

Exh 10a FSC Discussion Paper on Improving Access to Certification for Forestry Contractors and Smallholders

Output D2.3

Public

This information is part of the CeFCo project, with the purpose to develop a model for certification of forest contractors in Denmark, Spain, Sweden, Bulgaria and Portugal respectively. The project will be carried out in a cooperation between NEPCon, The European Network of Forest Entrepreneurs (ENFE) and the Forest Stewardship Council (FSC) and national organisations. The project is supported by the Danish Forest and Nature Agency, Fundación Biodiversidad and the European Union CIP Eco-Innovation initiative (http://ec.europa.eu/environment/eco-innovation/index_en.htm) which is part of the Competitiveness and Innovation Framework Programme, CIP (<http://ec.europa.eu/cip/>).



Exhibit 10a: FSC Discussion Paper on Improving Access to Certification for Forestry Contractors and Smallholders

This internal discussion paper is being used to facilitate discussion of the development of an FSC policy on forestry contractor certification. It provides background on why the development of a policy for contractor certification could benefit both contractors and landowners, and outlines some of the potential routes to do this that have been considered and related issues. The discussion paper will be distributed to FSC International Center and national office staff for input. Based on this input and the results of the pilot tests and monitoring and evaluation of the tests, the FSC will decide if it will move forward with a contractor certification policy.

Discussion Paper
Improving Access to FSC Certification for Forestry Contractors
and Smallholders

DRAFT FOR FSC INTERNAL DISCUSSION

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1.0 Introduction

The FSC is considering the development of a policy for certifying forestry contractors for demonstrating compliance with FSC Principles and Criteria for Forest Stewardship, and allowing landowners to share responsibility with certified forestry contractors for complying with FSC national forest certification standards. The objectives of this policy would be to recognize the good practices of forestry contractors and to simplify the certification process for landowners who work with certified contractors. The end goal would be to encourage good forest management and increase the flow of FSC certified products from smallholder forests in the supply chain.

Smallholders own or control large areas of forest around the world, as much as 55% of forestland in Europe and 23% in developing countries (White and Martin, 2002), and represent a critical source of forest products around the globe (Sunderlin, 2005). The FSC recognizes that smallholders face technical and financial challenges to obtaining certification due to their small volumes and/or infrequent harvests. Currently, smallholders account for 11.5% of FSC forest management certificates. The FSC global strategy aims to increase this number, and several initiatives have been developed to facilitate this, including SLIMF eligibility criteria and Streamlined Certification Procedures, group certification, and, recently, the modular approach (which is also an option for medium and large operations). The policy described in this document is based on recognition of the critical role forestry contractors play in the management of smallholders' forests around the world, and the opportunities this relationship presents for both certifying responsible forestry contractors and increasing the number of certified smallholders.

The FSC recognizes that the certification of contractors could help alleviate some of the technical and financial challenges landowners face when they pursue FSC certification. Contractors could be certified for demonstrating compliance with technical standards such as: proper use and storage of fuels, appropriate training of workers, appropriate machinery, safe felling practice, damage to soil and residual trees, etc. Certification of landowners could then be simplified because the certifier would know the certified contractor working with the landowner is in compliance with these standards. Cost reductions for landowners could come both less time they spend preparing for certification and less time the certifier needs to spend with the landowner. Notably, while the aim is to simplify the certification process, the landowner would still be ultimately responsible for compliance with the full set of certification standards for his/her forest management unit.

The FSC is developing the forestry contractor concept through the CeFCo Project (www.cefcoproject.org), with project partners NEPCo (Nature, Ecology, and People Consult) and ENFE (European Network of Forest Entrepreneurs), and funding from the EU EACI (European Union Executive Agency for Competitiveness and Innovation). The

countries in which this project is initially being implemented are Portugal, Sweden, Denmark, Bulgaria, and Spain. The first step in the project is to identify indicators in the national standards which contractors could be certified as meeting to reduce the certification burden on landowners. The second step is to pilot contractor certification and the modified procedures for landowner certification in each country, and to improve the related policies and standards based on test results. The final step of the project is to utilize these experiences to develop a toolkit for preparing landowners and contractors for certification. If the policy is approved by the FSC Board of Directors, Finally, if a policy for contractor certification is approved, the FSC would also need to develop accreditation standards for certification bodies to certify contractors and standards for contractor certification. Then forestry contractor certification and the use of certified contractors by landowners to meet part of the certification standards would be an option for landowners and contractors globally.

2.0 Potential models

The FSC Policy and Standards Unit has considered three different models of forestry contractor and landowner certification: the Divided Responsibility model, the current SmartLogging model, and modified SmartLogging model. **We have chosen the modified SmartLogging model (2.3)** as the basis of the new forestry contractor certification policy and standards, but present all three here for the purpose of discussion.

2.1 Divided Responsibility model

Concept: FSC allows forestry contractors and landowners to divide responsibility for compliance with the FSC national standards, and each receives a new type of FSC certificate (forestry contractor certificate, partial FM certificate for landowner). The landowner **must** work with a certified contractor for their timber and non-timber products to be sold as from an FSC certified forest.

Stakeholder	Advantages	Disadvantages
Landowner	This would reduce the direct cost of certification for landowners.	The landowner must use a certified contractor to sell timber and non-timber products as FSC certified. If the contractor loses their certification, the landowner would have to find another certified contractor (and one that meets the standards that the landowner does not).
Contractors	Increases the value of the contractor certificate with regard to what they can offer landowners.	
General		<p>It is difficult to anticipate all of the potential scenarios in which landowners and contractors could divide the standards, as this varies by country and individual situation. Would involve developing several types of certificates for landowners and contractors.</p> <p>It may be difficult to match up different types of certificates between landowners and contractors.</p> <p>It may be more difficult to explain this model to stakeholders than the SmartLogging model.</p>

2.2 SmartLogging model

Concept: FSC develops and endorses a certificate for a forestry contractor based on the SmartLogging model. In the current SmartLogging model, if SmartWood certifies both the contractor (SmartLogging certificate – which is not currently endorsed by FSC) and the landowner (FM/COC certificate), the landowner does not have to prove compliance with the standards that the forestry contractor has been certified as meeting. This model only works if the certification body is the same. If the landowner discontinues working with a certified contractor, they would be assessed for the full set of FM/COC standards during the next audit.

Stakeholder	Advantages	Disadvantages
Landowner	<p>The landowner has a full FM/COC certificate with all of the benefits it affords (in contrast to a partial certificate).</p> <p>This model reduces costs by allowing modified procedures for full FM certification if the landowner works with a contractor certified by the same certification body (i.e., the landowner does not have to prove compliance with indicators within the scope of the contractor's certificate).</p>	The landowner must work with forestry contractors certified by the same certification body.
Contractors	The contractor can offer cost saving benefits to landowners.	The contractor can only offer cost saving benefits to landowners certified by the same certification body.
General	Avoids confusion and licensing issues related to new partial FM/COC certificates proposed under Divided Responsibility Model.	Requirement to work with same certification body potentially restricts opportunities for landowners and contractors.

2.3 Modified SmartLogging model

Concept: FSC develops and endorses a certificate for a forestry contractor based on a modified SmartLogging model. In order to allow landowners and contractors certified by different certification bodies to still work together under this new model, the FSC will modify FM certification procedures to allow landowners working with FSC certified forestry contractors to undergo partial FM/COC assessments based on the scope of the certificate for the forestry contractor with which they work (i.e., landowners do not need to be assessed for standards covered by the contractor certificate, even if the contractor was assessed by a different certifier). If the landowner discontinues working with a certified contractor, they would be assessed for the full set of FM/COC standards during the next audit.

Stakeholder	Advantages	Disadvantages
Landowner	<p>The landowner has a full FM/COC certificate with all of the benefits it affords (in contrast to a partial certificate).</p> <p>The landowner can work with a contractor certified by any FSC accredited certification body.</p> <p>This model reduces costs by allowing modified procedures for full FM certification -i.e., if the landowner works with an FSC certified forestry contractor, the landowner does not have to prove compliance with indicators within the scope of the contractor's certificate.</p>	
Contractors	The contractor can offer cost saving benefits to landowners.	
General	Greater options and opportunities for landowners and contractors.	

PSU chose the Modified SmartLogging Model because it offers the greatest opportunities for landowners and contractors.

3.0 Related Policy & Standards Issues

3.1 Policy for Forestry Contractor Certification (see policy discussion topics in 4.0)

- Standards for Certification of Contractors/Forestry Service Providers
 - Two types: Harvesting and Harvesting Plus
 - Based on national indicators (where they exist) or certifier's interim standards
- Scope of Responsibility
- Geographic Scope
- Sampling methodology
- Subcontracting
- Promotions and communications

3.2. Accreditation Standards for Certification Bodies to offer Forestry Contractor Certification

3.3 Modified Accreditation Standards to allow modified FM/COC certification for landowners working with contractors.

4.0 Forestry Contractor Certification Policy Discussion Topics

4.1 Standards and Scope of Responsibility

Two types of forestry contractor certificates are being considered: Harvesting and Harvesting Plus. The main focus and scope of the forestry contractor certificate will be harvesting. Other principal activities will be considered under a Harvesting Plus certificate. Therefore, national indicators should be identified that relate to logging, as in the SmartLogging standards. In the future, the FSC may consider a program for certifying forestry service providers that perform other types of forestry-related work for landowners, e.g., identifying HCVPs, monitoring, social management/relations.

Main topic areas for SmartLogging certificate:

- Related to FSC FM standards
 - Legal requirements
 - Harvest planning and monitoring (This could be optional perhaps)
 - Harvesting practices
 - Community values
 - Health and safety
- Additional standards for Forestry Contractors
 - Business viability
 - Continuous improvement
- Optional (Harvesting Plus)
 - Silviculture and Reforestation (only when contractor has complete control)
 - Other activities could be added

FSC National Working Groups and/or CBs could develop and propose national-level forestry contractor standards by organizing FSC-approved national indicators under these topics. If FSC approved national standards do not exist, the certifiers could use their interim standards for this purpose. In the future, if FSC generic indicators are approved, these could be used.

The scope of the Forestry Contractor Certificate should be available in the public summary of the certificate on the FSC webpage.

Forestry Contractor certification could only be performed by certification bodies accredited to issue FSC FM/COC certificates.

Research questions

- What are the most common forestry contractor services/activities offered to landowners?
- What activity scope would capture the most contractors?

4.2 Geographic scope

The standards the contractor will meet will be a combination of FSC national standards and SmartLogging standards. Thus, the geographic scope of the contractor's certificate would be the standards to which s/he has been certified. Geographic scope may be less of an issue once generic indicators are ready.

4.3 Sampling

Forestry contractors will be assessed based on a sample that considers:

- Number of contractors (for Group Certification)
- Types of activities
- Types of equipment used
- When activities occurred (e.g., in planning and preparation phase, in progress, completed)
- Only certified landowners (The contractor will be responsible for providing a list of all forest owners with whom s/he works. The contractor will be assessed based on their operations on certified landowners FMUs.)
- A diversity of site visits will be made as appropriate, including to forests, garages, workshops, chemical storage and waste handling units.

Research questions:

- Is there a way to be more prescriptive about sampling?
- How can sampling of landowners within group certificates be reduced to achieve cost savings?
- What indicators could also be evaluated for non-certified landowners, such as wages for workers, equipment used, etc? (This is recognizing the difficulty of gaining access to non-certified landowners forests to evaluate field operations.)

4.4 Subcontracting to non-certified contractors

Subcontracting to non-certified contractors is allowed, but the certified contractor must take full responsibility for sub-contractor(s) compliance with FSC forestry contractor standards.

Research questions:

- How common is subcontracting?
- How feasible is it for all subcontractors to be included in a group contractor certificate?

4.5 Trademark Use and Claims

There will not be a need for on-product labeling. Guidelines for the use of the FSC logo and label will be defined. Note: SmartWood restricts the use of the SmartWood and Rainforest Alliance logos and requires all promotional communications to be approved by SmartWood; it allows use of certification code number and a certification statement (with list of info that must be specified).