



CHAPTER 11

Forest Certification Assessment Guide: Summary on Use

Paralleling the growing demand for wood products is the growing demand for the verification of the sustainability of the forest management from which those products are derived. With the introduction of the World Bank's Operational Policy on Forests in 2002 (OP 4.36), the World Bank made its support for commercial harvesting contingent on certification of operations under an acceptable system, with the exception of small-scale landholders and operations under community forest management and joint forest management. Alternatively, support can be provided under the condition of adherence to a time-bound action plan to pursue certification under an acceptable system within a certain time frame. Consequently, assessment of certification systems against World Bank requirements is a necessary step in the project appraisal process for this kind of investment. Assessment of certification systems for compliance with these Bank provisions requires an in-depth analysis of the standards and applied procedures.

In this chapter the available instruments for the assessment of certification systems and the lessons learned so far are described, and the application of time-bound action plans for certification are given consideration. A description of the elements that should be included in the terms of reference (TOR) for the assessment of systems and in the design and evaluation of time-bound action plans are provided in the annexes. This chapter is relevant for other notes in this sourcebook on the identification of high conservation value forests (note 3.1, Mainstreaming Conservation Considera-

tions into Productive Landscapes), which, in some certification systems, forms part of forest certification assessments; and that on plantations (note 3.3, Forest Plantations), as forest certification continues to expand its work to include this sector.

THE WORLD BANK–WORLD WILDLIFE FUND (WWF) FOREST CERTIFICATION ASSESSMENT GUIDE (FCAG): PURPOSE AND CONCEPT

Through an intensive process involving experts in this field and external stakeholders, and in close collaboration with the WWF, the World Bank developed an assessment framework for certification systems that includes elements deemed essential for reliable and independent certification of forest management. It allows for the evaluation of a system's compliance with the World Bank's principles, and can contribute to decisions about whether the system is acceptable in the context of Bank investments.

This section will examine the purpose of this initiative. Additional information on the background and the reasoning behind specific criteria may be obtained from the original document (World Bank–WWF Alliance 2006).

The World Bank–WWF guide for the assessment of forest certification systems was originally conceived to evaluate progress toward achieving the World Bank–WWF Alliance goal of having 200 million hectares of forests independently certified under an acceptable system by 2005. In addition to this, other useful functions of the guide include

- assisting WWF and the World Bank in providing guidance for the development of national standards and advice to governments and companies;
- serving as a diagnostic tool for WWF and the World Bank to identify and target capacity-building efforts to strengthen certification systems; and
- assisting the World Bank in the assessment of forest harvesting operations receiving World Bank investment support under its forests policies.

As a result of these different objectives and the different processes chosen for the development of the underlying principles, the elements of the guide are not entirely aligned with the principles for acceptable certification systems as defined in the OP 4.36 (World Bank 2004). The consequences of this for using the tool in the context of World Bank evaluations are further analyzed below.

In general, certification systems consist of three main components: standard setting, conformity assessment (including certification), and accreditation.¹ In most cases, they also encompass provisions for claims that can be made by certified operations. Specific rules guiding the work of the related bodies are available from the International Organization for Standardization (ISO) (ISO guides 62, 65, or 66 for certification; ISO standard 17011 for accreditation; and ISO guide 59 for standardization) (ISO/IEC 1994, 1996a, 1996b, 1996c, 2004). Further guidance is provided by the International Social and Environmental Accreditation and Labelling (ISEAL; <http://www.isealalliance.org>) alliance for standard-setting processes in the field of social and environmental standards (ISEAL Alliance 2004). The latter also takes into account relevant World Trade Organization agreements for avoiding trade barriers through standardization (WTO n.d.). The basic provisions set in these international standards provide an internationally agreed upon framework for the main operations of a certification system. They summarize the best available knowledge on the necessary procedures for conducting independent and reliable certification and standard setting. Hence, adherence to these rules is defined in the guide as a necessary prerequisite for acceptable certification.

The conformity of operations to the rules defined in international norms and standards is monitored in the case of standard-setting and accreditation bodies by international umbrella organizations through their membership requirements. If bodies for standard setting and accreditation operating under the assessed certification systems are members of these organizations—ISEAL Alliance, International Accreditation Forum, or the United Nations’ Investment Advisory

Facility (UNIAF)—they are subject to control for compliance with international norms and standards. In this case it can be assumed, based on evaluation and monitoring carried out by these organizations, that compliance with ISO and ISEAL standards is achieved and maintained over time. The assessment process should emphasize the actual scope of the monitoring procedures of international umbrella organizations, and whether the forest certification activities of standard-setting and accreditation bodies are actually covered. The operations of certification bodies are monitored by their respective accreditation bodies. Again, evaluation and subsequent surveillance of certification bodies has to be carried out to determine the body’s performance specifically within the field of assessing forest management.

In the absence of appropriate surveillance mechanisms, the requirements defined in the guide have to be verified in a stand-alone evaluation of the standard-setting and accreditation bodies.

Although the above-mentioned international norms and standards provide a framework applicable to a wide range of sectors, they are insufficient to address the more complex social and environmental issues involved in forest management certification. Additional elements have been defined in the guide that deal with the content of standards and the standards-development process, as well as with guidance to assess, among other elements, the level of transparency and reliability achieved by each system’s accreditation and certification operations.

USING THE GUIDE FOR WORLD BANK ASSESSMENTS OF CERTIFICATION SYSTEMS

This chapter describes how conformance with World Bank principles can be analyzed using either guidance included in international framework standards, such as ISO guides and the ISEAL Alliance Code of Good Practice, or the additional requirements in the World Bank–WWF guide. The chapter also presents elements that are not included in the World Bank–WWF guide, but are relevant to assessing compliance of certification systems with the World Bank’s policy. It is understood that the guide developed by the World Bank–WWF Alliance is suitable as an interpretation of the respective provisions in Bank policy, but should not be applied as a normative document because, for the purpose of World Bank project preparation, the rules in the policy prevail.

INDEPENDENCE, AVOIDANCE OF CONFLICT OF INTERESTS, AND THIRD-PARTY CERTIFICATION. Independence of the operations

carried out under a specific certification system is a key aspect of the World Bank approach to certification, and related requirements appear repeatedly in the policy. Consequently, personnel involved in audits and decision making have to be selected to avoid former or current relations with the candidate for certification or accreditation, which may influence judgment. It follows from these requirements that only third-party certification can be accepted because self-certification or certification among business partners cannot be considered independent. The same applies for the relationship between the certification body and the accreditation organization, which has to be designed to avoid undue influence on the outcome of the accreditation process.

Because independence is a fundamental principle comprehensively dealt with in all ISO guides and standards, it is not necessary to define additional criteria. According to ISO guidance, certification and accreditation bodies have to ensure that financial or commercial interests are not influencing operations and decisions. To this end, the certification body and all personnel involved in auditing or certification decisions, as well as senior executive staff responsible for finances, supervision, and policy implementation, must be free of any undue commercial or financial influence on its decisions. This also includes proving financial stability of the operation. Furthermore, auditing personnel are not permitted to be involved in certification decision making, and certification or accreditation bodies are prohibited from providing consultancy services to assessed operations. At the personnel level, conflicts of interest must be declared and bodies must exclude those with former or actual relations with the operation under assessment. Although subcontracting is generally permitted, it is limited to auditing tasks and subject to the same independence and impartiality requirements.

TRANSPARENCY OF CERTIFICATION DECISIONS. According to World Bank policy, an acceptable certification system must have transparent decision-making procedures. Requirements in the ISO and ISEAL guidance documents make it mandatory to publish basic information on the applied procedures, such as the processes applied for standard setting, certification or accreditation, the complaints and appeals mechanisms, and the evaluation and assessment procedures. In addition, standard-setting bodies have to make their work plan publicly available, produce a written synopsis of the comments received during the standard-setting process, and state how comments were addressed in the standard. For certification and accreditation bodies, it is obligatory to publish the results of the certification process,

normally through a publicly available list of the certificate holders or the accredited certification bodies, respectively. Proven compliance with these ISO and ISEAL rules therefore provides basic information about the conformance of a certification system with the World Bank's transparency requirement.

In addition, transparency demands that stakeholders external to the process be able to understand the rationale for the decisions made by certification, accreditation, or standard-setting bodies. The World Bank–WWF Alliance Forest Certification Assessment Guide therefore includes rules concerning publication of reports on evaluations and related decisions on certification and accreditation.

FAIRNESS OF CERTIFICATION DECISIONS. World Bank policy requires the decision-making procedures of a certification system to be fair. For standard-setting procedures, this can be achieved through balanced voting procedures, further outlined below. The most frequent cause for an unfair decision in certification or accreditation is granting or maintaining certified or accredited status where the operation does not comply with the standard. This is unfair to other certified or accredited operations that fully comply with the standard. However, all rules for independence, reliability, and credibility guiding certification were developed with the intent to avoid such incidences. Certification systems that follow ISO rules and comply with additional requirements described in the World Bank–WWF guide can be regarded as in conformity with the fairness requirement included in the World Bank policy.

PARTICIPATION IN STANDARDS DEVELOPMENT. Based on its overall principles on participation, the World Bank emphasizes in its policy the need for involvement of a wide range of stakeholders and interest groups in the standards-development process. According to the World Bank, the standards should be “developed with the meaningful participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society including the private sector” (World Bank 2004). Identification of relevant stakeholders and proactive measures to engage interested parties in the process before commencement of standard-setting activities are basic requirements in the ISEAL code. The provisions also encompass other elements for broad stakeholder involvement, including the publication of draft standards, specification of an appropriate period for receiving comments, as well as procedures for handling comments received. The

ISEAL code also requires that an appropriate dispute resolution mechanism be in place.

While compliance with ISEAL ensures that basic provisions for stakeholder involvement are being followed, additional aspects should be evaluated to verify that the decision-making process allows for balanced participation of economic, social, and environmental interests. The World Bank–WWF guide describes voting procedures that should be applied when consensus cannot be reached so that a single interest group does not dominate the process.

In addition, the World Bank requires the meaningful participation of local people and communities. Because most standard-setting processes in the forest sector have a national-level focus, it is difficult to adequately address the representation of often widely differing local interests. Therefore, the system should have mechanisms that require, at a minimum, a standard be field tested in close consultation with adjacent people and communities before endorsement.

ATTRIBUTES OF FOREST MANAGEMENT STANDARDS. Standards are a basic element of certification systems because they describe the performance level that certified operations have to achieve, and provide the basis for the communication of these achievements. OP 4.36 lists in paragraph 10 the general principles that have to be covered by the standard, and, in addition, requires “objective and measurable performance standards that are defined at the national level and are compatible with internationally accepted principles and criteria of sustainable forest management.” The content of a system’s standards can be analyzed using provisions in the World Bank–WWF guide because compliance with requirements in the guide encompasses conformance with the World Bank’s principles for forest management.

The provisions for the content of standards are set at a rather general level of overall principles of forest management. Therefore, the World Bank–WWF guide requires the development of more detailed indicators during their adaptation to national or regional circumstances. These indicators have to describe the performance level for each criterion, as highlighted in paragraph 11 of the World Bank’s policy, and be measurable and objective.

To avoid trade distortions, national standards have to be based on a set of internationally applicable principles. The World Bank–WWF guide therefore includes the need for national standard-setting bodies to seek harmonization of national standards with those of neighboring countries, and to introduce an endorsement mechanism at the international level for the approval of national standards.

COST-EFFECTIVENESS. International norms and standards in the ISO or ISEAL frameworks for certification systems do not include specific rules guiding the economic performance of the operations and processes involved in the certification process, as required in OP 4.36. On the other hand, it is a basic condition for certification operations that costs are covered at all levels by their economic activities; otherwise, the systems would not be economically viable. Furthermore, it can be assumed that businesses in the sector will only participate in a certification system when either their monetary or nonmonetary benefits from the system outweigh the costs incurred to achieve certification or accreditation.

It is important to ensure that certification systems do not discriminate against operations according to their size, location, or forest type, particularly in terms of cost-effectiveness—that is, a certification system should not be so expensive that a small company automatically does not qualify. Most international systems extended their services to provide a global reach and are indifferent to location or forest type. However, it has proven to be difficult to make certification attractive to small landholders because of excessive per-hectare costs. Given the current trend of rapidly increasing the forest area under management by communities and smaller operations that are directly or indirectly supported by the donor community (including the World Bank), and the importance of these types of forest owners as custodians of the forest in many countries, it is of particular concern when certification systems are not accessible to these groups because of the size of their operations. Although economic efficiency implies that costs are covered by the beneficiaries of the system, it is particularly important for the World Bank that certification systems have procedures to ensure cost-effectiveness for these groups and facilitate their access to services. This can be achieved by reducing the intensity of evaluations for these groups or by waiving certain cost-intensive requirements, such as planning and documentation or landscape-level objectives mainly applicable to larger operations.² Corresponding requirements are included in the World Bank–WWF guide.

ASSESSING CERTIFICATION SYSTEMS

This section describes the limitations of the assessments carried out using the tools mentioned in the previous section and the lessons learned during the process of developing the World Bank–WWF guide (see annex 11A to this chapter for guidance on TORs). The Bank has yet to initiate a project that has required assessment of certification systems, but

once more practical experience has been achieved through the application of the guide, it will be incorporated.

Certification systems are institutionally and organizationally complex, and their assessment requires considerable professional knowledge of forest certification, coupled with a profound understanding of international framework rules and insight into the specific roles of the different system elements and their interactions.

While the elements outlined above should be examined when considering certification systems, it is likely that at present no system is in full conformity with all requirements. Assessment of schemes as a first step will highlight strengths and weaknesses and deliver general information on the performance of each. Nonetheless, decisions regarding whether a certification system is consistent with World Bank policies should consider the impacts of the identified deficits in the particular country or project situation.

Although it is desirable to assess a system's actual performance, it is not always possible because internal procedures of bodies are, with certain exceptions, normally kept confidential, and operations can deny access to auditors outside the regular monitoring and surveillance structures. This makes analysis of the organizations difficult, and may preclude methodologically consistent and reliable assessments of the system's performance. In many cases, assessments must therefore rely on existing mechanisms provided by international organizations overseeing standard setting or accreditation, such as the International Accreditation Forum or the ISEAL Alliance.

Elucidation of the World Bank principles for forest management standards through development of indicators may at least partly overlap with provisions for Bank investments in the sector, which are included in other Bank policies (for example, OP 4.04 Natural Habitats, OP 4.10 Indigenous Peoples, or OP 4.09 Pest Management). However, the rules outlined in these policies are specifically tailored to the needs of World Bank project preparation and surveillance, and, as such, are not necessarily part of standards and related monitoring procedures of certification systems. Decisions on the acceptability of certification systems should therefore primarily be based on elements included in paragraph 10 of OP 4.36.

PROVIDING SUPPORT BEFORE CERTIFICATION USING TIME-BOUND ACTION PLANS

So far, performance of many forest management operations in World Bank client countries lags behind the level specified by the standards of certification systems that can com-

ply with the Bank's provisions and be deemed acceptable in the context of OP 4.36 (see annex 11B to this chapter for guidance on TOR). It is therefore likely that the alternative provided by the policy—to support operations on the condition of adherence to an acceptable time-bound action plan—will be used frequently. Measures included in this plan should be adequate to achieve certification under a system acceptable to the World Bank. Thus, the first step in developing a plan for improvement is the selection of a certification system accepted by both the World Bank and the client.

Identification of areas of nonconformance with the standard is part of the assessment work carried out by certification bodies operating under the selected system. In situations in which the operation is unlikely to achieve full compliance with the standard, the certification body should carry out a preassessment of the operation and provide a list of issues that need further improvement. Measures to overcome these deficits can be derived from this information either by the operation, the certification body, or through other external advice. In addition, the time frame set for achieving full certification should be realistic. The World Bank should refrain from supporting the operation if it is unlikely that full certification can be reached within the duration of the project.

To determine the feasibility of the action plan, the actual available capacity to implement the measures proposed within the specified time frame needs to be assessed. To this end, the World Bank should carry out an assessment of costs resulting from the implementation of measures in relation to the overall financial situation of the applicant operation, taking into account, if available, information on potential benefits through better market access or price premiums resulting from certified status. This analysis should also consider funds provided through the envisaged World Bank support.

Human resources available to the operation—numbers of staff and qualifications—are another critical aspect for its capacity to implement the measures defined in the action plan. Hence, evaluation of the overall capacity available to the applicant, and its adequacy for implementation of the action plan, forms another important component of the project planning phase. Experience has shown that the commitment of the owner and senior management to certification is an important success factor. Although this may be difficult to evaluate, the interim steps taken by the company to pursue certifiable forest management may indicate the sincerity of their intentions.

Depending on the nature and duration of implementation, it can be desirable not only to define the overall target,

but also to consider intermediary phases using a step-wise approach. Progress could then be monitored against previously agreed upon milestones.

NOTES

1. Standard setting: The process by which a standard for forest management is developed.

Conformity assessment and certification: Assessment of forest management against the standards. If successful, this will result in a certificate being issued.

Accreditation: The procedure by which an authoritative body gives formal recognition that a body or person is competent to perform conformity assessment and certification.

2. The Forest Stewardship Council (FSC) has developed standards that give consideration to small and low-intensity managed forests, available online at <http://www.fsc.org/slimf/>.

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ANNEX 11A MODEL TERMS OF REFERENCE FOR ASSESSMENT OF CERTIFICATION SYSTEMS

BACKGROUND. In its global strategy on forests, the World Bank recognizes the integration of forests into sustainable economic development as one major pillar of its investments in the sector, including enabling or directly supporting commercial use of the forest. At the same time, the World Bank must limit negative social or environmental impacts of forest use by setting preconditions for supporting commercial operations in the forest. The policy framework laid out in OP 4.36 stipulates that in order to receive Bank support, commercial harvesting of forests carried out on an industrial scale must be certified by a system deemed acceptable by the World Bank.

The forest management standards required by such systems and their operational procedures must conform to the elements further specified in paragraphs 10 and 11 of OP 4.36. The World Bank, in close collaboration with the WWF, developed an assessment guide that details the principles of the policy (World Bank–WWF 2006) and provides a framework to assess the quality of certifications systems. This instrument is recognized as the basis for the assessment of certification systems according to World Bank requirements.

The TOR listed in this document summarize the key steps in assessments carried out according to the World Bank–WWF guide on assessing certification systems. The assessment will provide information on the performance level achieved by certification systems in relation to World Bank principles and identify the gaps that may still exist in the system’s standard requirements of operational procedures. This analysis can support decisions regarding the acceptability of systems, but further judgment will need to be exercised when certification systems do not fully comply with all requirements, and consideration be given to the potential impacts that may result from these deficits in a particular project environment.

TASKS. Different tasks can be performed depending on the background of the assessment. The issues listed under the first three tasks can be carried out in a stand-alone assessment that does not require a decision on the acceptability of systems. The fourth and fifth tasks are recommended if the assessment is to provide the basis for investment decisions under OP 4.36 and in cases where the assessment showed deficits in the system’s standards or procedures.

The consultant shall perform the following tasks:

1. Analyze the respective certification system for its conformance with the OP 4.36 requirements using the

World Bank–WWF guide as a reference document. This should include direct consultations with certification systems personnel on draft findings.

2. On the basis of this assessment, compile a list of required elements with which the system is not in compliance.
3. Compile a list of those elements for which an assessment was not possible due to a lack of information or lack of access to procedures or operations of certification, accreditation, or standard-setting bodies working under the system.
4. Analyze the identified deficits in the context of the overall project environment and conduct a risk assessment on the potential negative impacts of the identified deficits. This exercise can be supplemented by consultations with relevant stakeholders in the World Bank client country.
5. On the basis of the findings, produce a substantiated judgment on whether the system meets OP 4.36 requirements and can provide sufficient assurance that certificate holders fully comply with the World Bank’s requirements for forest management certification listed in paragraph 10 of OP 4.36.

QUALIFICATIONS. The qualifications necessary for assessing the elements of a certification system may, in many cases, require the employment of an audit team rather than a single auditor. The assessor or the assessment team should have the following qualifications:

- practical experience and knowledge in forest certification
- profound understanding of the different elements of systems for accreditation, certification, and standard setting, and their various interactions
- broad knowledge of ISO guides 62, 65, and 66; ISO standard 17011; and practical experience in assessing bodies against the requirements set in these norms
- advanced degree in forest resource management or related field
- no conflicts of interest with regard to the certification system under assessment

For a judgment on the impacts of identified system deficits, the consultant(s) should have

- in-depth knowledge of the overall economic, ecological, and social environment, and the country’s legal and policy context; and

- the ability to analyze certification systems and their impact in a given environment.

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ANNEX 11B PROCEDURES AND TERMS OF REFERENCE FOR THE DEVELOPMENT AND ASSESSMENT OF A TIME-BOUND ACTION PLAN FOR CERTIFICATION

BACKGROUND. The World Bank supports investments in the forest sector under OP 4.36. To qualify for this support, operations involving commercial forest harvesting on an industrial scale must achieve certification under a system acceptable to the World Bank. Alternatively, operations can qualify by adhering to a time-bound action plan that is adequate to achieve certification within a specified time frame.

Preparation of investments in this area should therefore include the following steps:

- selection of a certification system
- assessment of the performance of the operation in relation to the forest management standard
- elaboration of a time-bound action plan
- assessment of the plan's acceptability under World Bank terms
- monitoring of the implementation of the plan

Each of these individual steps is associated with different responsibilities, tasks, issues to consider, qualifications required, and actors involved, which are outlined below.

SELECTION OF A CERTIFICATION SYSTEM. Selection of a certification system that conforms with World Bank requirements and is operational in the country of the applicant is a precondition for assessing the performance of the operation. Details describing the World Bank's approach to selection of certification systems are given in this chapter of the sourcebook. The decision has to be made by the applicant, but preferably in close collaboration with the World Bank's contact person for the project, normally the task team leader.

To prepare for the selection, the consultant will do the following:

- Identify the forest management certification systems that are operational in the country of the applicant.
- Assess the systems against World Bank requirements in accordance with the World Bank's instruments for assessment of forest certification schemes (annex 11A). The consultant should draw upon the results of assessments conducted for similar projects in the country, or previous assessments commissioned by other bodies, if available.
- If the certification systems are not entirely in compliance with World Bank requirements, the consultant will provide the World Bank with a list of deficits, together with a substantiated judgment regarding risks that could

potentially emerge for the project because of the identified system's deficiencies.

ASSESSMENT OF THE APPLICANT OPERATION. The assessment should highlight the strengths and weaknesses of the applicant in relation to the forest management standard of the certification system. Because the tasks involved are similar to those performed during normal audits, the assessment should be conducted by a team that is familiar with the regular audit procedures of the system and be selected according to the same criteria applied by the respective certification system. It is essential that team members have sufficient competence and local knowledge to analyze the legal framework, the ecological and social aspects of forest management, and its broader impact on the well-being of adjacent communities. During such a preassessment for certification, the consultant(s) will perform the following tasks:

- Assess the applicant's forest management practices for compliance with each element of the selected certification system's standards.
- Compile a list of issues where the company's performance falls below the requirements of the standard.
- If applicable to the selected certification system, group the deficits into minor noncompliance issues that could be resolved after certification has been awarded, and major noncompliance issues that would prevent the operation from obtaining immediate certification.
- Highlight the strengths and weaknesses of the operation.
- Identify appropriate measures to improve forest management to the level required for full certification.

DEVELOPMENT OF THE TIME-BOUND ACTION PLAN. On the basis of the identified deficits, the company should develop a plan detailing actions envisaged for improvement. Although external consultants can assist in this step, senior staff should play a leading role in this process to ensure a close connection between the company and the action plan.

Depending on the situation, it may be necessary to introduce a step-wise approach by defining interim performance levels to be achieved. This approach may be necessary depending on, among other issues, the previous record of the company applying for assistance, the commitment of senior management or the owner to implementation of the action plan, the time frame set for full compliance in relation to the duration of the project, as well as the gravity and

number of identified instances of noncompliance with the standard.

In this step, the applicant will develop a time-bound action plan with the following elements:

- The list of deficits identified as being impediments to immediate certification (also referred to as preconditions).
- The measures proposed by the company to overcome the deficits and to achieve certification in the specified time frame. The measures should be suitable to address the identified deficits and consider the overall legal, political, and economic situation of the company, and feasible given the means available to the operation. The description should avoid the use of ambiguous terms.
- Each proposed action should be accompanied by an estimate of the time required for implementation and the expected time for achieving the performance level prescribed by the standard. The time frame should be realistically set given the overall resources of the operation and the commitment expressed by the management or the owner (see below).
- The plan should include a summary of the resources available to the company presented as the number and qualifications of personnel. In addition, the financial means dedicated by the operation to the implementation of the proposed actions should be described and analyzed.
- The plan should be accompanied by a clear statement from the executive director of the operation or the owner to accept and adhere to the measures defined.
- If a step-wise approach is considered necessary, the plan should define individual steps, including the achievements to be reached within a specified time frame.

ASSESSMENT OF THE PLAN FOR ACCEPTABILITY UNDER WORLD BANK TERMS. According to OP 4.36, the action plan has to be evaluated to determine its acceptability. Although the World Bank's policy does not provide further detail regarding what should be covered by the action plan, the elements listed in the previous section can provide a framework to apply on a case-by-case basis. The assessment must consider the plan's suitability, adequacy, and feasibility for implementing the proposed measures within the set time frame. To ensure independence and avoid conflicts of interest, the persons involved in the previous steps should not take part in this evaluation.

MONITORING OF IMPLEMENTATION. The monitoring procedures applied to the implementation of the plan can be sim-

ilar to the World Bank's normal mechanisms for project surveillance. The preparation of the time-bound action plan already describes the necessary elements for monitoring, such as the deadlines and achievements required, and the necessary resources. In addition, the monitoring schedule and intensity should reflect the level of risk involved with the project. Risk factors may include, but are not limited to, the potential impact on critical forests or critical natural habitats, the overall economic situation of the operation, and the effects of the project on adjacent communities or Indigenous Peoples. When a risk analysis shows that the impacts of the project are considerable, sanctions for non-conformance with the set deadlines should be incorporated into the loan agreement.

To comply with the standards of a certification system deemed acceptable to the World Bank, the operation has to develop its own monitoring procedures, through which information on key forest parameters is collected and analyzed (see also OP 4.36, paragraph 10[h]). In general, internal monitoring of certified operations provides information on the resource base (harvest rates, growth, and regeneration), status and changes of flora and fauna, and economic parameters, such as cost and efficiency. Consequently, an assessment of these procedures has to be carried out against the certification standard during the preassessment of the operation. For tailoring its own monitoring program, the World Bank can take into account the results from the preassessment under point 2 concerning the quality of the company's monitoring program. The World Bank's own monitoring can be limited to aspects insufficiently covered by these mechanisms.

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