

THE ROLE OF STAKEHOLDER CONSULTATION IN  
FOREST CERTIFICATION ASSESSMENTS  
*ITS CRITICAL IMPORTANCE AND  
MAKING IT MORE EFFECTIVE*

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## The Role of Stakeholder Consultation in Forest Certification Assessments

### *Its Critical Importance and Making It More Effective*

#### Introduction

Over the years, stakeholder consultation has been increasingly included as a requirement in forest certification assessments. The Forest Stewardship Council (FSC) has long standing requirements for stakeholder consultation, and the Sustainable Forestry Initiative (SFI) recently added guidance for auditors regarding the use of meetings with third parties to determine certification compliance. Outside of North America, the Programme for the Endorsement of Forest Certification schemes (PEFC) also has requirements for stakeholder consultation for assessments conducted under an endorsed scheme.

Each program differs in its definition of stakeholders and the consultation requirements, but in general forest certification programs include three types of stakeholder consultation. The first type of stakeholder consultation is the type that has been given the most attention to date – the consultation associated with the development of standards. The ISO/IEC Guide 59 *Code of good practice for standardization* and World Trade Organization (WTO) agreements<sup>1</sup> provide guidance for standards development. The various forest certification programs draw upon these international guidelines in the design of their standard setting processes. The FSC is also a member of the International Social and Environmental Accreditation and Labeling (ISEAL) Alliance, which has a *Code of Good Practice for Setting Social and Environmental Standards*. The ISEAL guide is specific to social and environmental standards such as forest certification and includes guidance for standard setting and procedures for engaging stakeholders in standards development<sup>2</sup>. A second type of stakeholder consultation occurs with management planning and decision making on the part of landowners and land managers seeking certification. Each forest certification standard includes guidance on how local interests should be informed of forest

#### **Report: Companies Now Seeing More Value in Stakeholder Engagement**

Source: *GreenBiz.com*

TORONTO, Sept. 13, 2005 - An international survey has found that, more than ever before, companies are banking on strong and effective stakeholder engagement. The first of a two-volume series titled *From Words to Action: The Stakeholder Engagement Manual*, was recently released by Stakeholder Research Associates, in partnership with the United Nations Environment Program (UNEP) and AccountAbility.

*Practitioners' Perspectives on Stakeholder Engagement* examines the trends, processes, key success factors and challenges of stakeholder engagement based on the first-hand experiences of the practitioners on the front lines. More than 80 practitioners from corporations, non-governmental organizations (NGOs), international labor unions and industry sector associations and representing more than one dozen sectors and six continents contributed their perspectives to the publication.

[http://www.greenbiz.com/news/news\\_third.cfm?NewsID=28751](http://www.greenbiz.com/news/news_third.cfm?NewsID=28751)

<sup>1</sup> WTO Technical Barriers to TRADE (TBT) Agreement Annex 3 *Code of good practice for the preparation, adoption and application of standards*

<sup>2</sup> In September 2005, ISEAL released a report entitled, "Stakeholder Consultation Practices in Standards Development", available at <http://www.isealliance.org/>

management planning processes, provided opportunity to comment, and given access to documents. The third type of stakeholder consultation is the focus of this report. This report focuses on the stakeholder consultation process that occurs during the certification assessment itself.

Although there are similarities between the three types of stakeholder consultation, the consultation that occurs during a certification assessment is unique in two key ways. First, the consultation during an assessment is the responsibility of an accredited auditor, not the land manager or the standard setting organization. Second, there is no standardized international guidance for stakeholder consultation during forest certification assessments. There is a need for a credible, efficient, and effective process for tackling this type of stakeholder consultation. For a number of reasons the stakeholder consultation part of the certification assessment is one of the most challenging aspects of the certification process but also, arguably, the primary reason forest certification came into existence.

## **Background**

If the history of forest certification were painted with a broad brush, it might go something like this. About 15 years ago, environmental interests, the forest industry, and government agencies were engaged in a lose-lose-lose situation. Environmental groups were exhausting their resources with lawsuits, boycotts, and other aggressive tactics. The industry was strung out responding to lawsuits, combating negative media, and lobbying to fight new regulations. The government had tried everything from logging moratoriums to Forest Practices Acts and was looking for something besides more regulation to address the continued conflict over forest management. To some observers, forest certification presented an opportunity to address all three areas of concern. However, the key to ensuring that the three disparate interests would trust the new tool and not resort back to their old tactics would be the success of stakeholder consultation processes and the ability of forest certification programs to effectively and credibly balance competing interests and build consensus.

To build trust among constituents, each certification program invested significant effort in addressing stakeholder engagement in the development of their standards. The Forest Stewardship Council (FSC) has a standard-setting process that includes the establishment of National Initiatives (e.g. FSC-US) as well as regional Working Groups. Both at the national and regional level, stakeholders are asked to participate in the development and review of forest certification standards. Using this process, the FSC has completed the development of approved standards for all nine FSC regions in the United States. The Sustainable Forestry Initiative (SFI) also has a standards-setting process that provides for public review and comment, public meetings, and the public availability of draft documents. Both programs review their standards on a five-year cycle. The FSC is currently conducting a review of the regional standards in the United States.

By developing standards in a transparent way, forest certification programs have been able to both educate stakeholders about their standards and build trust in their credibility. Although individuals may still be strongly critical of a specific program or standard, all parties must at least concede that processes are accessible and information about standards readily available.

To continue the broad-brush history of certification, after developing standards, the next step was forest certification assessments. This is where the problems began. At least four distinct problems arose. First, the certification programs did not establish a sufficiently consistent mechanism for notifying stakeholders of an upcoming assessment. This failure created a perception among many stakeholders that certification was happening in secret, in a black box or behind closed doors. Second, the engagement of stakeholders was inconsistent in terms of the methods used to contact groups, how input was gathered, and which individuals and interests were included. Many groups were omitted from the consultation for a variety of reasons and confusion over the process continues to this day. Third, the consultations did not adequately account for the significant differences between private and public land assessments. Fourth, the certification programs did not establish a consistent mechanism for reporting the outcomes of assessments. The difficulty in accessing certification reports has reinforced the sense that certification assessments are not transparent. Some progress has been made addressing these problems, but challenges remain. The degree to which each program addresses these challenges and designs their stakeholder consultation processes to ensure a constructive, win-win situation will determine whether or not participating interests continue to support certification or resort to their tactics of 15 years ago.

### **The Basics**

Each program defines stakeholders and consultation a bit differently. The dictionary defines a stakeholder as “one who has a share or an interest, as in an enterprise”, and consultation is “a conference at which advice is given or views are exchanged.” The ISO 19011:2002 *Guidelines for quality and/or environmental management systems auditing* provide direction to auditors on how to conduct audits and gather information, and forest certification programs generally use this as a starting point.

### **Stakeholder Consultation and the SFI**

Within the SFI 2005-2009 Standard that forest managers are audited to, there are a few requirements for stakeholder consultation in forest management decisions. For example, in Performance Measure 2.2 related to the use of chemicals, forest managers are required to notify adjoining landowners and nearby residents of planned chemical applications. Also, SFI’s Objective 12 includes requirements for public land managers to contact and involve local stakeholders and indigenous peoples in public land planning and management processes. All SFI Program Participants are expected to establish procedures to address public concerns about practices that appear inconsistent with the SFI Standard principles and objectives.

The SFI program includes one section related to engaging stakeholders during the certification assessment. The *SFI Audit Procedures and Qualifications* (SFI APQ) section of the SFI 2005-2009 Standard includes Section 6.2 related to “Determination of Conformance”, which states, “The audit firm shall assess conformance to each element of the SFI Standard...a determination of findings is possible only when an adequate amount of evidence is gathered...by examination of operating procedures, study of materials relating to forestry practices, and on-the-ground examination of field performance, and through

meetings with employees, contractors and other third parties (e.g., government agencies, community groups, conservation organizations), as appropriate, to determine conformance to the Standard.” This statement in the SFI standard is very similar to the requirement in the PEFC standards. The PEFC requirement listed in PEFC’s Annex 6.4, states, “The audit evidence...shall include relevant information from external parties (e.g. government agencies, community groups, conservations organizations, etc) as appropriate.” The SFI program is a member of the PEFC and applied for PEFC endorsement in June 2005. For more information about PEFC, please see Dovetail’s November 2004 report<sup>3</sup>.

The SFI Standard does not have any requirements for public notification of a pending assessment. The SFI does require that “any organization seeking independent third-party certification...to the SFI Standard shall notify the Sustainable Forestry Board a minimum of two weeks prior to undertaking the audit.”

The SFI program has been criticized in the past due to the inaccessibility of certification reports. In the past, public notification of a pending assessment and release of a certification report was largely left to the discretion of the client. With the 2005-2009 Standard, certification public reports are now being made available at the website of the Sustainable Forestry Board (SFB). The SFI APQ also includes guidance on what is to be included in a public report, including: a description and rationale for any substitute indicators, a summary of findings, general descriptions of any non-conformances, and the certification recommendation.

### **Stakeholder Consultation and the FSC**

The FSC Standard provides fairly complete guidance on stakeholder consultation. There are two types of guidance provided by the FSC process. First, there is guidance given in the regional standards. Most such guidance is located within Principle 4 related to Community Relations. The criteria and indicators within this principle primarily relate to stakeholder consultation that the land manager is expected to use in management planning and decision-making, but this principle also requires the auditor to confirm compliance based on contact with stakeholders and not just the statements of the land manager.

*From Principle 4 of the FSC Lake States-Central Hardwoods standard...*

4.4 “Consultations shall be maintained with people and groups directly affected by management operations...may include employees and contractors...neighbors, fishers, hunters and gatherers, recreationalists, water users, and forest product processors.”

4.4.b. “Viewpoints and feedback are solicited from people and groups directly affect by forest management operations and its associated environmental and aesthetic effects.”

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<sup>3</sup> *Beginner’s Guide to Third-Party Forest Certification: Shining a Light on the Programme for the Endorsement of Forest Certification schemes (PEFC)*, available at: [www.dovetailinc.org](http://www.dovetailinc.org)

The main guidance for stakeholder consultation during the FSC assessment process is contained in the guiding documents for accredited auditors. The first piece of information is the FSC definition of “stakeholder” from the FSC Glossary (*FSC-STD-01-002 FSC glossary of terms*).

*FSC definition of Stakeholder:* “Individuals and organizations with a legitimate interest in the goods and services provided by a Forest Management Unit (FMU); and those with an interest in the environmental and social effects of an FMU’s activities, products and services. They include: those individuals and organizations which exercise statutory environmental control over the FMU; local people; employees; investors and insurers; customers and consumers; environmental interest and consumer groups and the general public.”

The FSC accreditation requirements go further to explain: 1) the stakeholder consultation required during scoping visits, 2) the process to be used during the full assessment, and 3) the public notification procedures.

*For pre-evaluation (scoping) visits (FSC-STD-20-005):*  
“The pre-evaluation of large-scale or high conservation value forest shall include a consultative phase in which stakeholders are identified and consulted. This consultative phase shall be completed prior to the initiation of the main evaluation.”

The FSC document, *Stakeholder consultation for forest evaluation (FSC-STD-20-006)* provides extensive guidance and states that the purpose of the stakeholder consultation process is “in order for a certification body to evaluate a forest manager’s compliance with the requirements of the applicable Forest Stewardship Standard.” This document is available in its entirety at the FSC website ([www.fsc.org](http://www.fsc.org)).

*For full assessments...*

1.1 “The certification body shall consult with a range of stakeholders who can provide relevant information as to an applicant’s compliance with the environmental, legal, social and economic requirements of the Forest Stewardship Standard.”

2.3. “...stakeholders to be contacted directly by the certification body shall include: Any FSC National Initiative in the country or region, The state forest service or equivalent, Statutory bodies with some legal mandate over the FMU under evaluation, NGOs that are active in respect of social or environmental aspects of forest management at the national level, or at the sub-national level in the environs of the forest to be evaluated, as appropriate, Representatives of Indigenous Peoples and forest-dwelling or –using communities that are active at the national level, or at the



sub-national level in the environs of the forest to be evaluated, as appropriate, Labor organizations or unions of forest sector workers, Contractors who provide services to the forest operation to be assessed.”

2.4. “The certification body should contact stakeholders at the scale of organization most likely to have information relevant to the assessment. In the case of large scale enterprises this is likely to include organizations with operate at the national level and/or at the sub-national level...”

*Public notification (also from FSC-STD-20-006)...*

2.6 “The certification body shall inform the stakeholders, at least one month prior to the start of the...site visits: that an FSC forest evaluation is due to take place, the start date...the applicant’s name and the location of the forest...how to acquire a copy of the...Standard...that the certification body is seeking the views and opinions of stakeholders as to whether the applicant’s forest management complies with the requirements of the standard, how stakeholders may contact the certification body..., that the team will make arrangements to allow stakeholders to meet with the team..., of the existence of...mechanisms for resolution of complaints or disputes, [and] that the source...will be confidential...”

2.7 “The certification body may employ a variety of means to inform stakeholders of the information specified in 2.5, above, appropriate to the group being contacted. Techniques may include: direct e-mail..., ...contacts by phone or letter, notice published in the national and/or local press..., local radio announcements, signage posed around the forest management unit..., announcement in the village shop/church hall or local customary notice board..., announcement by the applicant using existing, ongoing mechanisms for consultation between managers and local stakeholders.”

There are additional FSC documents governing the content of certification reports and public summaries. The websites of the various accredited FSC certification bodies post the public summaries of their clients’ certification reports. Some critics would prefer that all the FSC reports be maintained at one central website such as the FSC International website.

## **Room for Improvement**

### ***Bolstering SFI Stakeholder Consultation***

The SFI stakeholder consultation process appears to be inadequate, lacking particularly in its potential to improve communication or increase trust between parties. Historically, the SFI standard was designed and implemented primarily for private, industrial lands. In the context of private landownership, a stakeholder consultation process is arguably of minor relevance. However, over the years, the SFI standard has been applied to public lands as well. Within the 2005-2009 SFI Standard, Objective 12 includes specific requirements for public land managers to engage stakeholders in their management planning and decision-making, but does not provide guidelines as to how that engagement should occur. If the SFB continues to consider public lands a potential client for their program, they will need to carefully consider the role of stakeholder consultation in the certification assessment process.

### ***Improving Consistency and Efficiency in FSC's Stakeholder Consultation Process***

The FSC provides significant documentation and detailed guidance regarding stakeholder consultation, but the FSC program still misses the boat on several key issues. The most significant areas for potential improvement in the FSC process are to increase consistency and efficiency.

Although the FSC offers robust guidance for stakeholder consultation during the certification assessment, a significant challenge to accredited auditors is effectively implementing this guidance given the limited time and resources that are available during an assessment. Given the experience of FSC auditors to date, it is clear that some lessons can be learned and applied to improving the process. Potential improvements to the process could include:

- Establishing Regional Stakeholder Lists
- Standardizing the Public Notification Process
- Using Survey Techniques to Gather Input
- Facilitated Stakeholder Engagement

### **Regional Stakeholder Lists**

Looking at the United States, FSC assessments have been conducted throughout the country and a great deal of effort has already been put into identifying and contacting stakeholders. To improve the efficiency of future assessments, the FSC National Initiative, FSC-US, could work with the accredited certification bodies to compile regional lists of stakeholders. These lists could be kept confidential but made available to accredited auditors conducting assessments or annual audits in each respective region. The National Initiatives or certifiers could also consider the development of an on-line process for individuals and organizations to join the lists, confirm that they are already included, sign-up for assessment notifications, or update their contact information.



## Standardizing the Public Notification Process

The current FSC guidelines allow significant flexibility in how stakeholders are informed of a pending assessment. To reduce the continued perception that FSC certification happens in secret, there could be an increased use of public notification and community postings. This degree of public notification is especially applicable to public land assessments. The current reliance on email, phone calls, and letters relies on a history of participation and is insufficient to engage the “general public” that should be a significant component of public land assessments.

## Using Survey Techniques to Gather Input

Perhaps one of the most significant ways that stakeholder consultation could be improved would be to radically change the way information is gathered, when it is gathered, and how it is reported or compiled. Through the use of on-line or mailed surveys and more formalized information gathering tools, the consultation could be made more transparent, more structured, and more informative for everyone involved.

The stated goal of the FSC stakeholder consultation process is to gather information that demonstrates either evidence of compliance or situations of non-compliance with the standard. One of the greatest challenges auditors face is gathering this evidence for all aspects of the standard with a small team over a limited time period.

Perhaps accredited auditors and/or FSC National Initiatives could establish an on-line survey tool that would allow stakeholders to log-in and contribute comments on specific certification applicants and, furthermore, have those comments linked to specific principles, criteria and indicators. A similar approach could also be used to collect feedback on the regional standards during the 5-year review process.

## Facilitated Stakeholder Engagement

To date, stakeholder consultation during certification assessments has largely fallen into the same traps as the consultation processes used during public land management planning and decision-making. Too often, the same small groups of individuals and organizations have the resources to participate, and the information exchange is more of a “venting process” rather

### Largest FSC Certification in the World

The certification of 5.5 million hectares (13.6 million acres) of Alberta-Pacific's forest management area in northeastern Alberta represents the largest FSC-certified forest in the world.

The audit included verification of Alberta-Pacific's forest management operations, interviews with more than 100 stakeholder, Aboriginal and community representatives, and reviews of written responses to surveys sent to 200 residents in the area.

With Alberta-Pacific's certification, Canada is now the leading country in the world for FSC-certified forests with 14.3 million ha., or 22.8% of the global total. Alberta-Pacific's certification is also the first in Alberta as well as the first within the boreal forest of western Canada.

[http://www.fsc.org/en/whats\\_new/news/news/53](http://www.fsc.org/en/whats_new/news/news/53)

than a constructive exchange of ideas and identification of potential solutions. The result is that the certification process may well reinforce or escalate existing conflicts over management, lead to frustration or alienation of stakeholders, and in the end reward the loudest, squeakiest wheel during the process. Under such circumstances the consultation experience becomes negative, competitive, and ineffective, leading to a reduced respect for and trust of the certification process. At risk is the long-term success of certification as an alternative to heavy-handed regulation, boycotts, and lawsuits.

The most effective way to improve stakeholder consultation is to introduce structure to the communication process. Structure accomplishes two important goals. First, structure helps the certifier keep the process and participants on task and focused on providing information of relevance to the assessment. Second, structure creates equality. With a structured process for gathering input, stakeholders can be treated equally and opportunities for individuals to operate aggressively as “squeaky wheels” are reduced.

There are several proven methods of stakeholder engagement and facilitation that can work in even the largest and most diverse groups and under conditions of extreme conflict. Some certification assessments have already used tools such as surveys and focus groups to gather information. Effective stakeholder facilitation requires a unique and specific set of skills, and accredited auditors could consider increasing their inclusion of these skills on their audit teams.

### **The Bottom Line**

A foundation of forest certification is its intention to provide an alternative to combative approaches to conflict resolution. To deliver on this intention, forest certification programs will need to enhance their stakeholder consultation procedures to ensure transparency and equality, especially for public land assessments. If the programs fail to achieve these goals, it is likely that we will see a significant return to boycotts, lawsuits, and regulations as stakeholders’ trust in the certification process declines.

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