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CO-REGULATING SELF REGULATION:

GOVERNMENT ROLE IN FOREST CERTIFICATION

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Table of Contents

1.0 Introduction

Forest certification is a market-based self-regulatory instrument to encourage sustainable forest management (SFM) practices (Upton and Bass 1996; Meidinger, Elliot and Oesten 2003; Cashore, Auld and Newsome 2004). Certification leverages the supply chain and encourages forest company SFM commitment and responsibility by linking customer demand for certified forest products with producer supply.

Although voluntary, forest certification has recently been mandated in several jurisdictions in both the U.S. and Canada. It is unclear why and how governments are choosing to engage in forest certification. As well, it is uncertain how government response aligns with industry self-regulation expectation. Through a case study investigation of the response of Canadian provincial governments to forest certification this report describes the variance in government co-regulatory roles in forest certification at the development, implementation and enforcement stages and the range of industry expectation with respect to the degree of government engagement in certification.

Specifically, the four major forestry dependent Canadian provinces (New Brunswick, Quebec, Ontario and British Columbia) were investigated. Two of these provinces have mandated forest certification (New Brunswick and Ontario). Interviews were conducted in the fall and winter 2004-2005 with forest industry, government and NGO contacts within each of the four regions (see Appendix A). The study was conducted through the support of an Environment Canada Environment and Economy Scholarship Award (2004) and represents a contributing piece to my overall doctoral research at the University of British Columbia examining public sector role in corporate social responsibility.

The report is organized into four sections:

Section 1.0 introduces the research.

Section 2.0 provides an overview of forest certification as a self regulation mechanism, including why it emerged and the current status of certification efforts.

Section 3.0 discusses the rationale and range of indirect and direct government co-regulatory responses to forest certification.

Section 4.0 summarizes the results of a comparative case study investigation of Canadian provincial government responses to forest certification and industry expectations of government role.

Section 5.0 provides a brief summary of the emerging importance of understanding the shifting government role in co-regulating industry self regulation.

2.0 Forest Certification

Forest certification standards are a self-regulatory instrument developed by industry and non-governmental organizations in many cases without official government participation and/or sanction. If a forest company is found by an independent, non-governmental certification body to be in conformance with a set of SFM principles and criteria then a certification is issued which enables the company to bring their forest products to market as 'certified wood'. As well, certification often includes a verification of the chain of custody that enables forest products to be tracked back to the certified forest and gain an eco-label. Certification is voluntary although increasingly a company risks loss of market access if its forest products are not certified. Forest certification is becoming the accepted global market standard of proof that a forest community is being managed sustainably (Cashore, Auld and Newsom 2004).

2.1 The Emergence of Forest Certification

Forest certification emerged out of frustration with domestic government apathy towards the deforestation and illegal logging of tropical forests in developing countries, as well as a desire to see the performance bar for sustainable forest management raised in developed countries. Sparked by the failure of governments at UNCED in 1992 to reach an international agreement on a global forest convention, environmental and civil society non-governmental organizations came together to form the Forest Stewardship Council (FSC) in 1993 to address the 'governance gap' in global forest management. Specifically, the FSC was created to encourage the adoption of a set of global sustainable forest management principles and practices, particularly in developing regions lacking government capacity to establish and enforce an adequate SFM legal framework.

The FSC's strategy was to intentionally circumvent state and international government SFM processes and engage directly with forest companies. With a priority on achieving competitive trade advantages, governments were perceived by FSC to cater to the lowest common denominators with respect to SFM practices in the industry. Hence, the FSC's intent was to work with progressive companies to encourage the adoption of 'beyond-compliance' SFM practices. To ensure that governments did not unduly influence or marginalize the FSC process, they were explicitly excluded from FSC membership.

The FSC standard consists of a set of ten sustainable forest management principles and criteria focused on addressing such critical global forestry issues such as : protection of old growth forests, prevention of illegal logging, protection of endangered species and habitat, restriction in use of chemicals, plantation management, enhancement of wellbeing of local communities, shared benefits from the forests and respect for Indigenous peoples rights.

If a company is found by an independent certification body to be in conformance with the FSC standard, a certificate is issued which enables the company to bring their forest product to market as 'FSC certified wood' with the FSC trademark logo.[1]

The ENGO Markets Campaign

In order to promote the FSC standard and increase the supply of FSC certified products, a coalition of environmental non-governmental organizations (ENGOs) driven by groups such as the World Wildlife Fund, Friends of the Earth, Greenpeace and the Rainforest Action Network (RAN), the Sierra Club and Forest Ethics ENGOs in California, launched a 'markets campaign' to target large forest products customers in the UK, Germany, the Netherlands, Belgium and the United States

In North America, efforts focused to a large extent on large U.S. lumber distributors, residential homebuilders, secondary wood manufacturers, 'do it yourself' homestores and consumer retailers. Companies such as The Home Depot, Walmart, Lowes, Centex Homes, Andersen Windows and Staples were all targeted. The campaign involved approaching these buyers and advising them that unless they stopped buying wood products from 'endangered' forests and insisted that all of their forest products be sourced from Forest Stewardship Council (FSC) certified forests, their stores would be boycotted. In response, customers turned to their forest product suppliers, (initially to a large extent in British Columbia, Canada) and requested FSC certification and in some instances cut-off demand for certain 'high conservation value' forest products such as western red cedar.

National Forest Certification Programs

The development of the FSC standard and the accompanying markets campaign and pressure from buyers groups set off a flurry of response by forest industry associations and governments around the world (in the mid to late 1990s) to develop their own forest certification programs.

Globally, there are now over 50 voluntary, nationally-based forestry standards (e.g. Australian Forestry Standard (AFS), CERFLOR in Brazil, Certfor Chile, Malaysian Timber Certification Council, etc.) (Abusow 2001; FERN 2004). However, five European and North American standards described below currently account for 97% of the certified forests world wide (UNECE/FAO 2004).

The five predominant forest certification standards currently include:

- Program for the Endorsement of Certification (PEFC)
- Canadian Standards Association SFM standard (CAN/CSA-Z809)
- Sustainable Forestry Initiative (SFI)
- Forest Stewardship Council (FSC)
- American Tree Farm System (ATFS)

[1] See www.fscoax.org; Upton & Bass (1996:130)

The key distinguishing features of the above standards include:

- The PEFC is an umbrella framework of set criteria for assessing and endorsing both national and regional forest certification programs worldwide.
- The ATFS is a cost-effective forest certification option for small private woodlot owners in the United States.
- The CSA/CAN-Z809 standard emphasizes the establishment of a local multi-stakeholder advisory group who determine local SFM performance indicators (drawing on international and national SFM criteria).
- The SFI standard, beyond SFM performance, emphasizes forester training and responsible wood procurement.
- The FSC standard emphasizes social and environmental SFM performance requirements that are determined by a multistakeholder committee at the regional level (based on FSC international principles).

2.2 Certification Program Comparison & Evolution

There has been extensive debate and considerable confusion about the differences and merits of the various forest certification programs (FPAC 2005; FERN 2004; CEPI 2004; Abusow 2001; Commonwealth of Australia 2000). While there is an interest in maintaining a variety of schemes to choose from, there is also a desire to achieve a mutual recognition of "credible" certification standards.

It is of note that as all of the standards must be re-drafted every 3-5 years, there has been an evolution towards greater multi-stakeholder inclusion in the revision processes and administrative oversight. In an effort to meet marketplace concerns, all certification programs are converging towards more inclusive policies.

Certification Elements

All forest certification programs comprise similar elements. These include:

• Standard setting process	Process whereby interested parties negotiate and establish the principles/goals/objectives of the standard; the membership and overall voting/decision-making process; and the auditor accreditation and audit verification requirements.
• Standards	Documents that set out the forest management requirements which must be met by the forest manager and against which certification assessments are made.
• Certification	Process of establishing whether or not a standard has been met.
• Accreditation	Mechanism for ensuring that the organizations that undertake certification (accreditation body) are competent and the process credible.

- Chain of custody: Process of tracking the fiber through the supply chain in order to ensure that the forest product comes from a certified forest. The ownership and control of the supply chain is referred to as the 'chain of custody'.
- Product Label: Awarded to forest products that are chain of custody certified and meet a minimum requirement in terms of certified content.

Systems and Performance Standards

Certification standards generally fall into two categories: systems standards and performance standards. A systems standard specifies the elements of an environmental management system that must be in place (e.g. ISO 14001). Performance standards specify the on-the-ground SFM practices, outcomes, goals and objectives. All forest certification standards combine both elements, although to varying degrees in terms of the process for establishing performance requirements and the latitude regarding universally prescribed versus locally-determined SFM expectations.

Credibility & Mutual Recognition of Certification Programs

In an attempt to alleviate the confusion over the various certification systems and avoid biased preference for one scheme versus another, baseline criteria have been employed to assess whether a self-regulation certification program is "credible".[2] These criteria typically include (Metafore 2004):

- Openness: Does the certification system provide opportunities for input and participation by stakeholders?
- Transparency: Is the certification decision-making process conducted in a way that is visible and transparent to interested parties?
- Free of Bias: Does the certification decision-making body include an array of interests and backgrounds?

In addition, 'credible' certification schemes are deemed to have an accreditation process to ensure the capability and capacity of certification auditors. As well, certification standards are judged on their inclusion of a requirement for third-party independent certification audit and regular independent monitoring to maintain the certification.

[2] For example, as described by Nussbaum and Simula ((2004), a 'Legitimacy Threshold Model' was developed by the World Business Council for Sustainable Development (WBCSD) (www.theforestsdialogue.org). Also the Confederation of European Paper Industries (CEPI) has developed a matrix to enable an objective and consistent treatment of the major certification schemes (www.forestrycertification.info). The Australian government commissioned a report on defining the critical elements to establish comparability and equivalence amongst the various forest certification schemes (Kanowski, Sinclair, Freeman and Bass, 2000). Metafore (2004) has also produced a forest certification evaluation tool for buyers that identifies the key elements of credible third party independent certification programs. And finally, the World Bank/WWF Alliance for Forest Conservation and Sustainable Use (www.forest-alliance.org) has developed and recently conducted a trial (in Europe) of a tool for assessing forest certification schemes and systems.

The CSA, SFI and FSC standards incorporate all of the above 'credibility' criteria. Companies or ENGOs with an interest or agenda to distinguish and promote a particular standard ahead of the others may place weighted emphasize on one of these criteria or introduce additional criteria (e.g. ENGO acceptance).

While some have perceived the availability of many standards to be a weakness of forest certification, forest companies, customers and governments are increasingly supporting this diversity. It is argued that maintaining flexibility of choice between certification programs is important as:

- one standard will not easily address the diversity of forest types and ecosystems or the wide range of forest tenure and operating arrangements; and
- lack of choice will potentially create market distortions (FPAC 2005).

While there is still political debate on the scope and weighting of certification credibility criteria, the current situation is that the market and governments are moving beyond the battle of competing schemes to recognizing all five certification programs (CSA, SFI, FSC, ATFS and PEFC) as 'credible' mutually recognized SFM certification standards.

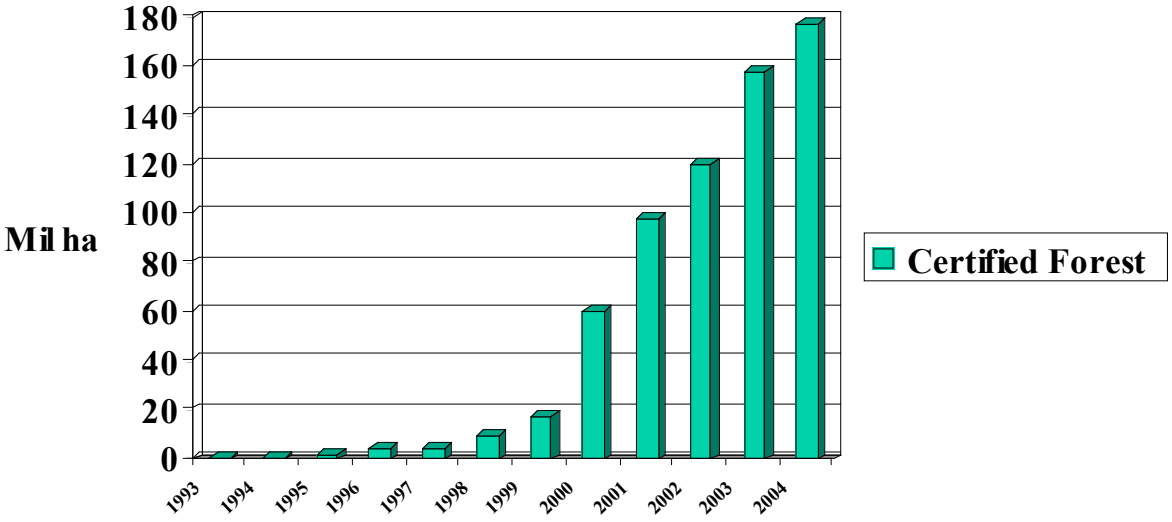
Rather than stating a preference for one standard, there is an increasing trend for customers, governments and industry associations to request that forests be certified to one of these 'credible' SFM certification programs (FPAC 2005). Companies like Centex Homes, Hallmark Cards, Lowes, Office Depot, Staples and Time/AOL have inclusive policies that recognize various SFM certification standards.[3]

2.3 Certification Status

There has been a steady increase in the certification of global forests over the past 10 years (Figure 2.1). Presently, there is a total of approximately 178 million hectares of certified forest world wide (UNECE/FAO 2004). This represents 5% of the world's productive forests. In Europe, 40% of the forest area is certified. In North America, 18% is certified. In Russia, only around ½ of one percent is certified (UNECE/FAO 2004).

[3] For example, Office Depot's 2004 Environmental Stewardship Report states that Office Depot will "…work with key suppliers to promote the use of environmentally preferred fiber sourced from forests that are managed in accordance with recognized certification standards…" As well, the New Brunswick government has required that all licensees certify "under at least one of the three sustainable forest management systems…" And Ontario has announced that all Sustainable Forest License holders certify to an "accepted performance standard".

Figure 2.1: Total Global Certified Forest (UNECE/FAO 2004)



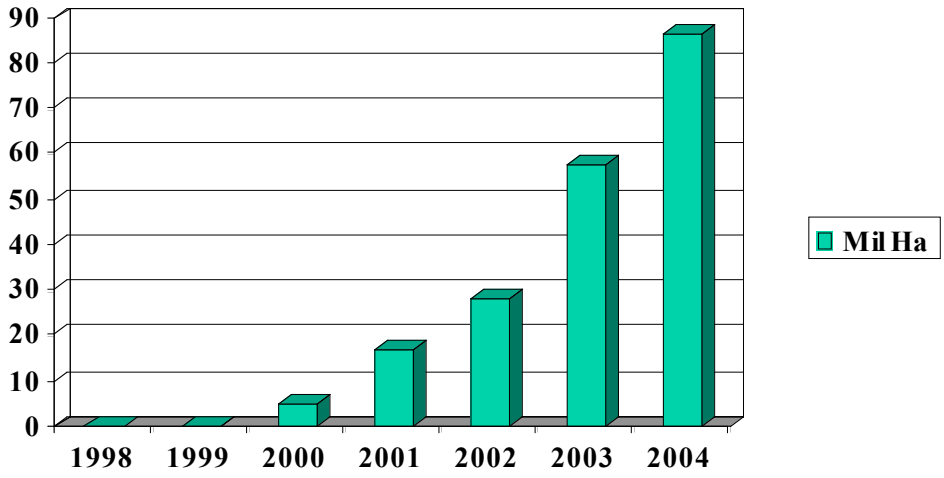
Although forest certification originated out of concerns over the loss of tropical forests, certification has been adopted for the most part by large industrial forest operators in northern, developed countries. As summarized in Table 2.1, of the 178 million hectares that are certified, approximately 90% are in northern developed economic regions.

Table 2.1: Global Forest Certification (million hectares) (UNECE/FAO 2004)

Region	FSC	PEFC	Other	Total	% Certified Area
EU	11.95	41.01	-	52.96	30%
Russia	1.40	-	-	1.40	1%
Non EU	11.87	11.33	-	23.20	13%
North America	8.10	-	79.33	87.43	49%
Latin America	4.33	-	0.95	5.28	3%
Africa	1.65	-	-	1.65	1%
Asia & Oceania	1.13	-	4.33	5.46	3%
Totals	**40.42**	**52.34**	**84.61**	**177.37**	**100%**

In Canada, there has been a tremendous growth in forest certification since the first forests were SFM certified in 1999 (Figure 2.2). As of December 2004, there are approximately 86.5 million hectares of certified forest in Canada.

Figure 2.2 Forest Certification in Canada (Abusow 2004)



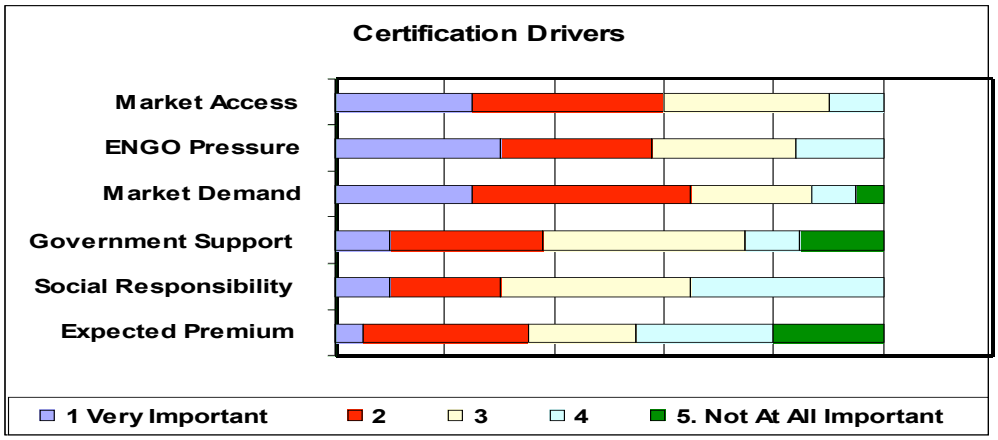
Many forest companies started with an ISO 14001 systems-based certification and then added an SFM performance-based forest certification. The majority of forests in Canada are certified to either the CSA or the SFI standard. There is a small percentage of FSC.

Continuing customer requests, such as Time Inc.'s recent announcement to require 80% of its forests products supply to be certified by 2006 and the ongoing markets campaign now directed at catalogue publishers (e.g. Victoria's Secret) are resulting in continued pressure on forest suppliers to certify forest operations and also seek chain of custody certification to be able to track certified fibre and label their products.

2.4 Forest Certification Drivers

Forest certification links customer demand for certified product with producer supply. Although certification is voluntary, a company may lose access to its customers if its forests and forest products are not certified. Thus, a principle driver of forest certification is market access. Many companies pursue forest certification in order to meet growing customer demands for certified forest products which are largely driven by ENGO advocacy pressure. For example, in a UNECE 2002 company survey (Figure 2.3), market access, ENGO pressure and market demand were identified as the most important drivers of certification (Phillips 2004).

Figure 2.3 Certification Drivers (UNECE 2002)



ENGO advocacy efforts to promote forest certification (mainly FSC) are based on the expected benefits of: improved forest management; a reward to producers who meet their performance criteria; influencing consumers; and influencing policy and institutional development (Bass 2003).

Additional certification drivers include: government support; a company's commitment to social responsibility; an expected price premium for certified product; industry association membership requirements; maintenance of access to forests ('social license to operate'); maintenance of access to financial capital; reduction in operating environmental and social risk; and improvement in skills and morale of staff and awareness of shareholders.

In particular, industry associations (FPAC) have been important drivers of forest certification. For example, the Forest Products Association of Canada's (FPAC) announcement in January 2002 committing its membership to achieving SFM certification (CSA, SFI, FSC) on all lands under their management by the end of 2006 was instrumental in the growth of certification in Canada. One month before the commitment there were 17 million hectares certified and 3 years later the area had quintupled to 86.5 million hectares (FPAC 2005).

As well, the business case for forest certification is an important internal driver of forest certification. For example, many companies recognize the benefits of forest certification in terms of enhanced corporate reputation, supply chain efficiencies, mitigating risk and achieving continual improvements in forest ecosystem conditions (Metafore 2004).

It should be noted that the business marketing case with respect to an expected price premium has not materialized. Other than with respect to specific niche product markets,

companies now perceive forest certification as a necessary cost of doing business rather than as a means to achieving a competitive advantage. However, it should also be noted that the business case in terms of reduced operating costs resulting from certification (through enhanced crew training, improved morale and reduction of mishaps that disrupt production and can be expensive to remedy) is developing.

As discussed in the next section, government support in terms of providing an enabling environment to facilitate forest certification is also an important driver of forest certification.

3.0 Government Role in Forest Certification

Although forest certification represents a market-based, non-governmental industry self-regulatory governance mechanism, governments nevertheless play a critical role in guiding, enabling and supporting certification efforts. The rationale, options and lessons learned regarding government engagement in certification are described below.

3.1 Rationale for Government Engagement in Certification

The fundamental rationale for government engagement in forest certification is to ensure fair play and a desirable quality of forest management. As there may be a risk to government in enabling an industry self-regulation governance tool developed and implemented with limited government influence or sanction, governments will target their role in certification to ensure that forest certification processes continue to be:

- compatible with policy, laws and international obligations;
- transparent;
- open to the full participation of interested parties;
- non-discriminatory (e.g. to small business operators);
- not distorting of trade; and
- of equal and consistent quality.

Forest certification is a management tool to affect change in SFM objectives and practices. Hence, governments have an inherent role in forest certification as:

- Governments have the ultimate responsibility for the protection of public forest values.
- Governments are the stewards of publicly owned Crown forests.
- The certification process of determining and balancing social, economic and ecological values may have economic as well as social welfare implications.

As well, government has a given role in certification as there is public-private overlap in the requirements and delivery of certification programs. Specifically, certification standards incorporate legal compliance and certification implementation and conformance rely upon an enabling legal framework. Further, government has a role in certification because of the potential public benefits from effectively harnessing private

certification efforts. Although the concept of forest certification was originally introduced to fill a governance gap in terms of inadequate forest policy (i.e. the failure of governments to address the deforestation and illegal logging of tropical forests) certification has been taken-up by developed countries with SFM rules and enforcement already in place. Rather than a substitute to government regulation, certification presents an opportunity to complement, streamline and/or supplement government forest policy efforts.

Specifically, certification not only encourages progressive companies to demonstrate beyond-compliance SFM commitment, but also presents an opportunity for governments to leverage private initiative and innovation to:

- improve forest policy and realize enhanced SFM performance;
- stimulate compliance and reduce enforcement and monitoring costs;
- gain greater consensus and public trust in forest policy;
- create market confidence in forest practices and products; and
- maintain competitive opportunities for local industry.

Governments are ultimately faced with the challenge of encouraging private certification initiative and SFM innovation through flexible, responsive forest regulations while at the same time maintaining baseline legislative stringency and government authority over the forest policy agenda. The question for governments is not so much to determine *whether* they have a role in certification but rather to determine their optimal role.

3.2 Government Options and Approaches to Certification

Overall, government response to forest certification may range from passively observing, to actively facilitating and promoting, to mandating certification. As well, responses may vary in terms of direct regulated or indirect facilitated approaches at the different stages of the development and delivery of a forest certification program:

Stage	*Description*
Standard Development/ Revision	Establishment and regular revision of certification principles, decision-making rules and process for achieving and verifying conformance.
Implementation	The delivery and achievement of the administrative and operational requirements of the certification standard within each applicant forest operation.
Monitoring/ Enforcement	Independent 3rd party oversight and assessment of the conformance to certification requirements.

Standards Development
Government role in terms of standards development may include the providing technical guidance on the alignment of certification with policy, as well as promoting the inclusion of critical elements to ensure credibility.

Implementation
At the implementation stage, governments can alleviate confusion by creating guidebooks and offering technical assistance. As well, governments may consider incentives (particularly to small forest operators) and facilitate implementation by removing any legislative barriers. Government may also encourage the uptake of certification through public procurement policies.

Monitoring & Enforcement
At the monitoring/enforcement stage, governments can streamline government inspections by aligning forest certification with regulatory audit requirements. During all three stages, government has a potential to employ informational tools to facilitate the implementation of certification and promote the demand for certified products.

Specific examples of the range of indirect facilitative and direct legislative government actions to respond to forest certification are summarized in Table 3.1 below.

Table 3.1: Government Options to Respond to Forest Certification

	Indirect Facilitation	Direct Legislative Action
Standard Development	▪ Attend standards development/revision meetings. ▪ Provide resources to encourage multi-stakeholder participation. ▪ Provide technical guidance and training. ▪ Promote alignment with forest policy.	▪ Provide a minimum forest policy legal framework. ▪ Participate as voting member on standards development/ decision-making committee. ▪ Incorporate certification requirements into public policy.
Implementation	▪ Prepare guidebooks and training to facilitate implementation. ▪ Provide incentives to small forest operators. ▪ Remove any legislative barriers to certification. ▪ Set rules to ensure fair trade of forest products.	▪ Develop government procurement policy for certified forest products. ▪ Incorporate certification into forest planning requirement. ▪ Certify Crown forests.
Monitoring/ Enforcement	▪ Streamline compliance audit requirements by recognizing certification. ▪ Assist companies in preparation of certification audit evidence. ▪ Provide clarification of forest policy requirements during certification audits. ▪ Communicate certification information to public, producers and consumers. ▪ Threaten to mandate certification.	▪ Mandate that all licensees achieve certification. ▪ Incorporate certification audit as element of legislative compliance audit. ▪ Mandate public disclosure of certification audit reports.

4.0 Case Study of Provincial Government Role in Forest Certification

The following section provides a summary of the results of my comparative case study investigation of provincial government response to forest certification (1995-2005). The purpose of the study was to understand and compare how Canadian provincial governments have responded to forest certification as an example of public sector engagement in corporate social responsibility. The specific research objectives included:

- Understand the emergence and evolution of forest certification.
- Investigate how provincial governments have responded to certification and the rationale for their approach.
- Explore the range of expectations regarding government role and the challenges industry still faces in achieving certification.
- Identify any innovative policy tools or approaches governments have employed in response to forest certification.
- Assess the challenges and implications of forest certification to provincial forest policy.

The study sample included the four provincial jurisdictions of British Columbia, Quebec, Ontario and New Brunswick. The two main reasons for selecting these particular provinces included:

- Coast-to-coast coverage of the major forested and forest products producing regions in Canada; and
- A representative spectrum of provincial government and industry engagement on forest certification.

Approximately 40 informal interviews were conducted with a cross-section of forest industry, government and non-governmental organizations from the four provinces (see Appendix A). The interviews took place over the fall and winter 2004-2005.

Interviews ranged from ½ hr to 2 hours in length and were conducted by me either in person or by telephone. The interviews were informal and followed an open format with discussion questions focused on determining how the government had responded to certification, the rationale for the government's approach and the expectations of government role.

4.1 Summary of Government Co-regulatory Response

Drawing on recent work at the World Bank on public sector role in corporate social responsibility (Ward 2004), governmental responses to industry self-regulation can vary along a 'spectrum of intervention' from doing nothing, to enabling, facilitating and mandating. As illustrated in Figure 4.1, provincial government role in forest certification self-regulation has ranged from passive observation to active promotion and direct mandating. Governments have varied in their responses at the standard development, implementation and monitoring/enforcement stages of certification (see Section 3.2).

Figure 4.1 : Government Response to Forest Certification

Scale of Government Intervention

	Indirect →			*Direct*
Governance	Do Nothing	Co-operate	Facilitate	Mandate
Rule-making		C B D	**A**	
Delivery - On the ground	C D	A	**B**	
- Mandate implementation	**A** C			**D** B
Enforcement		A D C	**B**	

A= British Columbia B = Quebec C= Ontario D = New Brunswick

Overall, New Brunswick mandated certification but positioned itself in a passive role in terms of implementation, monitoring and enforcement, viewing this as a private sector responsibility. Ontario has actively facilitated certification implementation and enforcement (preparing audit guidebooks; aligning certification audit with provincial compliance audits, etc.) and has announced their intent to mandate certification. British Columbia has taken a passive role in implementation and enforcement but has taken an active role in promoting certification to customers and offshore markets. B.C. is also considering moving forward on SFM certification of the newly established B.C. Timber Sales. And finally, Quebec has positioned itself as a passive observer of forest certification, viewing it as a private sector responsibility. However, the Quebec government is now reviewing the recent Coulombe Commission findings including the recommendations to mandate certification and to create a more flexible legislative environment to enable certification.

Governments are taking an overall neutral, inclusive approach of supporting private certification to any of the recognized certification standards rather than endorsing one particular certification program over another. In terms of direct government action to endorse and mandate certification, provincial responses are summarized in table 4.1 below.

Table 4.1 Status of Provinces Mandating Certification

Province	Certification Requirements
B.C.	Considering SFM certifying BC Timber Sales.
Ontario	April 1, 2004 announcement to require all major licensees to certify by 2007.
Quebec	Considering Coulombe Commission and QFIA recommendations to mandate certification by 2007.
New Brunswick	All licensees required to ISO certify by December 2002 and SFM certify by December 2003.

4.2 Industry Expectations of Government Role

Interviews were conducted with forest managers and executives of forest companies across the four provinces to determine the range of perspectives and expectations of government role in forest certification. There was consensus that a critical role of government is to provide a sound legal framework that will enable certification. There was divided opinion as to whether government should mandate certification.

- *Provide Legal Framework*
  Companies emphasized that a key role of government in certification is to provide a clear SFM legal framework that will enable certification and also provide sufficient flexibility for companies to go beyond the law if necessary, to meet certification requirements.

- *Mandate certification or not?*
  Companies interviewed in New Brunswick and Quebec were supportive of government mandating certification. Those interviewed in B.C. were unsupportive and Ontario companies were neutral to unsupportive of government mandating certification (See summary table 4.2).

Table 4.2 Industry perceptions of government role

Should the provincial government mandate certification?*	
New Brunswick	YES
Quebec	YES
Ontario	Neutral/NO
British Columbia	NO

(* results convey informal opinions of interviewees not necessarily official company positions)

New Brunswick companies interviewed were supportive as they felt a mandatory requirement positioned the N.B. forest industry well in the market and gave companies a good message to tell to their customers about forest practices in the province. Interviews with forest companies operating in Quebec also indicated support for mandated certification as it was felt that certification would provide important 3rd party oversight for the public and customers to verify SFM practices in Quebec. Ontario companies interviewed were neutral to unsupportive of the government's announcement to mandate certification, noting that it would take away industry's ability to "walk away" if certification requests became unreasonable. And finally, companies interviewed in B.C. were adamantly opposed to government intervention to mandate certification arguing that it should be left to the producer and the consumer to decide.

5.0 Conclusion

By investigating the response of government to forest certification, it is evident that although forest certification is a market-based self-regulatory instrument, government nevertheless has played an important role at the development, implementation and enforcement stages of certification. Government direct and indirect engagement ranges from observation to enabling, facilitating and endorsing certification. In particular, there is an emerging trend in the case of forest certification for government to mandate industry self-regulation. Industry position with respect to direct government co-regulation of forest certification is divided.

Although there is increasing empirical evidence of government co-regulatory participation in industry self-regulation mechanisms such as forest certification, there has been very little investigation of this emerging governance trend. This research paper represents the initial stage of my larger doctoral research in this area – specifically to understand the nature, rationale and implications of public sector role in corporate social responsibility.

* * *

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Appendix A : Interview Contacts

Organization	Individuals	Jurisdiction
Canadian Forest Service	Randall Nelson	Federal
Industry Canada	John Dauvergne	Federal
Environment Canada	Sandy Scott Desmond Fitz-Gibbon Andrea Moffat Adam Auer	Federal
FPAC	Andrew DeVries	National
Abusow International Ltd.	Kathy Abusow	
Canfor	Peter Bentley Ken Higginbotham Paul Wooding	B.C.
Forintek/Weldwood	Don Laishley	B.C.
MoF/Weldwood	Don Wright	B.C.
MacMillan Bloedel/FPB	Bill Cafferata	B.C.
N.B. Forest Industry	Yvon Poitras	N.B.
Irving	Scott MacDougall	N.B.
UPM	Jen Landry-Cote	N.B.
Abitibi-Consolidated	Guy Tremblay	Que/Ont/BC
Bowater	Pierre Cote	Que/N.B.
Tembec	Mike Martel	Ont/Que/BC
West Fraser	Al Bennett	B.C.
Domtar	Keith Ley	Ont
Que Wood Export	Carl-Eric Guertin	Que
Domtar	Bernard Sennecal	Que
Moresby Consulting	Patrick Armstrong	National
Interfor	Ric Slaco	B.C.
FSC	Jim McCarthy	National
Office Depot	Tyler Elm	U.S.
CPAWS	Chris Henschel	National
World Wildlife Fund/Weyco	Linda Coady	B.C.
B.C. MoF	Johanna Den Hertog Heather Scholefield Jon O'Riordan Don Wright David Morel	B.C.
New Brunswick DNR	Doug Mason	N.B.
Ontario MNR	Celia Graham Betty Van Kerkhof	Ont.
B.C. Forest Practices Board	Chris Mosher	B.C.
Quebec Dept of Natural Resources	Jean Legris Germain Pare	Que
PricewaterhouseCoopers	Bruce Eaket	National
Laval University	Luc Bouthelier	Que
Simon Fraser University	Mike Howlett	B.C.