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# Scope of the Presentation

- **The Origin and Importance of Certification**
- **TNC's Approach to Forest Certification**
- **Market Penetration of Certified Forest Products**
- **Key Factors Leading to Market Penetration**
- **Future Prospects for Certified Forest Products**

# Origin and Importance of Certification

- Growing international concern about the loss & degradation of tropical forest & Post-RIO focus on all forests in all countries
- Need for market-based alternatives to both trade bans and the slow progress of inter-governmental processes
- Integration of the economic, environmental and social aspects of SFM and space for multi-stakeholder processes

# TNC's Approach to Certification

- In the U.S., past focus on both SFI and FSC
- SFI – originally an industry “code of conduct”
- Helped make SFI a more credible certification system
- As we’ve become a more global organization, shift to focus largely on FSC but will engage with other credible certification systems



- Largest NGO FSC Certificate
- Manage 400,000 acres to FSC
- Variety of Objectives



# Market Penetration

- More than 300 million ha certified globally – 100 million ha under the FSC
- GFTN  
sales of >228m<sup>3</sup> (RWE)  
worth > \$50 billion per year;  
manage > 26 million ha of certified forest



# Factors Leading to Market Penetration



- Catalytic Role of the NGO Sector
- The Key Role of Risk Management for the “Middle C” Consumer
- The Importance of Market Credibility

# Future Prospects



- Moving beyond the 20% Eco-label barrier
- Growing need for verification of legality
- Trends in public timber procurement policies
- Link to other key concerns such as Reduced Emissions for Forest Loss and Degradation (REDD)