Not having people with international experience on the team would weaken the claim to having a world standard. On the other hand, the certification would still be granted on behalf of FSC which is clearly an international standard. Therefore, the currently perceived international standard might eventually persist regardless of who is doing the certification assessments.

4.2 Other team members should be appropriately skilled and respected within the technical area for which they are included in the team. Those auditing forest and environmental management, for instance, ought to have proper insight in the wide range of areas being assessed. Technical training and

experience are more important than experience in auditing, because it is through a grasp of technical niceties rather than auditing skills that one can truly distinguish a good performance from an inadequate one. Two types of team members are not ideal: firstly, someone with no more than peripheral exposure to the forestry business, and secondly a specialist auditor. An example of the first type would be a specialist (say entomologist), excellent in a limited area of forestry, but with little insight into other technical areas. An auditor would not necessarily have adequate insight into the technical areas of forestry to properly assess the quality of management. Such a person might be equipped to do a purely systems audit, as I suspect that ISO 14000 is, but is not truly able to assess forest management standards.

Ideally, I think the specialist member of the team for forestry and environmental management would be someone who is or who could register as a professional forester. They should also have a demonstrated sympathy for environmental issues.

All team members should have strength of character, financial independence from the companies being audited, personal integrity and good interpersonal and communication skills.

4.3 Local vs Overseas based assessors

In my experience this relationship works very well. The overseas based auditors have training and experience in auditing and an international perspective on forest management, and provide guidance on interpretation of the checklist and auditing procedures. However, they lean heavily on local assessors for knowledge of local laws, regulations and standards, and insights into local interpretation of performance expectations.

The South African forestry scene is fairly small, and most professionally trained people know each other or know of each other. Private consultants will almost inevitably have worked for some of the larger forestry companies that are being certified at some stage or another. The criterion on independence would seem therefore to be that the individual is largely independent of the company for his survival in business. Thus a university or CSIR associated person is probably in a better position to be objective.

4.4 Changing team members

In my experience, specialist members of audit teams receive no formal training. All their auditing skills are learnt "on the job". To some extent this is understandable, they are hired as professional experts in their field, and paid accordingly. However, in my experience there is a learning curve for all new team members to go through. Training would therefore be appropriate. The most appropriate would be auditing skills - some basic guidance on how to do this job. Secondly, some structured learning of the FSC P&C, associated standards and their interpretation would also be useful.

Another useful approach would for a trainee to do a dummy assessment: go on one initial audit as an extra team member specifically to learn about the process and the interpretation of the checklist, and receive mentoring.

As far as "on the job" learning goes, the only suggestion I have is that mentoring of new team members should be done consciously by the team leader, and that this has to be incorporated into the first audit that someone does.

An assessor on an audit team who is not experienced in certification audits needs to be well supported and led by the lead assessor or other team member/s. So it is important to introduce new people through the means of experienced teams. New team members have two problems: lack of familiarity with the standards (just where the line is drawn), and lack of familiarity with auditing, and the skills needed to do this job properly. These can be learnt on the job, but only in a team with sufficient mentoring available. And there is a definite learning phase that one goes through. It follows from this that new team members should be introduced to the job one at a time, or they ought to be given some training prior to going on a job as a full team member.

This process of learning on the job works provided the new member can work with an experienced person, i.e. that there is enough time for some mentoring to take place, and the new team member does not have to do too much independent interviewing on their first assignment. The disadvantage of having inexperienced people on a team is that they may take time to understand how to look for information on an issue, and can lack the confidence to take a firm stand; with the ultimate result that CARs are not always raised where they ought to be.

It should be no surprise that certain people have their pet or comfort areas in terms of certification. I don't mean this is a conscious or intentional bias, but people are more confident in areas they understand best. For example, as a forest hydrologist I'm probably well-known for raising issues around soil damage, drainage and erosion, but an ecologist is more likely to have a close look at conservation and bio-diversity management issues, or a forest engineer is more likely to raise issues around the correct and safe use of harvesting equipment. Thus new team members bring fresh insights and approaches which is beneficial in ensuring that all aspects are covered thoroughly and that team members are continually learning and challenged.

The important advantage in keeping people on for repeat assignments is that they develop and improve their auditing skills and working knowledge of the checklist. This makes them more efficient and effective auditors, able to cover a lot of ground quickly but thoroughly.

The important point about the same person doing the assessment and the follow-up surveillance is that issues that are raised are followed up thoroughly and a consistent standard is maintained. If the person doing the surveillance has little knowledge of the assessment discussions, then it seems quite likely that the issue might be re-interpreted, with the result that the response may be assessed differently. This is especially true when the assessor is from overseas and has not developed the necessary insight into a local issue (for example, the broader environmental threat of uncontrolled invasion by certain introduced forest tree).

SGS has not in the past endeavoured to have the same auditor do the assessment and subsequent surveillance. My understanding is that there is a relatively small team of Qualifor auditors (the FSC accredited programme) and these auditors might almost do the pre-assessment, assessment or surveillance at random. However, things have changed in the last year. SGS now have now trained a local forester as an auditor. This individual now does most of the Southern African work, assisted by specialists on larger jobs as necessary. There should now be much more consistency in approach to all assessments and follow-up surveillance visits.

5. Theme 2: The Consultative Process

In my experience the survey of stakeholders is very variable.

5.1 Identifying the Stakeholders

Initially, the client identifies the stakeholders. This is important for two reasons. The client ought to know who the stakeholders are, and this is a checklist requirement. So, the client's list of stakeholders says volumes of the vision of the company itself and its social environment, and of its existing communications network with stakeholders.

From a certification point of view, a stakeholder is defined as anyone who does or may have an interest in the activities of the forestry company. The company's list of stakeholders is frequently quite inadequate (they are often just lists of clients, contractors and suppliers; or friends and neighbours that they talk to; sometimes almost only white people). The initial stakeholder list is therefore filled out in an effort to cover all bases, but concentrating on environmental watchdog or interest groups, and the labour unions and representatives of adjoining communities, particularly black communities as these are more likely to have been overlooked by the companies. For several assessments in South Africa, the local specialists have been contracted to do the Stakeholder survey, including the development of the list. Failing this the stakeholder survey is done, I presume, by the lead assessor.

5.2 Contacting Stakeholders

Normally an explanatory map, information sheet and questionnaire are sent to a fax number of each identified stakeholder. If a fax no. is not available, then effort is made to contact the party by telephone or the material may be posted. However, ideally one would like to receive a response before the main assessment, and delays of this sort may easily preclude this from being accomplished. In my experience, responses are in fact received from a minority of the identified stakeholders.

If the fax has transmitted successfully it is assumed that the party has had a fair opportunity to comment. If the party does not respond it is taken as meaning they do not have any issues to raise. Contact by phone to verify correct fax nos. and the right people have received them is limited to the cases where there is some reason to doubt that the contact details were correct in the first place.

The survey information sheet and questionnaire we've used has been a standardized form developed by the Certifier. Only one paragraph or so is modified to make the information site specific. The same material is used for everyone, though recipients are invited to telephone for information or help on interpretation of the questions.

5.3 Thoroughness of the Survey

Ultimately, the thoroughness of the stakeholder survey depends directly on two important considerations. Firstly, the time and resources allowed for this phase of the assessment. If the responsible person is not given more than a month's warning then the process is bound to be rushed and too little time will be available to make the survey thorough, i.e. develop the list, run down correct contact details, and follow-up on non-responding groups and on responses. Secondly, the familiarity of the assessor with the real and likely stakeholders for an area. The more experience an assessor has

with this task, the more efficiently it is likely to be performed. It is a long and frustrating task contacting a long list of people who may or may not have any interest in what you are doing.

Two uncertainties raise themselves. I'm unsure how thoroughly foreign-based persons do this survey. I suspect that they are probably too remote and unfamiliar with issues, organizations and local structures to really do this job effectively. At least this would be the case until the person has developed local knowledge through repeated visits to the country. Secondly, I suspect there is some bias that results from the assessors' own interests and familiarity with groups, issues and languages. For example, one assessor with a labour union background, was suspicious of a company for recognising a minority union that it was not legally required to recognise.

Finally, it is very difficult to contact some groups in a conventional "Western" way. Some communities or labour groups may not have fax machines, may not be very conversant in English and may feel completely ignorant of the whole process. As a result, it is not clear that these groups are adequately surveyed. A personal visit to such groups of stakeholders is much more appropriate, but is enormously time-consuming, both to set up and to carry out. Hence, such a visit is only likely to take place if there is reason to believe that some issue exists. This, in turn, has to come to light from stakeholder contacts prior to the assessment.

There is certainly a need to adapt the stakeholder survey process to local conditions. This will inevitably be costly because of the problems with poor communications with the poorest groups that are the ones that are most likely to be missed; the answer is to have more time, and time is money. On the other hand, if groups are not organized and are poorly represented, stakeholder surveys will still not be fully satisfactory. There may therefore be a case for encouraging companies to help educate and assist these most marginalised groups, to empower them for the stakeholder survey process.

5.4 The extent to which Stakeholders make use of the opportunity.

Being part of the certification process gives stakeholders a very real opportunity to have an influence on the company's management. However, stakeholders have, by and large, not yet seized the opportunity that is thus presented. There are some encouraging examples of co-operation by companies and environmental interest groups on particular issues, specifically, wetlands and crane conservation, which have perhaps resulted indirectly through the influence of certification. Certainly, the importance that FSC certification places on stakeholders makes the companies much more attentive to issues that stakeholders do raise.

5.5 Consultations within the Company

Discussions are held at all levels and with a sampling of all employees and the company's contractors. A specific effort is made to reach the contractors as there has been some suspicion that the dramatic change from own employees to contractors was a move by some companies to abdicate their responsibility.

On the forest management, silviculture and environmental aspects of the assessment, most time is spent with middle to lower management (Area & Plantation managers, and the Silvicultural and Harvesting Foresters). This involves understanding how they go about their work, what systems and processes are in place and are followed, and finding out what drives decision-making, and then checking

on implementation of policy, procedures and standards in the field. Proportionately, therefore, this is the group with whom there is most interaction. The extent to which upper management are party to the audit varies greatly from company to company. Some prefer that the assessment should be used to generate as much understanding as possible, and hence large groups, including district or regional managers, contractors and observers, tour around on the audit together. Others companies leave the job to the actual staff members who have direct responsibility for the management that is being assessed.

There is frequently a problem, except in the Western Cape, in communicating with the lower echelons of the work force because of the language barrier and, to a lesser extent, because of natural reticence and unease on the part of members of this group. Wherever possible labourers are interviewed, with the aid of interpreters if necessary, but one cannot always be sure that the worker feels comfortable or that the discussions, where an interpreter has to be used, are in confidence.

It is preferable that higher management do participate in the field assessments, because they are then aware of any problems that have been encountered in the field, and are better informed at the time of the closing meeting. They will better understand what is needed to correct problems and are less likely to dispute the findings of the assessment team.

5.6 The vexing issue of contractors

There has been a strong swing in the industry away from employing all of their own staff and toward contracting in all services. In the early stages of the process (over 10 years ago) some foresters were encouraged by the companies to go off to start their own contracting firms. The popular view of this development is that it was a move to reduce the companies' exposure to labour issues and strong unions. The forest industry may give a different reason. However, the process is now far down the road and all forestry companies contract in services to a greater or lesser degree. Some companies have only the smallest management teams in their employ and contract out virtually all services including fire-fighting. An extreme example is where less than 20 people (foresters and clerks) now manage a large amalgamated forestry estate where there would previously have been several hundred employees to manage the same area of plantation). It is very rare to find contractor employees who are unionised.

In FSC audits the same standards and expectations have been applied to contractors working for the company being assessed. However, it was not always clear to companies (before the audit) that this was how things would be interpreted, and in reality the performance of contractors is frequently what it is in the company's own teams. The situation is further complicated by an endeavour of encouraging new (small) contractors from previously disadvantaged backgrounds. These are often former company employees who are being given an opportunity to establish themselves as private entrepreneurs. These contractors are often seen as a special case, and company staff have often more lenient with these contractors as a way of helping them to become established. It is not unusual therefore to find such small contractors working outside of the standards and guidelines, most frequently in terms of health and safety issues.

6. Theme 3: The decision-making process

6.1 Time allowed

The time allowed to close-out CARs is pretty well fixed (at least within the SGS Qualifor programme)

according to whether it is a major or minor CAR (I'm not exactly sure of these time windows, but it is something like 2 weeks to respond and 1 month to implement for a major; 1 month to respond and 6 to implement for a minor - please check with SGS).

Issues (that might become CARs) are discussed with the company representatives as they arise, to make sure that one understands the process and approach of the company. Thus the company is made aware, at least indirectly, of issues that are being followed up. The assessment team discusses all observations on an on-going basis, discussing, each evening, what each has seen, experienced and not yet checked on. In this way, each day begins with a refined list of matters that have not yet been looked at and those that need to be looked at more closely. As a result, one is continually building and refining the list of possible CARs. Frequently, company representatives are gathering documentation from Regional or Head Offices during the week to put issues to rest before the end of the week.

Thus, by the end of the penultimate day of the assessment the team has a pretty clear idea of what CARs will be raised. For the most part it would be clear to the company staff what the issues are, although the seriousness of these would not necessarily be known. In most cases, a major CAR would not be raised at the closing meeting without the most senior company staff having been informed of the situation. Specific CARs may come as a surprise to managers where they were not in the field to observe the objective evidence (this typically happens where the assessors have split into two teams), and to a lesser extent where senior managers have not accompanied the audit team in the field.

6.2 Major vs Minor CAR

To put it simply, a Major CAR is raised if there is a failing on a major point on the checklist (one of the FSC criteria). An alternative and more conservative viewpoint to which I have worked as part of a team was that a Major CAR would be raised if there is complete or consistent neglect of an FSC principle. More practically, I'd say a major is raised where the weight of evidence shows consistent or very serious neglect of an important criterion or company standards and procedures. Ultimately Major CARs are not raised lightly, require broad consensus in the team and have to be supported by broad-based objective evidence.

Minor CARs are followed up individually during the next (half-yearly) surveillance visit. The adequacy of the action plans for attending to the CARs and the implementation of these plans are inspected. Major CARs warrant their own dedicated follow-up visit during which the implementation and adequacy of the action plans are checked. The checking on these close-out visits is more directed, but otherwise is done in the same way as a normal assessment; procedures, process and practice are checked in the office and in the field. Any aspect of management may be checked on during these close-out visits.

6.3 Available Information

The assessment checklist will largely dictate the information that a company needs to produce. The assessors will be looking for the necessary documentary evidence to support the requirements stated in the checklist. The only problem that arises here regards interpretation of certain points. Generally the typical information is available, such as company procedures and standards, minutes of meetings, correspondence, training material and records.

The auditors look to satisfy themselves that the company has a self-correcting system in place, and that

an adequate paper trail is created thereby to demonstrate that this system is working. This is one of the more common inadequacies in available information: auditors are sometimes expected to be satisfied with a system that does not create the evidence to show that it works. Another, fairly simple, yet commonly neglected failing, is the requirement for a publically available summary of an integrated management plan to be available. Many of these highly commercial companies have detailed yield regulation plans, but do not have integrated plans. As a result they seem to find it difficult to meet the above requirement, although they often have most of the elements in ready form.

6.4 Similar sets of information

The most efficient way of ensuring that the same type and level of information is available is through detailing the criteria and indicators and, more specifically, making the checklists standardized.

SGS's checklist (a thorough breakdown and interpretation of the FSC P&C, combined with available local management standards) is comprehensive and covers all aspects that would be covered by the forthcoming National Forestry standards. It seems likely that the general local standards or at least the interpretation of these, will not be as rigorous as the SGS checklist.

There is undoubtedly room for further detailing, quantification and specification in the local forestry standards than is currently available. The only areas in which the current checklist becomes fairly absolute is where local operating guidelines have been developed. For example, one company's rules say something like "A road shall be drained at least every 50 m and culverts should not be spaced more than 300 m apart." Another example is that the South African guidelines specify that water draining off roads should be filtered through 10 m of vegetation before entering streams, and that log depots should not be situated within 40 m of streams. Such rules are very specific, even if not particularly demanding. During an audit it is much easier on both parties to use such clear operating standards. By contrast, requirements in terms of social aspects have not been spelled out in exact terms. For example, what guideline is one to use to evaluate, say, the adequacy of a company's "Corporate Social Investment?" Once the good intent of the social aspects of the FSC standards have been interpreted into firms guidelines that are more easily measured, then social aspects will be more easily covered with the same rigour as environmental aspects. To give a hypothetical example, a specified guideline would be something like "Around 4% of after tax profit should be invested in social upliftment programmes to benefit communities other than direct employees." A prime candidate for such guidelines would be guidelines for company housing facilities.

From the above it is clear that social aspects of the audit are more difficult to apply. The social aspects are less exact than technical forestry and environmental issues, and more difficult to pin down. It is often difficult to gather the objective evidence in support of a suspected failure. Companies are therefore less likely to receive CARs, especially major CARs, with respect to social issues for the simple reason that mutually accepted and commonly understood operating guidelines are not clearly specified. South African forestry standards could assist greatly by defining aspects of a social code of practice and setting down mutually accepted minimum standards or guidelines.

I can think of only one instance where a company received a major CAR on a social issue. This was essentially because we had a clear rule: they were in contravention of provisions of the new Security of Tenure Act. The new legislation is adequately specific for it to have been used in such an instance, serving in reality as an operating standard. However, the company's legal council contested the

interpretation of the audit team!

6.5 *Comparable Conclusions*

The most effective means of assuring or aiding uniformity in evaluations is to have more detailed, objective and measurable criteria and indicators, and standardised checklists. In addition to this, training of assessors and company employees would go a long way to developing a consistent and uniform understanding of standards and their interpretation. If everyone is more precisely aware of what the expectations are, then it is more likely that the appropriate evidence will be produced by the forest managers. Also, there will be less need to wait for the external audit to learn where the line is drawn.

However, the assessment is a sampling exercise so there is some luck of the draw involved in what the assessors see or don't get to see. This is one reason that the same objective and measurable standards and standardized checklists would not necessarily produce the same conclusions.

There is also, inevitably, going to be some subjectivity in the evaluation of performance, and this is another factor that is likely to cause a variance in conclusions.

6.6 *Typical CARs raised*

CARs are raised across the spectrum, from the relatively easily resolved to the long-term and difficult. Particularly easy to deal with would be things like a short-coming in the company policy statement, e.g. not signed/endorsed by the Chief Executive. By and large foresters probably have less trouble dealing with CARs of a technical nature, as these things are within the realm of their training. Typically awkward are those concerning the social issues. One particular area is that of social responsibility and the applicable community. Companies tend to see their community as their employees or perhaps people who live on their land-holdings. They are hesitant to accept a broader vision of the affected communities and hence social responsibility for the company.

By way of example, CARs relating to environmental and forest management are regularly raised in connection with the following fields:-

- *Control of harvesting operations* or unsatisfactory adherence to the South African code of practice in harvesting, particularly regarding aspects relating to on-site damage and damage to adjacent reserve areas.
- *Roads and road drainage*; as a continuing cause of soil erosion and sediment delivery to streams, and road specifications appropriate to large forestry road systems not being applied.
- *Designation and maintenance of adequate streamside buffer and protection zones* for sustaining streamflows, providing ecological corridors through the plantation monocultures, and buffers for water quality protection. An objective basis for the delineation of riparian zones in long-established plantations where streams are no longer perennial (as a consequence of the afforestation) is a particular problem.
- *Adherence to health and safety regulations*, especially by contractors, including control of chemicals and chemical stores.
- *Identification of the primary environmental impacts* of the forestry operations, and setting up of *appropriate monitoring programmes* for these has generally been poorly done. There has been little methodical approach to the issue of the monitoring that is required by FSC. A particular case is monitoring of water quality and quantity.

6.7 Two examples of Company responses.

The companies have generally responded to the roads problem by seeking to implement a higher standard of roads, by appointing staff with specific roads skills and by being more systematic in their approach to road-works planning.

The issue of delineating riparian reserves has been addressed as an industry-wide issue by all the big companies and a range of environmental interest groups. This initiative is aimed at producing a new and generally accepted standard procedure for delineation of riparian areas for the protection of streamflow.

New or prospective legislation? Unaware of or uncertain of new challenges.

7. Theme 4: The Learning Process.

Many issues of general concern or applicability are dealt with in apparent secrecy by the companies. There exists, therefore, a great opportunity for open and joint debate of the implications of the certification requirements and a rationale industry response on some issues. There is some call for more co-operation or at least debate amongst the large forestry companies, but as yet there has only been piecemeal action in this regard.

The new National Forest Act requires that local operating standards be developed nationally, and that these be implemented by all forest owners. This initiative may provide the impetus for joint debate and the pooling of ideas and learning in the industry.

On the ground and in the field, assessments are done by means of a process of continuous probing and query. Through following the line of questioning and, to a lesser extent, through discussion of some issues, many foresters find the audit experience to be a positive learning process.

7.1 Extended and continuous learning.

Assessments, as has been said before, are a sampling exercise. It is therefore vital that forestry companies do generalise the solutions that they have developed to address problems that have been identified at one or two locations. In this way certification provides the impetus for new operating procedures to be developed and spread throughout the company. As a company would generally prefer to have a single set of operating procedures or standards, this learning also applies to parts of the company outside the scope of the area applying for a certificate.

Evidence that such learning from the certification process is spread is seen by the assessors during surveillance visits. The revised operating procedures and manuals for the whole company, and course schedules, notes and attendance lists are presented as documentary evidence that changes have been made and staff have been informed and trained where necessary. A common response to a CAR is that the company would appoint an action committee to address the CAR (for instance, a working group to revise company road maintenance standards), and the minutes of meetings of such committees and their resultant recommendations, plans and revised guidelines will be recorded to present as evidence to the FSC auditors. The implementation of such new guidelines will also be checked on the ground. By raising the general standard within the large companies, certification will indirectly cause standards

to be improved throughout the industry in South Africa. Certification is creating a market for forestry auditing skills and these skills are likely to further standardise operations to a “certification level” throughout the industry.

7.2 General Recommendations

A crucial ingredient of the success of certification in South Africa is strict and independent third-party auditing. Most of the companies in South Africa have had some form of environmental auditing in place. While this has been part of improvement of management by these companies, many of the difficult issues have been ignored in this process (for example, roads and erosion, and riparian reservations in established plantations). Very commonly companies have failed not on the new FSC P&C *per se* but rather on the weak or incomplete implementation of South African forestry operating standards. Also, while the requirement for the independence of the auditors may seem fairly obvious, the forest industry in South Africa is fairly small, and dominated by a few, powerful companies. Finding independent audit companies and auditors within the country is therefore not a trivial matter.

Box 1: The example of water quality monitoring.

FSC principles and criteria require that the environmental impacts of the forestry operation are identified and that the key impacts are monitored. The foremost environmental issue in South African forestry is that of the hydrological effects of forestry. Even before the first main assessment Safcol, the first of the larger South African forestry companies to apply for certification, were looking for a practical means to monitor water quality. However, by the time of the main assessments there was no firm plan in place and CARs were therefore issued on water monitoring. Eventually, the big companies, Safcol, Mondi and Sappi, realizing that this was a common issue, established a joint water quality monitoring strategy, agreeing to use the same bio-monitoring methodology. This enabled the establishment of a small, private, specialised bio-monitoring service for these timber companies.

Box 2: Road Building Standards

Forestry companies typically have very extensive forestry road systems. These roads are commonly rather neglected and serve as an continuing source of erosion and sediment delivery to streams draining the forest estate.

Company A, when issued with a CAR on this issue, responded by appointing a champion to resolve the road issue. The company contracted a roads engineer who had extensive experience of gravel road construction in Africa to draw up revised road building and maintenance guidelines, and to present a training course to roads representatives within the company. A committee comprised of the forest engineering experts and the regional roads representatives from around the whole company were appointed, and this group met twice for workshops, and to receive advanced training from the engineering consultant. Obviously, repair of all roads will take a long time, but decisive steps have now been taken by this company to address the problem in earnest, and to keep staff focussed on the issue.

References

MARAIS, G. 1999. FSC -the challenges and benefits : A Safcol experience. NZ Journal of Forestry, Aug. 1999.

ACRONYM LIST

FSC	Forest Stewardship Council
CAR	Corrective Action Request