



Forest Stewardship Council®



Reaching smallholders in the global South: Two stepwise approaches towards FSC certification

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Reaching smallholders in the global South: Two stepwise approaches towards FSC certification

Priority Project #9¹

Abstract

According to the Food and Agriculture Organization of the United Nations (FAO)², private and community forest owners own 550 million hectares of the global forest resources, excluding corporate forest holdings. To date, FSC has certified 200 million hectares, of which smallholders own or manage only 4 per cent or 8 million hectares, a figure that has not grown since 2015. This paper argues that empowering smallholders in the global South to get and stay certified will increase numbers and area of FSC-certified forests. A list of discussion questions has been provided to gather information on the needs of FSC stakeholders.

¹ <http://implementationplan.fsc.org/en/new-approaches-initiative>

² FAO *Global Forest Resources Assessment 2015* (<http://www.fao.org/3/a-i4793e.pdf>)

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Problem statement

In 2016 and early 2017 regional stakeholder engagement events revealed that the principal barriers preventing smallholders in the global South from accessing FSC certification are:

- the FSC policies and standards are perceived to be too complex;
- the process of becoming certified is perceived as inflexible;
- and there are limited technical skills on the ground to implement forest management and/or group standard requirements.

The FSC policies and standards are perceived as being too complex to understand and too challenging for smallholders to implement on the ground, making FSC less competitive, contributing to slower growth rates of FSC-certified forests, and creating an unfavourable brand image.

FSC awareness and response

To explore the challenges and potential solutions, FSC launched the ‘New Approaches to Smallholder Certification’ (New Approaches) project, which aims to improve access to, and uptake of, the FSC system by small forest owners and communities. This project has three dedicated work streams, including (1) the normative framework, (2) market development and (3) enablers (i.e. engagement, communication and fundraising). This paper presents two potential solutions within the normative framework stream.

As a whole, and within the context of the FSC normative framework, the New Approaches project aims to:

- explore existing flexibility within the FSC policy and standards system (i.e. the FSC normative framework);
- revise relevant standards for clarification and simplification of requirements related to smallholders;
- explore new areas for smallholders (like contractors’ certification and continuous improvement);
- ensure smallholder representation in processes related to policy and standards.

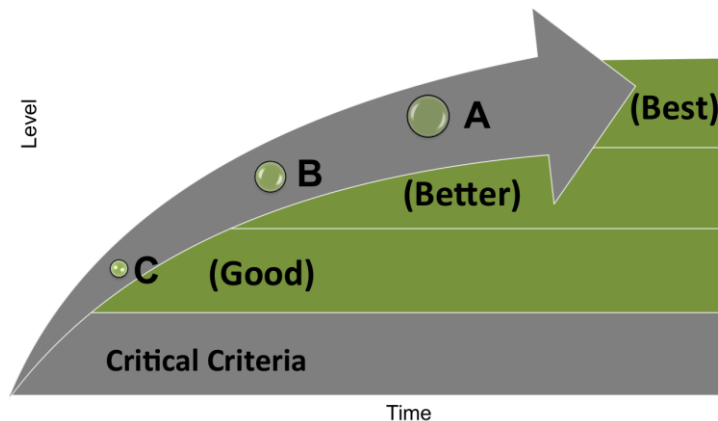
The aim of this project is consistent with the *FSC Implementation Plan*, specifically within *Innovation and New Product Development*, one of the key actions being to deliver empowering solutions for smallholders. The *FSC Implementation Plan* was developed to help FSC take the necessary steps towards achieving the *Global Strategic Plan 2015–2020*.

Two stepwise approaches towards FSC certification

A stepwise approach treats certification as a journey and focuses on empowering smallholders. to get and stay certified. FSC explored two stepwise approaches and found that simplicity and flexibility are vital for successful uptake of certification by smallholders in the global South. Several institutions have implemented stepwise approaches towards certification for their smallholders in the global South. Early indications shows that it has led to a successful uptake in terms of certificates issued and increase in area certified. Two stepwise approaches have been selected for trials in 2018.

Stepwise Approach 1: 'Continuous improvement'

One approach to smallholder certification is known as 'continuous improvement' and allows smallholders to be certified from the start of their journey and offers flexible steps towards full compliance with applicable requirements within a defined timeframe. It does this by distinguishing between critical criteria that all smallholders must meet from the start in addition to continuous improvement criteria that smallholders are expected to achieve over time. The list of continuous improvement criteria is further categorized into three levels: C (Good), B (Better), and A (Best).



FSC consulted several institutions, including Sustainable Agricultural Network³, Roundtable on Sustainable Biomaterials⁴, and Better Cotton Initiative⁵. All three organizations are applying 'continuous improvement' to smallholder certification, and are all members of the ISEAL Alliance⁶, the global authority that represents the movement of credible and innovative sustainability standards.

³ <http://san.ag>

⁴ <http://rsb.org>

⁵ <http://bettercotton.org/>

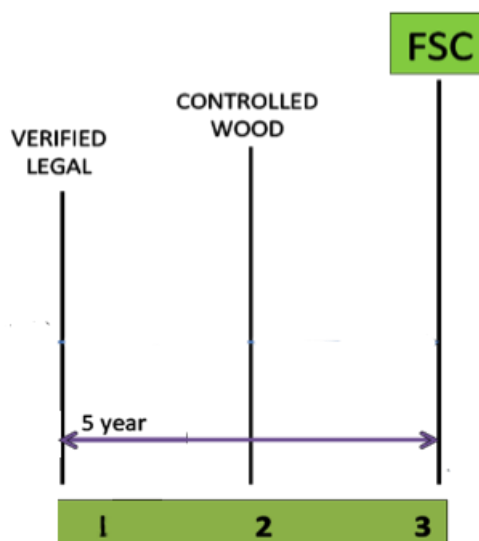
⁶ <https://www.isealalliance.org>

Stepwise Approach 2: 'Modular approach programme'

Between 2009 and 2012, FSC developed its stepwise approach for smallholders towards FSC certification called the 'modular approach programme' (MAP). The programme was put on hold by the FSC Secretariat for two reasons: (1) there was disagreement on the types of claims smallholders would be allowed to make at the various stages, especially at the beginning of the process; and, more importantly, (2) the FSC Secretariat started a revision processes of both the FSC Principles & Criteria and the Controlled Wood standards, both of which had to be completed prior to finalizing MAP for alignment of processes. FSC will revisit MAP to definitively determine whether or not it can empower smallholders in the global South to become and remain FSC certified.

MAP was developed to allow smallholders to achieve full compliance with the applicable national standard over a five-years period by moving through the following stages:

1. compliance with all national legal requirements;
2. compliance with the [five controlled wood requirements](#) for sourcing unacceptable material;
3. full FSC certification.



Some smallholders in the global South do not have enough resources to fully comply with FSC requirements. MAP could give these smallholders access to additional resources to finance their forest management activities as they progress in their certification journey.

Conclusion and next steps

In 2018, the New Approaches team will trial 'continuous improvement' based on two scenarios: first, in countries or regions where smallholders typically self-organize into cooperatives or producer associations; second, in countries or regions where they typically do not self-organize into cooperatives or producer associations. Because 'continuous improvement' is a system that staggers the number of criteria and the percentage level of compliance needed to be complied with over time, it will need to be adapted at a regional or national level to reflect the diverse legal, socio-economic and geographic conditions of forests in different parts of the world. A third scenario will trail the 'modular approach programme' (MAP) in high –risk countries or regions with known development barriers, including a high corruption index, poverty, and a lack of financial resources or low business and entrepreneurial capacity.

A cost-benefit analysis will be considered for the three scenarios aiming to generate useful information to streamline the activities within the New Approaches project. Both 'continuous improvement' and the 'modular approach programme' are expected to accomplish the following:

- simplify certification for smallholders;
- reduce costs of implementing a standard within a very short time frame;
- streamline a component of the FSC normative framework by incorporating risk-based approaches;
- increase the availability of the technical skills and knowledge needed to successfully implement FSC standards for smallholders; and
- aim to increase the number of smallholders in the FSC system and total forest area coverage.

Scenario 1: Apply ‘continuous improvement’ in countries or regions where smallholders typically self-organize into cooperatives or producer associations

The first scenario for implementing ‘continuous improvement’ seeks to apply critical and continuous improvement criteria within a FSC National Forest Stewardship Standard (NFSS) and to be tested on the ground by smallholders.

This scenario will be implemented in Eastern Africa, where most smallholders join formal forest grower associations or legal entities with a clear land tenure system. Already, in countries like Uganda and Tanzania, FSC standard development groups (SDGs) are at the final stage of getting their national standards approved and have several smallholder provisions within their respective national standards. It is in these countries that FSC seeks to test a more flexible approach that can be applied to the African sub-region myriad smallholder typologies. It is assumed that these smallholders will organize into groups when considering FSC certification.

Scenario 2: Apply ‘continuous improvement’ in countries or regions where smallholders typically do not self-organize into cooperatives or producer associations

A second scenario for implementing ‘continuous improvement’ seeks to apply critical and continuous improvement criteria within a regional forest stewardship standard and to be tested on the ground by smallholders.

This scenario will be implemented in Central America, where most communities do not self-organize into cooperatives or producer associations. Instead, these groups opt for informal groups and may only use verbal contracts. This may require that additional modifications to group certification requirements be made to promote the empowerment of the communities and their traditional livelihoods. And it will also consider integrating the experiences from the community standard process (i.e. Motion 83 from the 2014 FSC General Assembly). Here again, it is assumed that these communities will organize into informal groups when considering FSC certification.

Scenario 3: Apply the ‘modular approach programme’ in countries or regions with known development barriers

The third and final scenario seeks to revisit the ‘modular approach programme’ and trial it in Asia Pacific where there is a relatively high corruption index.

There are several advantages to using MAP in high-risk countries or regions. MAP does not certify a smallholder forest operation until the end of the journey. By doing so, it allows group managers more time to apply for certification. And because MAP starts at the national level, there's an opportunity to conduct a gap analysis that compares FSC national standards and national laws.

Questions

1. What could be the criteria for FSC to define smallholders?
It should be noted that a common definition for smallholders does not exist among the institutions using ‘continuous improvement’. For SAN, for example, a smallholder is a producer who primarily relies on family or household labour, or reciprocal workforce exchange with other members of the community.
2. What would you consider for determining minimum years for continuous improvement levels? Level (C)-Good; Level (B)-Better and Level (A)-Best
3. What can FSC do on the auditing side to ensure that there is no burden added to the group managers who oversee smallholder groups and group members who implement the requirements?
4. Any recommendations on how to further develop continuous improvement?
5. Any recommendations on how to further develop MAP?