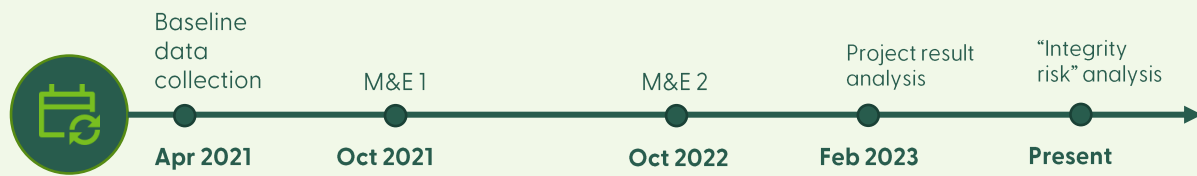




## PILOT PROJECT: CROSS-BORDER CREDIT/ PERCENTAGE SYSTEM

Develop a comprehensive evaluation of the social, environmental, and economic benefits and costs for the application of the credit system (or percentage system) at a multiple-site level while enabling cross-border credit/percentage volume sharing without the transfer of physical material. For certificate holders between:

- Canada and the US (North America), and
- non-Eurozone and Eurozone countries of the European Economic Area (EEA).



### PROJECT RESULT

1. Impacts for Certificate Holders (CHs) confirmed
  - ❖ Reduced transportation costs (reduction of GHGs)
  - ❖ Improved logistics and resource planning
  - ❖ More efficient usage of FSC credits
  - ❖ Broadening of the FSC-certified products/ offerings on the marketplace.
2. No concerns were recorded regarding key sectorial impacts.
3. Stakeholder engagement was not recorded.
4. Long-term impacts and complexity in setting up the centralized accounting system need further assessment.
5. No integrity risks were raised.

### NORMATIVE DOCUMENT

#### **FSC-STD-40-004**

10.4. calculate the percentage based on an average FSC% of the inputs received by all sites (located within the same country or the Eurozone)

11.3. Establishment of a centralized credit account covering multiple sites (within the same country or the Eurozone).

### EXTERNAL CONSULTANT:

Conduct a detailed assessment of the potential social, economic, and environmental impacts from the pilot. Some specific topics that will be analyzed include, potential Greenhouse Gas (GHG) emission reductions, improved FSC product availability, potential of more forestland to earn FSC certification, and more.

### ADDITIONAL STAKEHOLDER ENGAGEMENTS:

- Key affected businesses and stakeholders (e.g., suppliers and customers) for a broader understanding of the demand for FSC-certified material, meaning the relation between inputs and outputs.
- Network Partners and Regional Offices, supporting the engagement with the stakeholders on the ground with in-depth interviews and surveys. Environmental, social, and livelihood impacts would be a focus on a qualitative level.
- Landowners in the region who would consider FSC FM certification if the pilot project methodology was adopted.