



Forest Stewardship Council®



FSC® PROCEDURE

Development of National Group Chain of Custody Eligibility Criteria

FSC-PRO-40-003 V1-1 EN



Title: Development of National Group Chain of Custody Eligibility Criteria

Document reference code: FSC-PRO-40-003 V1-1 EN

Approval: FSC Board of Directors – 03 July 2014

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DEVELOPMENT OF NATIONAL GROUP CHAIN OF CUSTODY ELIGIBILITY CRITERIA

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

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

Foreword

In the years succeeding the initial adoption of the Chain of Custody (COC) group policy, the growth of this type of certification has been slow. This is due in part to the difficulty of adopting the eligibility criteria at an international scale.

FSC recognizes that there are large variations in economic development between countries and in the different productive sectors within each country. As a result there are not internationally agreed definitions of small enterprises and the FSC Group policy was developed considering the need of improvement in the definition of small organizations in order to ensure the equitable access to the benefits of FSC certification worldwide.

Taking these aspects into account, FSC decided to maintain generic global eligibility criteria that are applicable worldwide and develop, with the support of the FSC National Offices (NOs), more specific and adequate criteria at national levels.

This document aims to provide guidance to the NOs in relation to the process of development of national Group COC eligibility criteria.

Version History

V1-0 Initial version, approved by the FSC Policy and Standards Committee in 16 August 2010.

V1-1 Minor review, approved by the FSC Board of Directors at their 66th Meeting in Vancouver (Canada) on 03 July 2014.

Introduction

The Group COC was created to allow small enterprises to access the FSC certification, having the following types of producers in mind: Artisans wood workers, portable sawmill operators, small sawmills, carpenters, joiners and small hauling companies. This certification model is expected to achieve the groups of small enterprises that already have a legal organization or the support of an external organization, such as an association or cooperative.

The current FSC policy defines that to be eligible to participate in Group COC certification, the Participating Sites shall comply with the following eligibility criteria:

- a) Each Participating Site shall qualify as “small” as defined by:
 - i) No more than 15 employees (full time equivalent); or
 - ii) No more than 25 employees (full time equivalent) and a maximum total annual turnover of US\$ 1,000,000.
- b) All Participating Sites shall be located in the same country as the organization that holds the certificate.

These eligibility criteria were established for a trial period of one year from the date of policy approval (July 2002) and also defined that whether more appropriate definition for small enterprises is found, this would be introduced to the policy. However, this generic global criterion has been used until nowadays.

In the 2008 General Assembly, Policy Motion 12 was approved requiring FSC to consider revising eligibility criteria for Group COC based on the realities within each region to address regional obstacles to small enterprises. Following this Motion, NOs have been given the capacity to develop national eligibility criteria for Group COC certification.

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A Objective

The objective of this document is to provide the procedures to be followed by the NOs for the definition of national eligibility criteria for Group COC certification.

B Effective date

This procedure shall be applied by NOs for the purpose of defining national eligibility criteria for Group COC certification. All aspects of this document are considered to be normative, including the scope, standard effective date, references, terms and definitions, tables, notes and annexes, unless otherwise stated.

C Effective date

Approval date	03 July 2014
Publication date	01 September 2014
Effective date	01 January 2015
Period of validity	until 31 December 2019 (or until replaced or withdrawn)

D References

The following referenced documents are indispensable for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-STD-01-002 FSC glossary of terms
FSC-POL-40-002 Group Chain of Custody (COC) Certification
FSC-PRO-40-003a List of approved national Chain of Custody group eligibility criteria
FSC-STD-40-003 Chain of Custody certification of multiple sites
FSC-PRO-01-005 Processing Appeals

D Terms and definitions

For the purposes of this procedure, the terms and definitions given in *FSC-STD-01-002 FSC Glossary of Terms* and the following apply:

FSC National Office: a legally established and independent FSC partner organization promoting responsible management of the world's forests on behalf of FSC at the national level on the basis of a formal contract (cooperation agreement). NOs have a multi-stakeholder governance structure, similar to that of FSC AC.

1 General Issues

- 1.1 FSC National Offices (NOs) working to adjust or redefine national eligibility requirements should consider appropriate mechanisms to define “small” businesses that are eligible for Group COC certification. This will generally include at a minimum limitations of numbers of employees and/or total revenue.

2 Research

- 2.1 The NO shall research available socio-economic data (governmental statistics, economic indices, etc) to determine what is considered a ‘small business’ in the country in question.
- 2.2 The NO shall also engage with current and potential Group COC certificate holders, Certification Bodies, FSC Members and other experts in their country who have the capacity to help design eligibility requirements in a credible and equitable manner.
- 2.3 NO shall seek guidance from FSC Policy and Standards Unit (PSU) in case of complex technical issues or conflicts with stakeholder groups.
- 2.4 The research shall be publicly announced in manner sufficient to ensure that stakeholders are notified about its commencement and scope.

3 Stakeholder Consultation

- 3.1 Before engaging stakeholders, the NO shall carry out a stakeholder mapping exercise (or update any existing map) to identify major interest sectors and key interested parties. The results of this exercise shall be publicly available and included in the consultation notification to stakeholders.
- 3.2 The proposed eligibility requirements shall be written and submitted by the NO for public consultation for a minimum of thirty (30) days.
- 3.3 The NO shall take the comments received by stakeholder in reviewing the research results, and document how they are addressed while respecting the integrity of the FSC system.

NOTE: A second consultation round should be carried out when substantive, unresolved issues persist after the first round.

- 3.4 The NO shall take public comments into consideration, revise the proposed eligibility requirements if needed, and send it to the NO Board of Directors for review and approval.
- 3.5 The NO shall prepare a report on the consultation which includes:
 - a) The result of the stakeholder mapping;
 - b) a summary of the issues raised;
 - c) an analysis of the range of stakeholder groups who have submitted comments;
 - d) a justification of any discrepancies between the stakeholder mapping and the groups who have indeed participated in the commenting round(s);

- e) a general response to the comments and an indication of how they have been taken into account.

3.6 Copies of all formal comments may be requested by PSU on a case by case basis.

4 FSC International Approval

4.1 Following support by the NO Board of Directors, the proposed Group COC eligibility requirements shall be sent to the Head of the Policy and Standards Unit at FSC International Center for review and approval.

4.2 The application shall include:

- a) a formal application letter, signed by the NO Board of Directors (or the Chair);
- b) the proposed Group COC eligibility requirements with a short justification;
- c) the stakeholder report (see Clause 3.3).

4.3 FSC can reject proposals which in the sole opinion of FSC:

- a) do not meet the formal application requirements (see Clause 4.2);
- b) have not been adequately consulted;
- c) do not adequately reflect the economic reality in the applicant's country.

NOTE: NOs have the right to appeal any decision taken by FSC (see *FSC-PRO-01-005 Processing Appeals*).

4.4 FSC reserves the right to periodically require revision of approved national Group COC eligibility criteria in order to ensure its adequacy in case of changes in regional socio-economic conditions.

4.5 A list of approved Group COC eligibility requirements will be published at: www.ic.fsc.org.