



Forest Stewardship Council

FSC user-friendly guide to FSC certification for smallholders

Make more out of your forests!



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The Forest Stewardship Council (FSC) is an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests. It provides standard setting, trademark assurance and accreditation services for companies and organizations interested in responsible forestry.

Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet the social, economic and ecological needs of present and future generations.

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FORWARD

FSC developed this guide to help smallholders to gain better access to FSC certification and its benefits, since access to certification can be more challenging than for larger enterprises.

FSC's efforts to encourage smallholders into FSC certification are guided by the FSC Global Strategy which outlines five clear goals. Goal 2 is to ensure equitable access to the benefits of the FSC system. FSC will develop additional mechanisms to distribute the benefits from FSC certification more evenly across the supply chain. FSC will also become a more viable and attractive solution for forest managers in tropical regions and increase its relevance to small forest owners, community or low intensity managed forests.

FSC would like to express its gratitude to the Global Environmental Facility (GEF) for the financial support that made this guide possible. Special thanks also go to UNEP and CIFOR for their institutional support.

FSC'S VISION

The world's forests meet the social, ecological and economic rights and needs of the present generation without compromising those of future generations.

FSC'S MISSION

The FSC shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity and ecological processes.

Socially beneficial forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.

Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resources, the ecosystem or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value."

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INTRODUCTION

FSC uses certification to engage the market, encouraging recognition of the value of forests to improve social and environmental practices in forest management worldwide. Forests provide us with clean water, fresh air and even help to combat global warming. Forests also provide us with food, medicine and important natural resources such as timber. If managed responsibly, forests and plantations benefit the local and global community at large.

Smallholders are critically important stewards of the world's forests. They own and manage 55 percent of forests in Europe and almost 25 percent in the global South¹. A top priority for FSC is to ensure that it embraces smallholder forestry. Currently, smallholders collectively manage nearly one fifth (18%) of the total area globally certified to the FSC Principles and Criteria², and this number is expected to increase in the coming years.

Meeting the direct and indirect costs of FSC certification can be challenging for smaller and less intensive operations. However, the market rewards for smallholders who engage in FSC certification can outweigh the initial costs of getting certified. And there are many social and environmental benefits to practicing responsible forest management according to internationally recognized rules.

¹ White and Martin (2002), www.cepf-eu.org

² Figures from 15 September 2009, www.fsc.org/facts-figures.html

About this guide

This guide provides guidance on how you, as a smallholder, can seek FSC certification and be rewarded for your long-term and careful management practices. It provides an overview of what FSC certification is and highlights examples of actual and potential economic, social and environmental benefits.

This guide includes information on existing resources that can help you obtain FSC certification. It also offers an insight into projects currently in development that could offer further attractive benefits for you to engage in FSC certification.

1. WHAT IS A “SMALLHOLDER”?

“Smallholder” is the term used to describe anyone who owns, manages or uses forests which are considered “small” in relation to others in their region, and those who apply low intensity harvesting practices to timber and/or non-timber forest products.

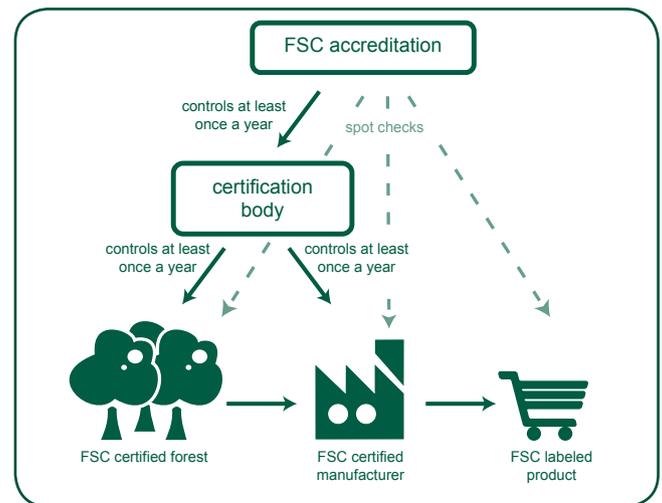
In different parts of the world, smallholders are known by different names – woodlot owners, family forests, small non-industrial private forests, small forest enterprises, community forestry operations, and non-timber forest product (NTFP) harvesters are some examples. FSC also refers to them as owners or managers of Small and Low Intensity Managed Forests (SLIMFs). Collectively they face cost and procedural barriers to certification.

2. WHAT IS FSC CERTIFICATION?

2.1 Forest management (FM) certification

FSC forest management (FM) certification is a way of ensuring that a forest manager’s, or owner’s, careful and long-term forest management is recognized. Certification is voluntary. It involves an inspection of the forest management by an independent organization to check that it passes the internationally agreed FSC Principles and Criteria of good forest management. Special options exist for smallholders and groups of forest operations.

To sell material from an FSC certified forest with the FSC logo, the forest manager must also achieve FSC chain of custody certification. It offers a guarantee that the product comes from a well-managed forest and enables you to pass on the benefits of certification to your customers.



2.2 Chain of custody (CoC) certification

FSC chain of custody (CoC) allows credible tracking of FSC material from the forest, through the entire production process, to committed retailers and consumers. Certification is voluntary. It involves an inspection by an independent organization against FSC standards.

3. WHY SHOULD SMALLHOLDERS GET CERTIFIED?

FSC certification through the Small and Low Intensity Managed Forest (SLIMF) and Group Certification program has many benefits for the forest owners and the local community, as well as the environment.

Certification can help to strengthen communities and workers in the competitive and increasingly globalized market for forest products. It can also help to improve forest management, including the forest's future productivity – not only for timber but also for non-timber forest products (NTFPs). FSC certification is also compatible with management for forest services, such as protecting water supplies.

Below are some of the direct and indirect market, social and environmental benefits, as reported in research in different parts of the world and also based on FSC's experience.

- **Premiums prices** – FSC certified products can sell for higher prices when compared to uncertified products³. For example, FAO reports that, in February 2009, in the Netherlands, FSC certified Sapupira sawnwood from Asia was sold for 1'398 USD/ m³, while Sapupira sawnwood without the FSC label netted only 883 USD/ m³. At least some of this benefit from the international market should be reflected in price premium for the producers. Smallholders, with small quantities of harvest to sell, may find greater advantages if they get organized in forest product marketing cooperatives.
- **Continued financial support** – FSC certification is often recognized as a guarantee for responsible forest management. Several public and private organizations with an interest in ensuring the maintenance or enhancement of forest management may use FSC certification as a requirement for continued support. The reason for this is simple: FSC certification guarantees a long-term commitment to responsible forest management.

³ Conroy, M.E. (2007): Branded! — How the 'certification revolution' is transforming global corporations.

3.1 Market benefits

Direct benefits

- **Market access** – You may have a greater opportunity to sell to new markets or increase your sales to current buyers with the FSC logo on your products. In many places, consumers prefer to buy certified products. In some countries, local governments, businesses and final consumers demand products with a guarantee that these come from responsibly managed forests. For example, in Canada a number of public agencies will only buy FSC certified timber. The governments of Denmark, Japan, and New Zealand accept FSC certification as proof of legality and sustainability for timber in their public procurement policy.



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Indirect benefits

The fact that so many forest enterprises choose to renew their certification when their first 5-year certificate elapses indicates that the financial and non-market benefits of certification outweigh the costs. Communities managing FSC certified forests in Brazil were reported to realize the economic and social benefits, and to conclude that the benefits outweighed the difficulties and expense of becoming certified⁴.

Researchers⁵ have reported many beneficial impacts of FSC certification in various parts of the world, including:

- a shift towards more scientifically rigorous models of forest management, sometimes at the expense of valid local norms or practices;
- strengthened internal mechanisms for monitoring, evaluation and reporting;
- improved procedures for documentation and bookkeeping;
- more efficient delivery and deployment of donor support;
- the adoption of more businesslike approaches, even though sometimes at the cost of livelihood needs from the forest.

Some examples of indirect benefits include:

- **Improvement in the efficiency and effectiveness** of forest management practices. FSC certification has helped some small operations to better understand the financial standing of their forestry operations.

Guatemala and Germany

A condition given to the Uuxactun Community (OMYC) – a community managed forest concession in the Petén region of Guatemala – required them to report costs and income from forestry activities and develop internal structures for managing forestry operations, finances, and marketing. This condition was a catalyst for internal restructuring and the development of an accounting and management division within the community.

Another example is the long-established communally managed forest unit in Luebeck, Germany, where recommendations made following certification improved and streamlined forest management as well as the budget.

- **The FSC label as a guarantee of long-term commitment** for responsible forest management for funding agencies.

Mexico

In Mexico, for example, FSC certified community forest owners are often more successful than non-certified owners in obtaining biodiversity funds from the Mexican government. This is because the FSC certificate is already recognized as helping to protect biodiversity. In Brazil, some federal states pay for half of the costs of meeting FSC certification, because they recognize that FSC environmental requirements are more than the minimum requirements of the federal states themselves.





- **Diversification of forest products and services** – one of the core requirements within the FSC certification system is that forest managers do not rely solely on marketing a single product or very few products, but utilize a range of forest products and services. This requirement has in some cases resulted in increased income from forest management as well as avoiding over exploitation of one forest product.
- When requested, advisors from NGOs, aid agencies or companies can help with a fresh look at your management to provide advice on reducing unnecessary costs and suggest ways of **improving administration and organization** of the enterprise. These advisors know how to streamline forest management related activities, and how to avoid unnecessary activities (e.g. not buying plants for enrichment planting, when there is sufficient quality in natural regeneration; or not needing herbicides because of improved vegetation management).
- The certification process can also **help improve management**. Auditors will give recommendations for improvements, or “Corrective Action Requests”, based on areas identified as “non-compliant” with the certification requirements. These may be conditions, but they also provide valuable feedback for a process of continuous improvement in your forest management.

⁴ Humphries, S.S. and Kainer, K.A (2006): Local perceptions of forest certification for community based enterprises. *Forest Ecology and Management*, Elsevier 235: 30-43.

⁵ Bass, S.; Thornber, K.; Markopoulos, M.; Roberts, S., Grieg-Gran, M. (2001): *Certification's Impacts on Forests, Stakeholders and Supply Chains*. International Institute for Environment and Development, London. www.iied.org/pubs/pdfs/90131IED.pdf

Costa Rica: FUNDECOR and market-based conservation – a global innovative approach

FUNDECOR is a non-governmental organization founded in 1991 to protect and increase the Costa Rican forests located in the country's central plateau. The forest coverage of this territory is one of the largest in Costa Rica, and comprises many of the country's National Parks. FUNDECOR counts, among its achievements, halting the loss of natural forest in the Central Volcanic Mountain Range. They gathered 450 forest managers to work jointly on improving forest management and infrastructure for visitors in the National Parks, and secured agreements with hydroelectric companies to pay for watershed protection. FSC certification has been an important part of this sustainable management of 32'000 hectares of natural forest and 5'000 ha reforested.

FUNDECOR created the linkages between the small forest dwellers and the local and international community to incorporate the informal productive activities of Costa Rican small forest owners into the mainstream local and global economic realms.

The project, which was jointly implemented by small forest owners and the international community, resulted in locally mainstreamed production of clean energy through participation in generation of hydroelectricity, and ensured a steady wood supply from the small forests to transnational forest industries, as well as achieving FSC certification.

Approximately 2'600 people (family members of the 450 forest owners) are directly benefiting from FUNDECOR's projects. Even more people are indirectly benefiting from the projects: about 40'000 local residents and 350'000 international and domestic tourists visit the Costa Rican National Parks every year.

3.2 Social benefits

Detailed examination on the impacts of community forest certification in many parts of the world⁶ – including Brazil, Bolivia, Honduras, Mexico, Papua New Guinea, Zambia, South Africa, and Poland – has revealed that certification is important for communities and brings social benefits.

- **Improving community structures and external relations**

- > Greater emphasis on community structures as the basis for forest management;
- > Enhanced professional status and prestige of the enterprise;
- > Increased frequency of contacts and dialogue with government, industry and donors;
- > Increased acceptance of the enterprise and its stakeholders in local or national policy fora.

Guatemala: building technical capacity and market know-how

The community of Uaxactún in Guatemala now has the technical capacity and market knowledge to produce special cuts of mahogany for the Gibson Guitar Company. Community members have used part of the profits to finance teachers in their under-financed school and provide funding for older students to do computer training in the nearest city.⁷

⁶ Bass, S.; Thornber, K.; Markopoulos, M.; Roberts, S., Grieg-Gran, M. (2001): Certification's Impacts on Forests, Stakeholders and Supply Chains. International Institute for Environment and Development, London.

⁷ Rainforest Alliance (2007): Helping communities conserve the Maya Biosphere Reserve. Rainforest Alliance, New York, USA. www.rainforest-alliance.org/profiles/documents/maya_biosphere.pdf

Mexico: consensus on community policy and legislation

The president of a Mexican community forest (UZACHI, in Oaxaca) stated that FSC certification, and the associated use of an internationally recognized standard for forest management, has improved consensus on how to manage their forest. This has increased the general satisfaction and stability in long-term planning among the community forest owners.

- **Legal and customary rights** – While FSC cannot directly enforce national regulations on land use rights, the requirement for FSC certification in some cases has empowered communities to insist on the acknowledgement of their rights. In the majority of cases, this happened in response to certification of large forest enterprises. But, as FSC Principle 1 requires that any certificate holder is able to demonstrate land tenure and use rights, certification bodies can also help to get information and offer support on how to formalize customary rights.

Brazil: land titles

For many community certifications in Brazil, one of the most important outcomes of a FSC certification process for natural forests and SLIMF is that access and tenure rights are formalized. In September 2008, FSC Brazil reported that because FSC requires clarity in land tenure, the FSC certified company Mil Madeireira (Precious Woods Amazon) made an agreement with the government of Amazonas to distribute land titles to 142 families in agrarian communities and to also provide compensation for timber use.

Sweden: less conflicts

The Sami people in north-western Sweden, whose livelihoods depend on reindeer herding, have customary rights to graze their reindeer in the forests. The law does not designate specific areas and in order to prove their customary rights in court, the Sami people must show their long-term use of the particular piece of land in question by producing written documentation. Written documentation has not traditionally been used in the Sami culture; many Sami families have lost court cases and subsequently their reindeer grazing rights, and with them their prospects of maintaining their livelihood and culture.

Olof Johansson, reindeer herder and member of FSC Sweden, said: “FSC provides one way for the Sami people to continue their traditional way of life of reindeer herding. My community is targeted in several ongoing court cases, all of them initiated by private, non-FSC certified forest owners. But we have no grazing rights disputes at all with FSC certified forest owners. There are other advantages with FSC certification for reindeer. The Swedish FSC standard stipulates that the local Sami community should be consulted before a logging operation is planned and that a fair amount of trees are saved at the logging sites. This means more lichens for our reindeer to eat.”⁸

- **Enhanced professional status, prestige and self-esteem** – The FSC standard requires that workers are protected and trained, and some projects have found additional social benefits.

⁸ Renström, M., Rainey, M. (WWF Sweden) (2001): Social issues and the Forestry Stewardship Council. Sustainable Development International 4,137–139. <http://www.p2pays.org/ref/40/39769.pdf>

⁹ Hirschberger, P.(2005): The Effects of FSC-certification in Latvia: an analysis of CARs. WWF Forest Programme. 29 p. www.panda.org/downloads/forests/fscanalysislatvia.pdf

¹⁰ Alan Smith, FSC Social Program Manager, pers. Communication 2008

¹¹ Ota, I. (2007): A forest owners' cooperative in Japan: obtaining benefits of certification for small-scale forests. Faculty of Agriculture, Ehime University, Matsuyama, Japan. In: Small-scale forestry. Unasylva No. 228 Vol. 58, 2007/3 FAO Rome. FAO Corporate document Repository. www.fao.org/docrep/010/a1346e/a1346e17.htm

Latvia: “know-how transfer” for inexperienced foresters

In Latvia, group certification has been shown to provide a “know-how transfer” for inexperienced forest owners and their contractors. This is because the group manager is required to provide adequate training to ensure a high quality of work. This is particularly important in Latvia, as recent history has resulted in a large number of private forest owners with small properties who are inexperienced in sustainable forest management⁹. For some, this training is the main benefit of FSC certification¹⁰.

Japan: increased profile of a cooperative

The Yusuhara Forest Owners' Cooperative was established in 1956 in Japan, and it currently has over 1'000 members. In 2000, it was the second forest in Japan to obtain FSC certification, and the first to do so with a forest owners' cooperative as the resource manager. The benefits of certification include increased recognition: representatives of more than 100 companies, organizations and local governments visit Yusuhara every year to see the FSC certified forest and the local forest management practices. Local media recognition was reported to have improved the morale and self-confidence of the cooperative's staff and workers and, in turn, increased the motivation of forest owners to manage their forests well.¹¹

3.3 Environmental benefits

For small and community managed forest operations, the importance of FSC certification in ensuring positive environment impacts cannot be overemphasized.

Guatemala

For example, in Guatemala, non-certified protected forest areas lost forest at a rate 20 times greater than FSC certified forest concessions in the Maya Biosphere Reserve.

The main environmental benefits include:

- **The protection of rare, threatened and endangered species and other high conservation values**, all of which are requirements in the FSC standards. Through their traditional/ institutional knowledge, as well as with the help of experts, communities have established methods for the identification, management and monitoring of biodiversity and high conservation values within their forests.
- **The negative consequences of globalization and international trade, like overexploitation of some highly demanded forest products, can be avoided** when following FSC forest management criteria, such as establishing management plans for forest products of commercial importance and diversification of the forest products for marketing.
- Certified forest management units could provide and market environmental services for which **intact or functioning forests** are needed, such as shade on streams, or protection of soil conservation.

Brazil: State of Acre, in western Brazil

In the state of Acre, in western Brazil, local families have traditionally relied heavily on the forest and rivers for timber, fruits, oils, and seeds, while fishing and wildlife hunting provide an important source of protein. When some families formed a group to apply for FSC forest management certification, the certifiers identified the importance of understanding and monitoring the level of hunting in the forests.

A simple "hunting calendar" was established. Families use the calendar to record how many animals are hunted each month by placing a cross near the picture of the animal they hunt. The total animals hunted by the community is calculated at the end of each year and presented at community meetings. As a result of the calendar, community discussions have been stimulated about the impact of hunting and the relationship between the number of animals caught and the variations in sighting of these animals. Community members are generating their own ideas about how to address issues as they arise.

4. HOW TO GET FSC CERTIFIED

FSC does not issue certificates itself. The certification process is carried out by independent organizations called certification bodies. This allows FSC to remain independent from the assessment process and supports the integrity of the FSC certification program. These certification bodies assess forest management and chain of custody operations against FSC standards. Only FSC accredited certification bodies are authorized to evaluate, monitor and issue FSC certificates.

List of FSC accredited certification bodies

You may find a list of FSC accredited certification bodies online at www.accreditation-services.com/accreditation_of_cbs.html.

The list contains the contact details for the main offices. It does not specify local offices but most certification bodies work internationally. Please contact the certification body directly for information on certification in your country. You may wish to check the FSC certificate database to see which certification bodies have already issued certificates in your country.

FSC certificates are valid for five years. The FSC accredited certification body will conduct annual surveillance audits to verify your continued compliance with FSC certification requirements.

5-steps towards FSC certification

These steps are the same, whether you want to become **forest management** or **chain of custody** certified.

1. Contact certification body

Contact one or several FSC accredited certification bodies to give you a first estimate of cost and time needed.

The certification body will need some basic information about your operation. They will provide you with information about the requirements for FSC certification.

2. Choose certification body

Decide which certification body you would like to work with and sign an agreement with the certification body.

3. Certification assessment

A certification audit takes place to assess your operation's qualifications for certification

4. Certification report

The data collected at the audit is the basis of the audit report on which the certification body makes the decision to certify.

5. Certification decision

If the certification decision is positive, you receive an FSC certificate.

If the audit revealed that your operation is not yet in full compliance with FSC requirements, then you will be asked to provide evidence of your implementation of the corrective action requests.

5. SPECIAL PROGRAMS FOR SMALLHOLDERS

FSC models for improving access to certification

FSC has special rules for owners of small forests or those who use only low intensity management. The aim is to make certification affordable for small forests.

5.1 A program for SLIMFs

Certification for Small and Low Intensity Managed Forests (SLIMFs) is streamlined to make certification more accessible and cost effective, while retaining the rigor of FSC certification processes.

SLIMF eligibility criteria

FSC provides consistent definitions of “small” and “low intensity” managed forests for the purpose of implementing streamlined certification procedures.

- a) A forest management unit qualifies as a “small forest” if it is under 100 ha, or up to 1'000 ha when this is formally proposed by the FSC accredited national initiative concerned or demonstrated by a broad support of national stakeholders if there is no national FSC initiative (exceptions listed in SLIMF Addendum).
- b) The forest is “low intensity managed” if:
 - i. the forest is being managed for the production of only NTFPs;
 - ii. OR the rate of harvesting timber is less than 20% of the mean annual increment (MAI) within the total production forest area of the unit, **AND**:
 - > **EITHER** the harvest from the total production forest area is less than 5'000 m³ / year;
 - > **OR** the average harvest from the total production forest is less than 5'000 m³ / year during the period of validity of the certificate as verified by harvest reports and surveillance audits.

SLIMF: useful documents

In addition to the core documents for forest management certification, including the FSC Principles and Criteria or national FSC forest management standards, the following resources are valuable for group entities:

- > “FSC STD 01 003 V1 0 SLIMF Eligibility Criteria”
- > “FSC-STD-01-003a SLIMF Eligibility Criteria Addendum”
- > “FSC-GUI-60-001 Guidance on the Interpretation of FSC Principles and Criteria”

All certification documents are available at www.fsc.org/internationalpolicies.html

Benefits

- Reduced certification costs
- Streamlined procedures for getting certified

5.2 Group certification – a program for smallholders

Owners of small forests can also group together for a group certificate. Forest Management groups can be a mix of SLIMF and non SLIMF operations. The potential advantage is that the SLIMF operations may benefit from the existing and well established infrastructure of the non-SLIMFs operations; this will reduce individual costs and improve prices and incomes.

Structure

FSC group certification generally includes different levels of responsibilities for the implementation of the FSC standard. Different people within the group assume different responsibilities. A “group entity” takes responsibility for ensuring compliance of group members with the certification standards. The group entity may be a resource manager who also assumes responsibility for forest management activities.

Group certification does not imply that the group members lose autonomy or control over their forest areas: the group entity holds a single certificate on behalf of the group members and is responsible for ensuring that all members are in compliance with the FSC standard.

Benefits

There are three major benefits to a group scheme, including:

- The cost of certification for each member is much lower, bringing it within reach of almost all forest managers;
- The group entity normally provides information and support to members in order to achieve certification and keep the certificate;
- There are better opportunities through the collective scale of production to access markets and obtain better prices.

Group certification: useful documents

In addition to the core documents for forest management certification, including the FSC Principles and Criteria or national FSC forest management standards, the following resources are valuable for group entities:

- > “FSC-STD-30-005 V1-0 EN Group Entities FM Groups”
- > “FSC-GUI-60-001 Guidance on the Interpretation of FSC Principles and Criteria”

All certification documents are available at www.fsc.org/internationalpolicies.html



5.3 And some other useful resources

Guidance for FSC forest stewardship standards development

FSC has developed a guidance document to ensure that forest management standards – whether national, sub-national or generic standards for certification bodies – take better account of the realities of small forest management units.

> “FSC-GUI-60-001 Guidance on the Interpretation of FSC Principles and Criteria”,

www.fsc.org/internationalpolicies.html

Good Practice Guide to Meeting FSC certification requirements for Biodiversity and High Conservation Value Forests in SLIMFs

FSC certification evaluates forest management using a standard of 10 principles and associated criteria. They include economic, environmental and social requirements. The management of biodiversity and of HCVs in the forests is one of the key elements of FSC certification.

FSC has developed a good practice guide to help small forest owners and managers to identify these areas, to manage them well and to monitor their development. The guide explains some simple ways to protect and integrate forest biodiversity and HCVs into management of productive natural forests

> “FSC step-by-step guide: Good practice guide to meeting FSC certification requirements for biodiversity and HCVFs in SLIMFs”,

www.fsc.org/fscpublications.html

6. WHAT KINDS OF COSTS ARE INVOLVED?

The costs of FSC certification can be broken down into direct and indirect costs. The direct cost includes the cost of the audit and the certification process, while indirect costs are those related to improving management to meet FSC standards.

Don't forget

Some smallholders have found that these costs can be funded from the savings made by more efficient management!



6.1 Direct costs

The direct cost of certification is the cost of the evaluation charged by the auditors, who check compliance with the FSC standard. These costs may cover meetings and preparation before the official audit, document preparation and field visits, office visits by auditors, and related work after the audit. Many of these costs will depend on the site, the complexity of the organization being certified and the certification body performing the audit.

Remember that FSC has developed special programs that will reduce the certification costs for smallholders who seek SLIMF certification and/or Group Certification (find out more about this in section 5).

For details on costs for your site, it is recommended you contact several FSC accredited certification bodies (see section 5).

6.2 Indirect costs

The indirect costs are those required to improve or streamline management to fulfill the FSC standards. These may include:

- Expenses to recruit and train staff, and keep records;
- Time and funds needed for changes in management practices;
- Other costs, depending on the recommendations arising from the audits.

7. FSC IS DEVELOPING TOOLS TO ADDRESS CHALLENGES FOR SMALLHOLDERS

The contribution that managers of small forest holdings make to responsible forest management internationally is very large, and the number of small forest managers is still growing. To help encourage participation, despite the high obstacles such as cost, FSC is developing tools to support smallholders to become FSC certified.

7.1 Landscape approach to Group certification

The “landscape approach” to Group forest management certification is a way in which small forests, as part of a landscape unit, can be considered as a group. The two main objectives of the landscape approach are:

- **Facilitating access to FSC certification for small holders.** Deciding about responsibilities is a key aspect within Group Forest Management certification. The responsibilities taken by the “resource manager” are focused on administrative requirements and monitoring of the group members. This approach allows the resource manager to demonstrate compliance to standards at the landscape level. For example, the requirement to protect a certain percentage of forest in protected areas could be met by individual landowners in the group.
- **Identifying the combination of the many other effects of certification** of forest management groups, its ecosystems and the surrounding landscapes. For example the potential impacts of forest management operation on the landscape can be assessed at the group level.

7.2 Certified forestry contractors

All activities in FSC certified forests – including those carried out by external contractors – need to conform to FSC standards. FSC is currently working with the European Network of Forest Entrepreneurs (ENFE) and NEPCon (an FSC accredited certification body) to develop a mechanism by which forestry contractors (e.g., loggers) can become certified as meeting FSC standards in their forestry operations. This would allow smallholders and forest managers to choose to employ FSC certified forest service enterprises, which would reduce the responsibility and expense of certification for the smallholder.

Some important motivations for this initiative include:

- Control of forestry operations may be difficult for smallholders who may not have the knowledge required to ensure that the forestry contractors follow all the certification requirements during harvesting and other operations.
- Certification requirements can be burdensome for small forest properties. A number of formal and administrative requirements relating to procedures, planning, surveys and monitoring are difficult to sustain for small properties due to lack of economy of scale.
- Certification costs can be burdensome for small forest properties. The certification of forestry contractors would lessen the number of standards that smallholders must prove compliance with, and therefore lessen the time and effort that certifiers and landowners must put towards the certification process. This should decrease the costs of certification for the smallholder.





7.3 A stepwise approach to becoming certified

A high level of performance is needed to fulfill all of the requirements demanded by FSC standards. Many forest managers, especially in the global South, have found that it is too demanding to meet all FSC standards in one step, unless they can receive some intermediate, short-term benefits to justify the costs. A stepwise, progressive approach to forest certification is permitted, where it has to be demonstrated to an FSC accredited certification body that forest management is constantly improved.

This stepwise, progressive approach means essentially that “full” certification is broken down into a number of steps achieved in a sequence over time. Managers receive benefits for achieving earlier steps, and full credit – the FSC certificate – only when compliant with the complete set of FSC Principles and Criteria.

7.4 A “community” origin label

Products from communities often have difficulty in competing with mass-produced products due to higher production and marketing costs. At the moment, communities do not have a way to differentiate their certified timber products from those that are industrially-produced.

At the 2008 FSC General Assembly, the FSC membership decided that FSC will develop a strategy to label FSC certified forest products from community forests. An FSC label with a clear message that it is a “Product of community origin” could influence consumers who wish to support communities managing their forests. This could help communities to promote their products better.

7.5 Dual FSC-Fairtrade certification for communities in developing countries

The FSC and the Fairtrade Labeling Organization (FLO) are currently collaborating on a pilot project to explore dual certification through adapted standards and market development. This could provide additional market differentiation for timber products from community forestry enterprises in developing countries.

7.6 Facilitating business development services

SLIMF forest owners may have to deal with many obstacles to certification, such as limited professional training, low volumes and qualities of products, inadequate market information, and poor transport and infrastructure. Complicated legislation, taxes and regulations often force people traditionally managing forest resources into informality.

This difficult situation may leave smallholders, especially in countries with weak economic conditions, isolated from markets, ignored by financial service and business development service providers, and marginalized by prevailing patterns in the business environment. For example, they may be overlooked by politicians planning the national forest development program.

FSC certification can help to overcome this marginalization, and can help to improve production processes or launch new products and services. However, achieving such high standards often requires financial or business development help, and each element may depend on the others. For example, access to the forest may be conditional on certified sustainable management, which itself requires technical support from business development service providers and incentives in the business environment.

There are a number of examples worldwide where the facilitation of business development services has helped operations to obtain certification, which in return helped them achieve better forest management, and obtain access to markets and other benefits.

Guatemala

Communities of the Maya Biosphere Reserve in Petén in Guatemala received training in business administration, forest management and processing through the Rainforest Alliance (RA), USAID and from other groups of donors. The donors supported access to business finance and to international markets for FSC certified commercially valuable timbers, as well as lesser known species of timber and NTFPs.

Indonesia

Koperasi Hutan Jaya Lestari in Indonesia organized 46 villages into a productive group in order to support a community forest cooperative. At the same time, the Tropical Forest Trust (TFT) has facilitated help from Jaringan Untuk Hutan, a local NGO, to attract finance and technical support for forest management and certification, and to sell timber to international companies such as B&Q and Marks & Spencer in the UK.

Papua New Guinea

In Papua New Guinea, the Dutch Inter-church organization ICCO, together with the Dutch DOEN Foundation, NZAID, WWF-Pacific and the EU have been financing the Forest Management and Product Certification Service (FORCERT) to catalyze the organization of community forest producers in seven provinces, which are in turn linked to Central Marketing Units and ultimately to the Woodage Company in Australia. FORCERT has helped the PNG Microfinance Initiative to launch a loan facility for its members. It has also helped to broker technical service provision for them – including expertise on certification. Finally, it has helped to link community forest producers and their certified products to potentially lucrative overseas markets.

8. DIVERSIFYING FOREST INCOME SOURCES IN FSC CERTIFIED FORESTS

FSC certification is not only for forests producing timber. Many forests offer a much higher potential for marketable non-timber forest products (NTFPs) and ecosystem services such as maintaining water quality or soil conservation. The harvest of NTFPs plays a key role in the sustainable management of community agriculture and forest resources worldwide. Due to the wide range of management practices and difficulty in monitoring their harvest and processing, NTFPs present many new challenges and opportunities in certification. Regardless of their size, forests that are only managed for the harvest of NTFP on a sustainable basis are eligible to be considered SLIMFs.

FSC certification specifically for NTFPs is still quite rare, but several trials have been carried out. Product-specific interpretations of the FSC standard have been developed for certain products, including Brazil nuts, chestnut, and chicle gum, and some certification bodies have their own general NTFP-relevant standards. Certification of forests for medicinal plants, with individual management plans developed for each species, has also been successfully tested.

Your FSC approved National Initiative or FSC accredited certification body can assist you in identifying NTFPs from your FSC certified forest management eligible to be marketed with the FSC label.

Brazil: FSC certified NTFPs

Brazil is the current global leader in the certification of NTFPs within forest management certification systems. Brazil has the world's largest area certified exclusively for NTFP extraction. The most successful NTFP certifications have been subsidized by donors, NGOs, governments or by sales of certified timber. IMAFLORA, a national affiliate of one of FSC's accredited certification bodies, subsidizes directly the costs of audits to communities and small operations. Money to support the fund is drawn from a 3–5% mark-up to the fees for their certification of private companies. The social fund has helped to decrease the cost of certification for communities by up to 40%.

Finally, keep in mind that there are a number of financing mechanisms through which forest owners and managers may earn income from their forests. These include:

- Mechanisms based on **trade in ecosystem goods and services**: examples include the bio-trade, tourism, carbon offsets, biodiversity offsets and hydrological services.
- Mechanisms based on **direct acquisition of external funds**: these include funds from public or private sources that are made available to promote sustainable forestry practices.
- Through **fiscal instruments**: these often include tax exemptions and low interest rates for paying back the loans.



9. CONCLUSION

FSC certification is an opportunity for smallholders to earn recognition for their responsible forest management. While certification can be expensive and difficult for these operations, it also provides many benefits.

FSC is continuing its efforts to develop new programs, models and tools to assist smallholders to achieve certification. FSC looks forward to working more closely with smallholders and communities to continue to make certification more accessible and beneficial for these groups and for society as a whole.

USEFUL LINKS AND REFERENCES

About FSC certification:

- FSC for smallholders: www.fsc.org/smallholders.html
- Benefits to getting FSC certified: www.fsc.org/get-certified.html
- FSC policy publications: www.fsc.org/fscpublications.html
- FSC current projects: www.fsc.org/projects.html
- FSC's social program: www.fsc.org/program.html
- FSC Global Strategy: www.fsc.org/global_strategy.html

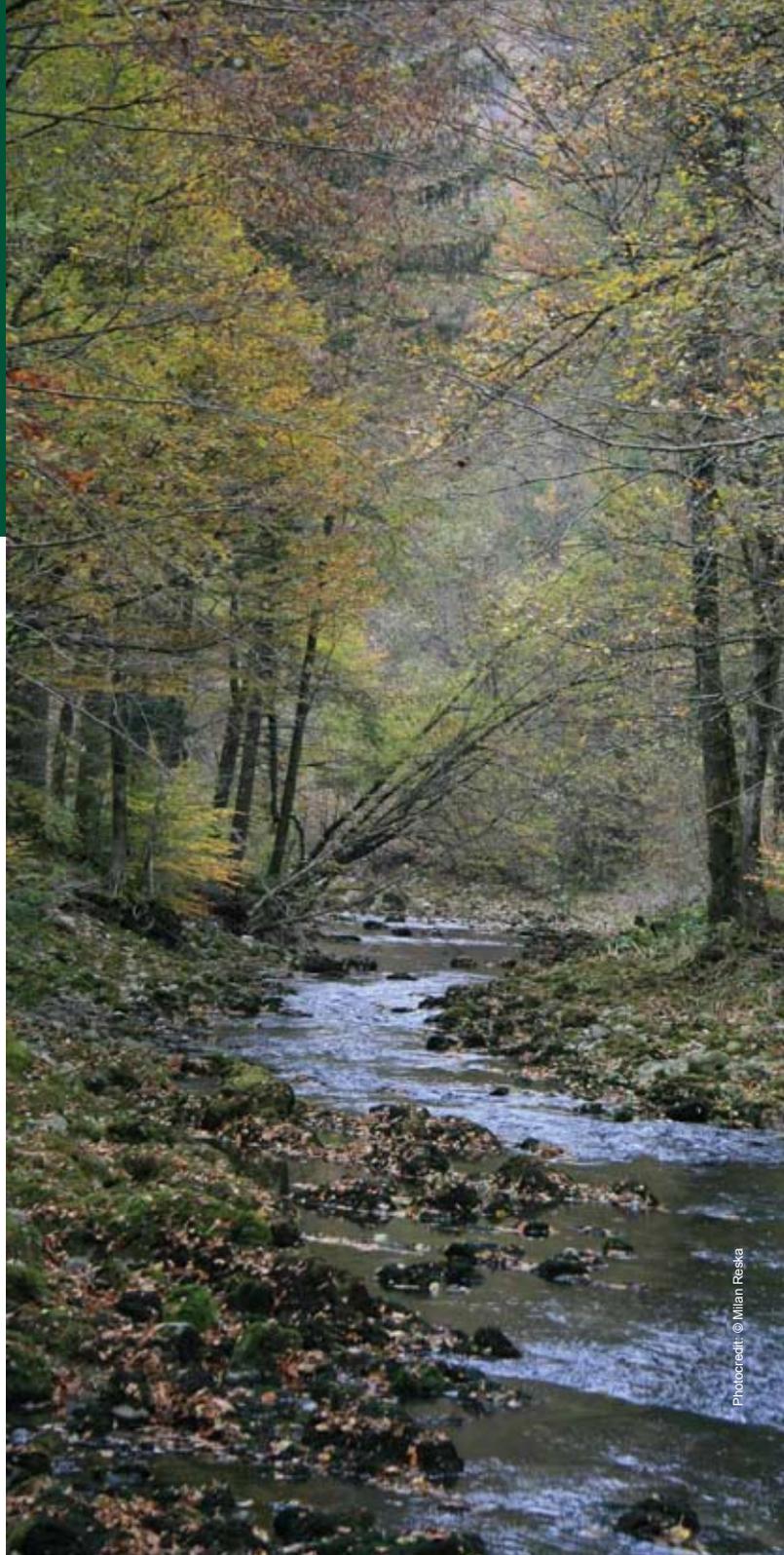
About other organization working with small and community forest operations

- Center for International Forestry Research (CIFOR): www.cifor.cgiar.org
- RECOFTC: www.recoftc.org

Useful documents

Patricia et al (2002): Tapping the green market: certification and management of non-timber forest products

This book may be purchased online or in a book store.





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