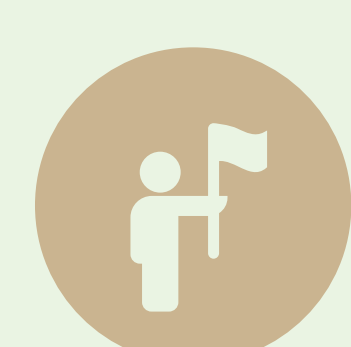




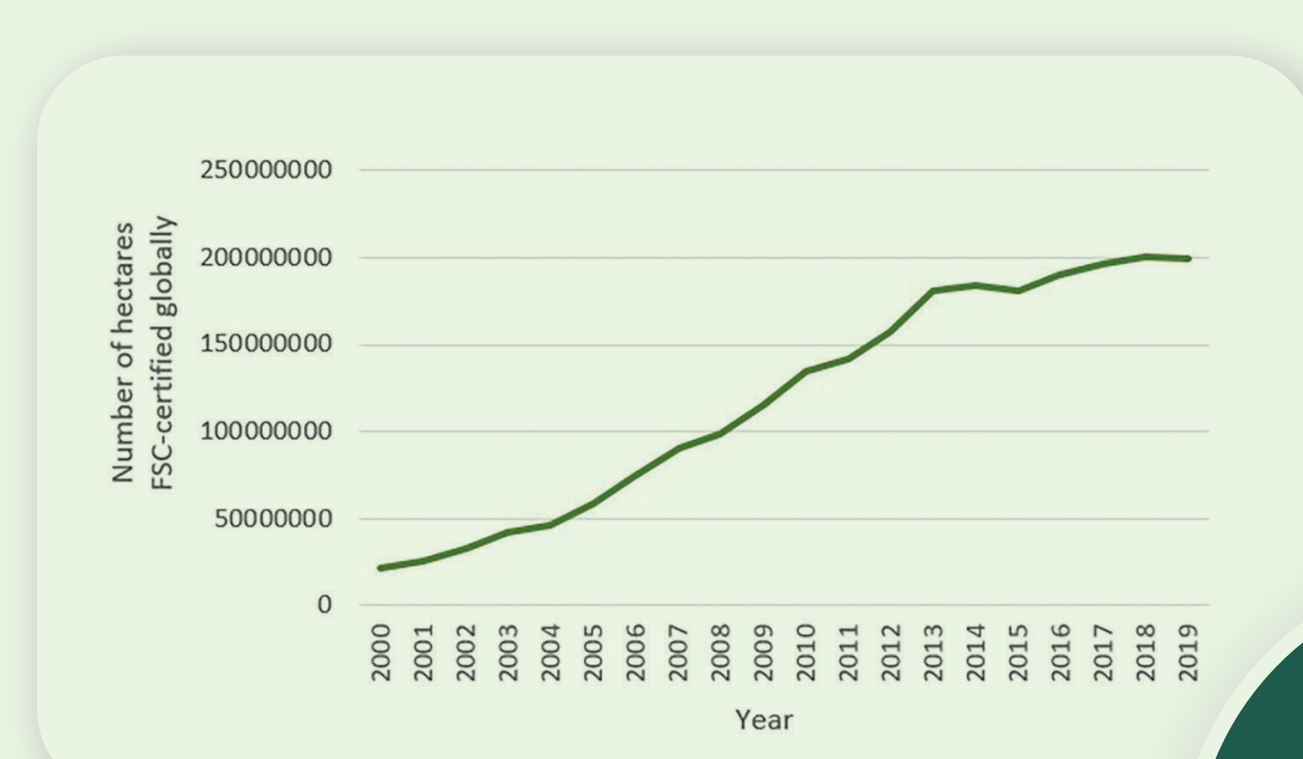
# SEEING THE TREES FOR THE FOREST: ADOPTION DYNAMICS OF THE FOREST STEWARDSHIP COUNCIL



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Understanding the drivers and inhibitors of FSC-FM adoption.



## Scope and main objectives

The Forest Stewardship Council (FSC) has been increasingly institutionalized through its integration in different types of public policy, including:

Public procurement policies;  
Market access regulations;  
Export promotion measures;  
Free trade agreements;

Following this institutionalization, one would expect that the FSC is increasingly adopted. However, the adoption of FSC certification has been stagnating in the 2013-2019 period at the global level. This contrasts with its earlier sustained growth. We unravel the underlying dynamics of FSC adoption at country level to understand the drivers and inhibitors of FSC adoption.

## Results:

We analyzed the adoption dynamics of FSC-FM certification in terms of certified forest area at the global level and at country level over a 20-year period (2000–2019) based on a newly created dataset. Quantitative data was gathered on:

- The area certified by the FSC in each country for the 2000–2019 period.
- The total forest area per country from the Food and Agriculture Organization of the United Nations (FAO) to calculate certification density.
- The area certified by the Programme for the Endorsement of Forest Certification (PEFC), FSC's main competitor, in each country for the 2005-2019 period (no data available prior to 2005).

Next, we explored the determinants of FSC adoption dynamics at country level based on selected descriptive country case studies using different qualitative sources, including primary documents and reports, secondary literature, and publicly available audit reports.

Our results are two-fold:

1. The global stagnation in FSC-FM adoption hides distinct adoption dynamics at country level. Three types of country-level adoption dynamics can be distinguished:

**Stagnation:** in some countries, the coverage of the FSC has remained relatively stagnant.

**Growth:** in some countries, the FSC continues to expand its reach.

**Decline:** in some countries, the FSC has experienced a decrease in its coverage. The aggregation of these country-level dynamics results in the stagnation observed at the global level.

2. The selected descriptive country case studies highlight three main factors that drive these country-level adoption dynamics, either upwards or downwards:

**Market dynamics:** as a market-based governance instrument, the adoption of the FSC is influenced by demand for certified products. In particular, the importance of export markets and their sensitivity to sustainability issues play a key role.

**Competition from other certification schemes:** other schemes for sustainable forest management – most notably, the PEFC – are competing on the same market as the FSC. These competitive forces can generate a zero-sum game but also a positive sum game through double certification.

**Government forces:** the presence or absence of support from the government can also drive or inhibit the adoption of the FSC. Government support for the FSC can take different forms, such as: o Institutionalization, i.e. integration in public policy o Financial or technical support to forest managers seeking certification o Government as forest owner and client of certification o Political endorsement o Creation of an enabling regulatory environment for market-based governance instruments The direction and extent to which these factors play out and interact determine the adoption dynamics of the FSC and its potential for growth.

## Conclusions

These findings enable a better understanding of the drivers and inhibitors of FSC-FM uptake, which is crucial for the FSC to achieve its Global Strategy 2026 objective of growing its reach. More specifically, the findings provide avenues for the co-creation of solutions for sustainable forest management (goal 1.1), for increased market uptake (goal 2.1), and for the endorsement and integration of the FSC in government's procurement and forest management policies and strategies (goal 3.2). Policy implications of the findings include the need to support certification adoption.

To be effective in protecting worldwide forests, the FSC needs to be widely adopted. Governments play a central role in steering markets towards sustainable consumption. The FSC can hence be used as complementary enforcement tools for public policy to reach sustainability goals, which can be particularly relevant for governments with limited capacity. On the other hand, the increasing institutionalization of the FSC can also generate exclusionary effects, especially for lower income countries. The FSC, trade partners, NGOs and other actors hence need to scale up financial and technical support for certification. Improved mutual recognition and collaboration between different certification schemes (through double certification for example) can also reduce the cost of certification while increasing market benefits.

