

WHY CERTIFICATION OF DEFORESTATION-RISK PRODUCTS IS A FALSE SOLUTION

Let's start with the rather puzzling two-word combination:

FALSE SOLUTIONS

- False solutions are ideas or measures that are promoted to address deforestation and biodiversity collapse, but in fact do not – and in the mean time deceive people while perpetuating the problems, even make things worse or block the real solutions.
- False solutions are often corporate-led voluntary interventions that do not challenge the status quo, market interest or power.

Certification for 'sustainable' production is a popular false solution from companies. It is **not** the answer to solve deforestation.

Certification of soy, palm oil and timber products do not prevent landgrabs, commodity – driven deforestation, forest degradation and conversion of other natural ecosystems. The standards and their implementation are too weak and certified companies are constantly found to be engaged in adverse social and environmental impacts.

9 reasons why certification is a false solution (and 2 real solutions)

It's voluntary

1

Certification systems do not have the authority to confirm or enforce compliance with national laws – exactly because they are voluntary. Certified products have been repeatedly linked to illegal operations. For example with certified timber trade from Russia.

Certification schemes do not have the power to transform the systems of production. Companies can opt in or out if they want to certify and they will do so only if there is a business case – a demand for responsibly produced products or access to finance – not because they want to produce sustainably. The consumer has now become the responsible actor to make a green choice, rather than governments take their responsibility to ensure a clean and healthy environment for people and hold business accountable.

Adding to this, basic information such as maps of concession areas and expansion plans are not made available to affected communities or the public, neither is the information of clients, ownership or financiers. This makes it extremely hard for affected communities to hold corporations accountable for adverse impacts.

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Paper tigers

2

Their standards might look pretty good on paper, but in reality the certification schemes do not guarantee basic principles of responsible forest management and agriculture, such as halting deforestation and forest degradation, agro-ecological production and respect for land rights.

There are numerous reasons for this, including weak auditing systems and performance in audits or the continuation of certification of companies that violate the standards. Exemptions and loopholes in standards are many: Forests can be cut down if they are compensated elsewhere, weak definitions allow deforestation of certain types of forests, or industrial logging in old growth and primary forests is accepted, even if these forests are crucial for biodiversity and climate.

Areas in plantations and forests that do not comply with the standards are simply left out of the scope of certification to enable the company to get certified. Extremely hazardous chemicals – such as paraquat or glyphosate – are allowed in industrial plantations. They cause water and soil pollution and health and safety issues for workers.

While indigenous peoples and local communities are recognized for preserving lands and nature, their free prior and informed consent is structurally denied and not addressed by certification schemes. All in all, companies can continue their destructive business as usual, while they obtain certification.

Who watches the watchmen?

3

A key weakness in certification schemes is that the independent audits are not independent. If companies hire, supervise, and pay audit firms, they are exposed to a structural risk of conflict of interest, which may lead to a lower level of control. Companies can hire another audit firm when they are not satisfied. If social auditors fail to uncover bad practices, they are not held liable for the consequences. These consequences can for example be loss of lives from land slides or lacking safety equipment.

A European Commission impact assessment adds that these systems are sensitive to fraud given that certified companies may easily mislead their auditors, even if the audit is conducted with the greatest care and according to all procedures. Overall, audits present a very limited insight to auditors, who depend on the company to tour them around the forests and plantations. As a consequence, audits notoriously under-report, under-detect and under-remediate human rights risks and impacts.

More of the same business

4

Economic sectors that drive deforestation continue to grow, as does the consumption of the deforestation – risk products. Certification supports this expansion, and thereby causes the structural destruction of forests and landgrabs. Certification advocates claim the solution is better or 'sustainable' production rather than limiting consumption: *Save the rainforest, buy sustainable palm oil!*

This increases total demand and production of the deforestation-risk products, also because the non-certified portions leak away to the buyers that are not interested in certification.

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Corporate dominance

5

Most certification schemes have decision making bodies that are dominated by corporations, which entrenches their power. Even if there are measures to provide for inclusive decision making, a real power balance is not achieved, given that resources and capacities in civil society, workers organisations and affected communities are much smaller compared to those of large multinational corporations.

Because of this, certification schemes have developed into extremely hard to navigate technical and paper based institutions very far from realities on the ground. Moreover, if communities speak out, they risk – sometimes violent – backlash and criminalisation.

What you see is NOT what you get

6

Most certified deforestation – risk products are not traceable to the point of harvest and the public disclosure of the entire supply chain is lacking. Certification systems allow for a mix of certified and non-certified products to be sold with their green label for consumer and business to business markets. This means that you cannot find out where the product you bought is coming from and if it is from a certified operation. It is therefore impossible to use certification systems to verify if the product is linked to deforestation or forest degradation.

Unresolved grievances

7

Complaint mechanisms from certification schemes are very hard to access for affected people and hardly lead to results. Research shows that the palm oil label RSPO structurally fails to address grievances from affected communities.

The complaints require highly technical input and drag on for years on end, wasting limited resources, time and energy from people and their representatives. Certification labels are rarely revoked, even if there is significant evidence on bad practices, because of lenient audit firms and the focus on company policies and procedures, rather than practices.

It disempowers communities

8

A massive industry of certification bodies, consultants and standard setting mechanisms has been developed. Public money as well as civil society resources have been pouring into the certification business, which undermines real solutions.

Communities have been tricked into engagement in certification processes, spending their valuable time in sessions and signing up to sky-high promises of development that would come with certification and responsible management but were consistently broken afterwards. This is disempowering for communities, rather than putting communities in the driving seat of their own development and promoting self-determination.

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Certification is not a proxy for due diligence

9

The updated OECD Guidelines explain that industry schemes should not be used as proxies for due diligence or play a dominant role in due diligence procedures. Companies and financiers on the contrary continue to show overreliance on certification schemes.

In the European Deforestation Regulation the mandatory due diligence system is maintained, exactly because the voluntary certification systems do not clean up supply chains from deforestation and legally binding options are more effective. Scientists that reviewed certification schemes against the EUDR conclude they are not fit for purpose.

Background Reading

- en.milieudefensie.nl/news/10-reasons-why-certification-should-not-be-promoted_june-2022.pdf
- www.greenpeace.org/international/publication/46812/destruction-certified
- www.reuters.com/investigates/special-report/canada-forests-climate
- fsc-watch.com
- earthsight.org.uk/news/green-labels-EUDR
- eia-international.org/report/who-watches-the-watchmen-2

Real solutions please! If not certification, then what?

Real solutions to nature destruction and human rights violations means getting away from greenwashing and the notion of 'sustainable supply chains'. Market failure is evident in the biodiversity crisis, while real solutions are practiced by people every day.

Governments need to create the enabling conditions to:

1. Reduce consumption of deforestation-risk products like soy, palm oil, paper and timber in order to stop the harmful expansion and impacts of those sectors. Healthy and deforestation-free food with less meat and more plant-based protein needs to become the norm. Ban the use of food in our fuel and stop burning trees in energy plants.
2. The industrial logging and plantation model needs to change, because it is inherently exploitative. Governments should shift financial flows and promote a different economy structured on community based area management and forest restoration that respects principles of agro-ecology. A vibrant vision and practice is the Ekonomi Nusantara spearheaded by Friends of the Earth Indonesia.

