

## What is the Production and Cost Impact Assessment Tool for?

The development of standards is an essential part of forest certification. The contents of a standard are hierarchically organised in indicators, norms and verifiers chosen to ensure responsible forest management. According to the concept of sustainability, there are at least three dimensions to take into account –ecological, social and economic. All standards are based on tradeoffs between these three dimensions. The standard should reflect a balanced, and ideally also an efficient compromise between different ambitions. During a standard development process, continuous analysis of the consequences on the three aspects of sustainability is therefore needed, and this tool provides a practical methodology to make the assessment of the cost impact. Since timber production in most cases is the economically dominating process in forestry, the tool is built on the assessment of the impact on timber production. The Production and Cost Impact Assessment (PCIA) Tool is intended to be used for:

1. Enhancing transparency in standard development and thereby increasing acceptance of the standard among stakeholders
2. Developing cost-effective standards for responsible forest management
3. Harmonising processes when comparing regional and/or national performance standards for responsible forest management
4. Reducing uncertainty regarding the costs of forest certification among forest owners, thus lower the threshold for entering the certification

However, it is not possible to provide detailed guidance at a global level, which is applicable to all forest locations and types. **So, although this tool can be used directly, it is to be adapted to local conditions when applied.**

## What is the PCIA Tool not providing?

Essential input regarding management systems used in different situations and forest ecosystems affected cannot be found in the tool. The application of the Tool requires that the assessor makes a thorough investigation of local growing and management conditions, possible impacts of different management options affected by the standard and finally translate that into measurable units. The tool only intends to provide a methodology to do this in an easy-to-follow stepwise manner.



The PCIA Tool is not intended for assessments of the benefits of certification. Clearly the benefits have to outweigh the costs to make forest certification a viable option. The economic benefits of forest certification may take different forms, including, but not limited to:

- A premium price may be paid for certified products
- Certain markets are simply not accessible without certification.
- Certification may be an efficient way to deal with a number of public and other relation issues, which in any case have to be addressed.
- If properly handled, certification can be used to increase the commitment among employees and contractors to good performance in general.

## Who can use the PCIA Tool?

The guide is designed for use by anyone needing to develop a better knowledge about the production and cost impacts of standards for responsible forest management.

Use of this generic guide, whether in a particular forest or as the basis for a process to develop national guidelines, requires **knowledge of the basic production and economic aspects of the forest management system currently applied**. This is likely to mean professional foresters or economists. However, the structure of the tool is not complicated, and the results derived by using the tool can be interpreted by anyone who understands trade-offs, including ecologists.

The main users will, considering the purpose of the tool, be:

- Members of regional or national standard development groups
- FSC AC and/or other bodies involved in the harmonisation between different regional and national performance standards
- Forest owners evaluating the option to certify their forests

## What is in the PCIA Tool?

This tool is a manual supporting the assessment of the cost impact of forest certification performance standards. Since timber production in most cases is the economically dominating process in forestry, the tool is primarily built on the assessment of timber production impacts. The Tool consists of four sections:

- Introduction: this provides the background to production and cost impact assessments, including the important concepts of reference level and separability.
- Structure of the assessment process: describing the methodology to be used.
- Scientific support: giving hints on how to secure scientific references and support for assessments.
- Reference to the Swedish FSC-case: giving a reference to a practical case