

# 10. Have the needs of local communities or indigenous peoples been addressed?

## Sourcing and legality aspects

### Origin

Where do the products come from?

### Information accuracy

Is information about the products credible?

### Legality

Have the products been legally produced?

## Environmental aspects

### Sustainability

Have forests been sustainably managed?

### Special places

Have special places, including sensitive ecosystems, been protected?

### Climate change

Have climate issues been addressed?

### Environmental protection

Have appropriate environmental controls been applied?

### Recycled fiber

Has recycled fiber been used appropriately?

### Other resources

Have other resources been used appropriately?

## Social aspects

### Local communities and indigenous peoples

Have the needs of local communities or indigenous peoples been addressed?



## 10. Have the needs of local communities or indigenous peoples been addressed?

Protection of indigenous and workers' rights in the forest, as well as in manufacturing facilities, is an important part of sustainable procurement. Forests and forest-products manufacturing facilities are potentially dangerous work environments. Initial processing of the wood often occurs in remote and sparsely populated areas where job opportunities, social support systems, government supervision and adequate infrastructure may be limited. Forces and conditions beyond the control of government authorities can sometimes be found in forest areas.

The forest sector employs millions of workers throughout the various steps of the value chain (Box 13). Forest companies sometimes make up for governmental voids and take a leadership role in addressing social and governance issues. Values such as fair pay, employment benefits, training, health and safety, and interaction with local communities are a part the "social contract" between employers and the communities in which they operate. Violations of workers' rights can lead to unsafe work conditions, reduction of local benefits, discriminatory behavior, low wages, and an increase in migrant and informal work.

A number of international conventions, treaties and processes, including the International Labour Organization's core labor standards, incorporate considerations about social aspects of forest-based industries (Table 7). In some instances compliance with the law can be sufficient to meet the demands of individuals and communities, but land tenure issues can present cases where legality does not equate with fairness.

Some of the most pressing social issues related to sustainable procurement include:

- **Violation of property rights, and the rights of local peoples (including indigenous groups).** Forestry operations (logging and processing) should consider, and be compatible with, the local land tenure rights regime, which may include community-based forest management systems. Subsistence use of the forest should be respected. Violations of the rights of local peoples may include bribery and access to large concessions through gifts to certain members of the community without the consent of the full community.



### Factors to consider regarding social issues

- Logging concessions may have been granted in areas where local and indigenous people claim property rights. This is a potential concern in many post-colonial countries.
- Worker safety may be lacking or underage labor may be used.
- Logging operations may be run by the military and proceeds used to finance war-like activities.
- The issues above can arise in both natural forests and intensively managed forest plantations.
- Extremely low salaries and communities not receiving economic benefits they deserve from forest resources.
- Illegal labor may be used.

As in other aspects of sustainable procurement of wood-based products, tracing the production chain back to its beginning will help assess the risk and opportunities associated with social issues. In some areas monitoring and verification have important roles to play.

- **Participation and consultation.** Forest operations should include the meaningful participation of and consultation with local communities and indigenous peoples appropriate to the nature and scale of the operation, the type of ownership (public vs. private), and local legal regimes and customs. Engagement that is based on information, inclusiveness, dialogue, legal recognition, monitoring and evaluation and capacity building can benefit communities and businesses alike. Especially where land tenure and traditional rights are uncertain, the appropriate degree of consultation and consent can be controversial. The principles of “free, prior and informed consent” (FPIC) are evolving through international debate to help define and require appropriate consultation and consent. ILO Convention 186 (ILO, 1998) defines FPIC as the right of communities “to exercise control, to the extent possible, over their own economic, social and cultural development”. A full discussion of FPIC can be found in Herz et al., 2007.
  - **Capacity building.** Building the capacity of local peoples (including indigenous groups) to work in the industry sector, and understand, negotiate and participate in agreements regarding the management of their resources.
  - **Recognition and support of cultural identity.** This includes maintenance, use and promotion of traditional knowledge and practices of local communities and indigenous peoples.
- The differences in social performance between and within countries and regions are significant. It is important to know where the wood is coming from. Areas of concern include the following:
- Areas associated with armed conflict (in some cases logging and trade in wood-based products have been used to sponsor armed conflict).
  - Areas known to have flagrant violations and avoidance of workers’ and human rights.

## SELECTED RESOURCES: SOCIAL ISSUES

### Procurement requirements

<p>Danish Government Procurement Policy for Tropical Forests (under review)</p>	<p>Draft criteria include seven thematic elements, including maintenance of socioeconomic functions, legality of property and tenure rights, respect for customary and traditional rights, and health and workers’ rights.</p>
<p>FSC Controlled-Wood Standard</p>	<p>Requires that wood not be harvested in violation of traditional and civil rights, and in compliance with ILO labor rights declaration.</p>
<p>PEFC Guide for the avoidance of controversial timber</p>	<p>Provides safeguards seeking to prevent sourcing from illegal harvesting, which covers social issues such as workers, indigenous and human rights.</p>
<p>Public procurement policies for forest products and their impacts</p>	<p>Reviews how public procurement policies include, exclude or address social aspects (socioeconomic, cultural and spiritual), compliance with fundamental rights, equality, non-discrimination, and others.</p>
<p>SFI Procurement Objective</p>	<p>Requires the establishment of an auditable system for compliance with socially sound management practices. In countries without effective laws and law enforcement, participants must assess and address issues related to workers’ health and safety, fair labor practices, indigenous peoples’ rights, anti-discrimination and anti-harassment measures, prevailing wages and workers’ right to organize.</p>
<p>Timber Trade Federation Responsible Purchasing Policy</p>	<p>Provides guidance and assistance to members to evaluate compliance with legality requirements of the UK central government procurement policy, including compliance with social standards and laws. Members must not trade wood harvested in violation of traditional and civil rights.</p>

### Resources to assess requirements

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CPET	Addresses social issues to the degree they are incorporated in requirements of certification standards for sustainability and legality.
Environmental Paper Network	Provides information and examples of social impacts on aspects such as land claims, FPIC, emissions of pollutants and economic impacts. Provides guidance, recommendations and showcases best and worst practices.
EPAT®	Rates mill systems for ensuring worker safety and health, engagement with stakeholders, and public disclosure of indicators covered by EPAT.
FCAG	Includes criteria and requirements for assessing compatibility with globally applicable social principles including: respect for human, indigenous and worker's rights; meaningful and equitable participation of all major stakeholder groups; and transparency in decision-making and public reporting.
FPAC: A buyers' guide to Canada's sustainable forest products (the report)	Highlights collaboration and engagement with various stakeholders such as Aboriginal Peoples, NGOs and research institutions. Introduces member companies' approaches and principles of corporate social responsibility.
Good Wood. Good Business guide	Provides an overview of unwanted wood, which includes: material from places where harvesting is associated with human rights violations, wood used to underwrite armed conflicts, or wood that breaks UN trade sanctions.
Greenpeace's Responsible Procurement Guide	Recognizes FSC forest certification standard for covering social issues in the production of raw materials.
Tropical Forest Trust	Trains forest companies to implement all social elements of FSC certification. Encourages business to donate directly to community forest programs.
WWF GFTN	Provides information on social issues related to wood and paper purchasing, as well as information on areas where these issues are most relevant (see White and Sarshar, 2006). Requires compliance with ILO convention on indigenous and tribal peoples, and the UN declaration of human rights. Endorses good labor practices through compliance with local and international labor laws.
WWF Guide to buying paper	Promotes the avoidance of illegal and other unacceptable sources. Promotes forest certification as means to avoid sourcing raw materials harvested in violation of customary rights.
WWF Paper Scorecard	Rates safeguards to avoid potential inclusion of unwanted sources of fiber, aligned with the FSC Controlled-Wood Standard.
WWF Tissue Scoring	Rates whether a company has a clear policy to eliminate all raw materials from controversial sources including sourcing from forests where the rights of local communities and indigenous peoples are compromised.



Table 7. Key International commitments and standards on social issues and forests

ISSUES	AGREEMENTS					
	Agenda 21 – UN plan for sustainable development (UN, 2005)	Forest Principles – international, non-binding, consensus on the management, conservation and SFM of the forests	IPF/IFF proposal for action – international non-binding proposals to address a variety of forest issues (Commonwealth of Australia, 2000)	Human rights instruments – International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights	Convention on Biological Diversity – international convention to promote sustainable development focusing on biodiversity (CBD, 2007A)	International Labour Organization – core conventions and Convention 169, to recognize, promote and protect indigenous and tribal peoples' rights (ILO, 2003)
Ensure the participation of local communities and indigenous peoples and other major groups in the formulation, planning and implementation of national forest policies.	✓	✓	✓		✓	
Recognize and support the cultural identity, culture and rights of indigenous peoples and other forest-dependent people.	✓	✓	✓	✓	✓	✓
Recognize multiple functions, values and uses of forests, including traditional uses, and development and implementation of strategies for the full protection of forest values including cultural, social and spiritual.		✓			✓	✓
Formulate policies and laws aiming at securing land tenure of indigenous peoples and local communities.	✓	✓	✓	✓		✓
Ensure that external trade policies take into account community rights.				✓		
Recognize and support community-based forest management			✓		✓	
Development of regimes for protection, use and maintenance of traditional knowledge and customary use.	✓				✓	✓
Capacity building of indigenous peoples and other forest-dependent people who possess resources to participate in agreements that apply SFM.					✓	
Protection of workers' rights including freedom of association, right to bargain, prevention of child and forced labor, equal remuneration, and protection against discrimination.	✓			✓		✓
Involvement of unions and workers in all processes for forest planning.	✓					

(Adapted from Forests Peoples Programme. 2004. [www.forestpeoples.org/documents/forest\\_issues/summary\\_stds\\_forests\\_dec04\\_eng.shtml](http://www.forestpeoples.org/documents/forest_issues/summary_stds_forests_dec04_eng.shtml)) (11/07/06). Over the past decade, a number of international agreements and commitments have been made to address some of the most

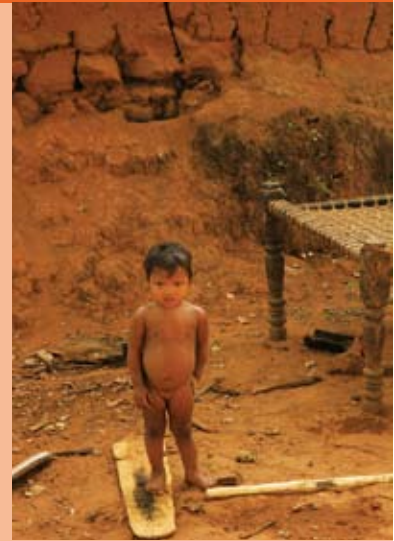
### Box 13. Forests and people

Forests are home to an estimated 800 million people around the world. To varying degrees more than 1.6 billion people depend on forests for their livelihoods (e.g., fuel wood, medicinal plants and forest foods). About 60 million indigenous people are dependent on forests, and in developing countries about 1.2 billion people rely directly on agroforestry farming systems that help sustain agricultural productivity and generate income.

An estimated 13 million people were formally employed in the forestry sector worldwide in the year 2000. This represents about 0.4% of the total labor force, but is likely an underestimation as it includes only the “visible” and “formal” activities. The International Labour Organization estimates that for every formal job in the forestry sector there are one or two informal jobs. The forestry sector could potentially contribute to an estimated 1.5% of global employment.

The gross value-added in the forestry sector in 2003 was US\$ 353 billion, while the global trade in wood products amounted to US\$ 150 billion.

Sources: FAO, 2007B, 2002B. Facts and figures are online at ([www.fao.org/forestry/site/28821/en](http://www.fao.org/forestry/site/28821/en)) (11/20/06).



Child from the forest tribe of Kurebahal Village, Orissa, India