May 2021

Co-creating Tools and Solutions for Collective Benefits

A new tool for ensuring FSC certification works for the benefit of all

1. The challenge

FSC is now 26 years old. More than 220 million hectares of natural forests and plantations are FSC certified, and over 45,000 companies are using the FSC system.[1]

But the benefits of FSC certification is not equally distributed across the world. Around 85% of FSC-certified areas are in the Northern Hemisphere (Europe, North America, and Russia), and less than 15% in the Southern Hemisphere (across Asia, Africa, and Latin America).[2]

Since a large part of the certifications in the Southern Hemisphere are plantations, this means that no more than 7% of the total FSC-certified area is tropical forest, or other natural forests found in this part of the world, where the main global challenges of deforestation and forest degradation are found.

Also, the FSC certification is not equally distributed among different landowners. Of the total FSC certified area, smallholders and communities own or manage approximately 5% – or 11 million hectares[3] – a figure that has been quite stable globally. This lack of growth of FSC certification in small-scale and community forests contrasts with a global trend where indigenous and local communities have increased recognized legal rights or access to management rights about world forests.

[1] FSC, Facts & Figures
[2] FSC, Facts & Figures
[3] FSC, New Approaches Business Intelligence Q4 2020

According to FAO (2015),[4] private and community forest owners own 550 million hectares of the global forest resources. A more recent publication from WWF (2020),[5] states that around a quarter of the world's forests are managed by Indigenous Peoples, local communities, and small forest owners. Additionally, as of 2017, Indigenous Peoples, Afro-descendants, and local communities had legally recognised rights to 15.3% of the world's forests, a 40% increase from 2002. Over 98% of this progress occurred in developing countries: communities now have legal rights to 28% of the developing world's forests in Africa, Asia, and Latin America.[6] These forest stewards are crucial for tackling the current global challenges such as climate change.

One of the core strengths of FSC is its ability to engage different partners to collaborate and work towards inclusive forest value chain solutions.

This Briefing Note proposes a way forward to increase the relevancy of FSC for small-scale and community forestry by jointly finding local or regional models on how FSC certification can both boost responsible forest management and improve livelihoods.

[4] FAO Global Forest Resources Assessment, 2015
[5] Unseen Foresters: An assessment of approaches for wider recognition and spread of sustainable forest management by local communities, 2020
[6] Rights + Resources, Forest and Land Tenure

2. Current barriers

For most small-scale and community forests, achieving FSC certification is a complex and expensive process. Currently, FSC certification does not provide enough financial (or other relevant) incentive to this group. As such, smallholders and communities do not consider FSC certification as a useful tool.

A number of barriers to certification for small-scale and community forestry have been documented. A few are summarized as follows:

- The certification process itself, including audits and meeting requirements, is long and expensive.
- Standards are technical and difficult to understand and are often incompatible with locally developed or traditional management practices.
- Demand for certified timber is mostly limited to Europe and North America, markets that are difficult to access for smallholders and communities from developing countries.
- Governmental over-regulation makes forest management expensive, complicated, and less profitable than other land uses that are not so regulated.
- In tropical forests, the forest offers only a small volume of a high number of species once a year, when the market generally demands large volumes of few species in a continuous supply.
- Smallholders and communities have less access to education, financing, and other required services, making certification only possible with assistance from donor organizations or development agencies.

All these factors mean that there are a lot of disabling conditions for responsible forest management, especially for small-scale and community forestry, particularly in tropical forests. This makes it difficult for forests to compete with other land uses, which leads to forest degradation and deforestation of extensive forest areas. Mechanisms must be created that offer enough benefits to smallholders and communities, who undergo a complex and costly process to manage their forest and obtain certification.

3. Past efforts and recent trends

To overcome aforementioned barriers, various efforts have been made. FSC is reviewing and simplifying its normative framework. This is an important contribution, but it is widely recognized that this will not be enough to make FSC certification more attractive for small-scale and community forestry.

To add value to FSC certification, FSC has developed market access plans for several FSC certified forest operations. However, it became clear that a large number of different disabling conditions in each case made it difficult to implement these projects with an individual value chain approach. To succeed, several long-term projects were required, each with high investment needs to support the implementation of those plans in different countries. This was also the experience of other organizations, such as WWF and Rainforest Alliance, where many other conditions needed to be addressed before a value chain approach could be successful. Similar shortcomings were found in other initiatives explored by FSC.

Based on these experiences, the Community and Family Forests Program (CFFP) at FSC sought a methodology that meets the following conditions:

i) can be used globally;
ii) takes into account local specificities;
iii) is inclusive; and
iv) allows for the implementation of a systemic approach, with the aim of addressing the enabling conditions.

In parallel to this internal CFFP at FSC discussion process, ISEAL has developed a document titled, *Choosing effective strategies to drive sustainability improvements: a decision-making framework for standard systems to take into account the enabling conditions.*[7] The ISEAL document explains that "impact studies often show that the uptake and direct impact of sustainability systems is highly influenced by contextual factors in the broader environment in which they operate. These improvement strategies can focus on influencing the actions of target enterprises directly (value chain strategies) or can seek to influence the enabling environment in which those enterprises operate, to create the system conditions for the enterprises to improve (systemic strategies)".

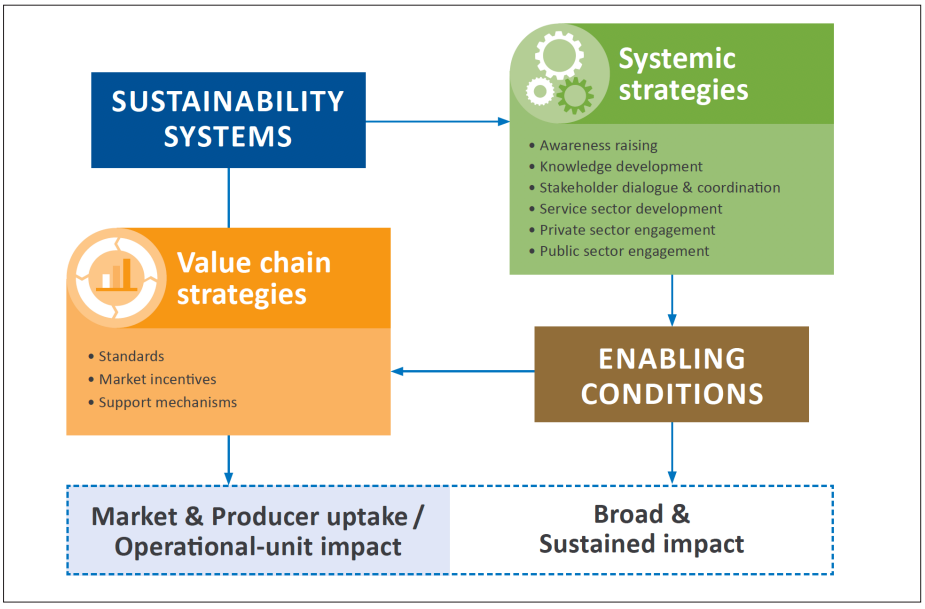

Figure 1: Overview of value chain and systemic strategies. *Source: ISEAL, 2020*[7]

[7] ISEAL,(2020), Choosing effective strategies to drive sustainability improvements: a decision-making framework for standard systems to take into account the enabling conditions

This recent publication affirmed what CFFP recently learned; we must incorporate systemic strategies in order to support value chain efforts for small-scale or community producers. To do so, CFFP will be using a new tool for co-creating tools for collective benefit called the 'collective impact methodology' as one of three ISEAL pilot projects globally designed to test the aforementioned decision-making framework.

4. A solution

Collective Impact[8] is a proven methodology, initially devised by the Kennedy School at Harvard and published by Stanford Social Innovation Review in 2011. It proposes the joint commitment of a group of actors from different sectors to a common agenda for solving a specific problem with relevant social dimensions.

In order for the commitment to be successfully achieved, five criteria must be secured:

1. **Common agenda:** All participating organizations (including government agencies, organizations, non-profits, community members, etc.) must have a shared vision for change that includes a common understanding of the problem and a joint approach to solving it through a set of agreed actions;
2. **Mutually reinforcing activities:** There must be engagement and participation of a diverse set of stakeholders, typically in multiple sectors, coordinating a set of differentiated activities through a mutually reinforcing plan of action;
3. **Shared measurement system:** There must be agreement on the way

[8] The concept of collective impact was first articulated in the 2011 Stanford Social Innovation Review article Collective Impact, written by John Kania, Managing Director at FSG, and Mark Kramer, Kennedy School at Harvard and Co-founder of FSG. Collective impact was chosen as the No. 2 philanthropy buzzword for 2011, and has been recognized by the White House Council for Community Solutions as an important framework for progress on social issues.

success will be measured and reported, with a set of key indicators by all participating organizations;

4. **Continuous communications:** There must be frequent communications over a long period of time among key players within and between organizations, to build trust and encourage ongoing learning and adaptation; and
5. **Backbone organization:** Ongoing support must be provided by an independent staff.

So, rather than focus efforts on local value chain strategies, the adoption of a collective impact methodology to co-create tools and solutions would seek a process grounded in a systemic approach.

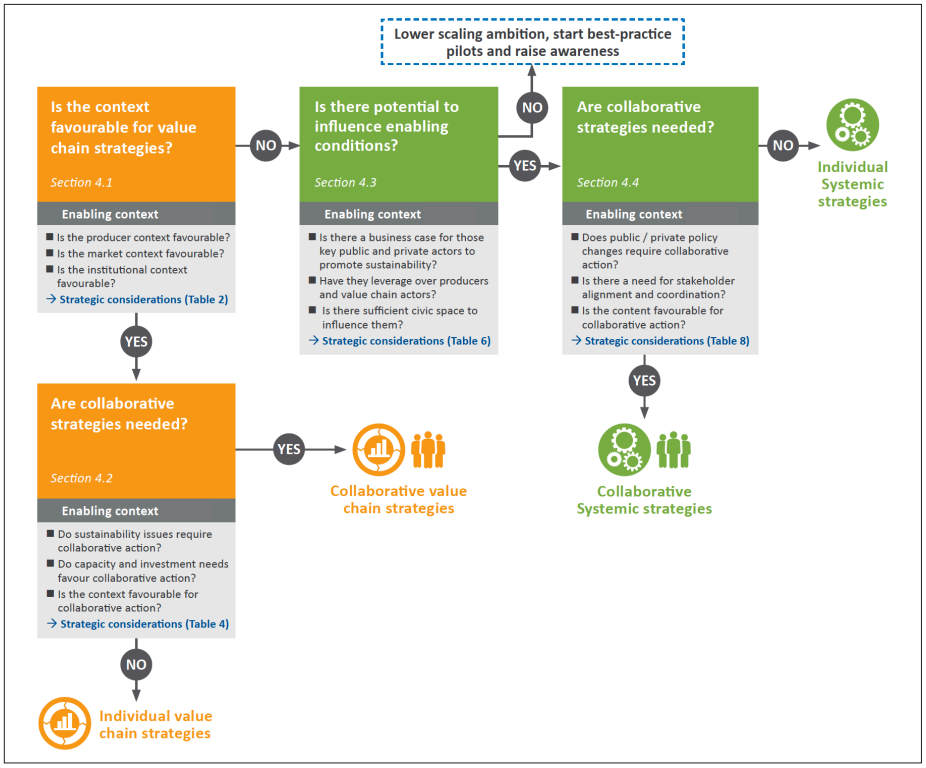

Figure 2: A decision-making framework to understand how the context influences improvement strategies. *Source: ISEAL, 2020*

5. How does Collective Impact methodology relate to FSC

FSC was founded on the principle of responsible forest stewardship, which can only be reinforced by including smallholders, Indigenous Peoples and local community support and certification uptake.

FSC's Global Strategy 2021–2026 builds on this key objective and follows three pillars to ensure certification remains relevant and becomes available to a wider pool of stakeholders:

1. **Unleash the potential** of forest certification by improving user relevance and increasing the value and benefits created to all those involved in forest stewardship.
2. **Promote market uptake** of products and services from forest stewardship by working with market actors to deepen the understanding of the value and benefits provided by the forests these products and services come from.
3. **Develop alliances** with other actors to integrate the value of forests more fully in land-use decisions and deliver positive results on the ground that go beyond our normal management unit boundaries.

The proposal and solution outlined in this document links to these three strategies, especially in relation to:

- Strategy 1.1: Engage members and stakeholders to drive change as a community for co-creation of solutions.
- Strategy 2.4. Scale up benefits for Indigenous Peoples, communities, smallholders, and workers.
- Strategy 3.1. Advance the mission through stronger alliances, coalitions and partnerships.
- Strategy 3.2. Influence governments to advance their plans and policies through forest stewardship on the ground.

With a renewed focus on co-creating value-adding solutions and tools as part of its strategic vision, there is a strong argument that FSC should work through the collective impact methodology.

Using the collective impact methodology, FSC will engage smallholders and communities, members, stakeholders, governments, and other relevant actors to achieve a common understanding of the problem and a joint approach to solving it through a set of agreed actions. The shared vision is essential to create together new solutions and a common agenda to implement them. (Strategy 1.1.)

Addressing and improving in a systemic manner the enabling conditions for smallholders and communities to benefit from responsible forest management and FSC certification will scale up forest management and FSC certification of these groups. (Strategy 2.4)

The collective impact methodology also implies the engagement and participation of a diverse set of stakeholders, typically in multiple sectors. Through the methodology FSC will achieve stronger alliances, coalitions and long-term partnerships on a local, national and global level. (Strategy 3.1.)

To overcome barriers for certification of small-scale and community forestry, governmental involvement and commitment is imperative. The governments will be strong drivers of the collective impact alliances on local and national levels. (Strategy 3.2.).

Results will be tracked through a shared measurement system included in the methodology. It is understood that achieving a set of key indicators agreed by all participating organizations will be challenging, yet an important outcome of these processes is to determine indicators for measuring the success and impact of implemented new solutions.

There is flexibility for FSC in exploring the methodology, as FSC can

assume the role of the Backbone Organization[9] or can be a partner in an existing or new network, without assuming this role.

As such, this methodology for co-creating collective tools and solutions can support FSC implement its FSC Global Strategy. It strengthens FSC by establishing strong collaboration with partners to develop participative processes seeking to produce an enabling environment to achieve favourable conditions for responsible small-scale and community forestry.

[9] The backbone organization essentially play six roles to move the initiative forward: 1) guide vision and strategy; 2) support aligned activity; 3) establish shared measurement practices; 4) build public will; 5) advance policy; and 6) mobilize funding.

6. What we have done so far – and additional considerations

So far, we have been working on three case studies (Brazil, Chile, and Mesoamerica – see following pages), covering a range of different scenarios and conditions. The pilots were chosen with the aim to test and assess the use of the methodology in different national or regional circumstances, and will be rolled out in two phases:

- Phase 0 (preparation), where the CFFP team will develop the capacity of the FSC Network Partner to identify the Backbone Organization and define the joint action plan, including the measurement system. It is expected to last between 1-2 years;
- Phase 1 (launch and roll-out), where the FSC Network Partner will coordinate or support the implementation of the agreed activities. It will be a medium-term process, never less than 2-3 years.

Change does not happen overnight: the collective impact methodology produces long-term results and requires time to manifest. Tracking the "success" of the project is about monitoring the process hoping for sustained benefits in enabling conditions and not evaluating short-term performance.

For more information, contact
Vera Santos, Community and Family Forests Program Manager, v.santos@fsc.org

Janja Eke, Project Coordinator Latin America, j.eke@fsc.org

Case study 1
Chile

Objective: An inclusive small-scale forestry model

FSC certification growth has stagnated in Chile, with the biggest opportunity for growth in small-scale and community certification.
Chile has around 18 million ha of forests, of which around 15 million ha are native forest, including 4.3 million ha in protected areas. The remain 3 million ha of forest area are plantations. While only a few native forests are FSC certified, 2.3 million hectares of plantations are FSC certified. This number has not grown in the last seven years, and if things continue as they have been, there is little potential for any further growth for FSC in Chile.

FSC Chile will co-create tools and solutions for collective benefit for small-scale community forests.
FSC Chile is implementing the Collective Impact methodology to shift the current perception to an opportunity for growing FSC among small-scale and community forestry in the country.

FSC Chile coordinated discussions with key stakeholders, including the Chilean National Forest Corporation.
As a first result, FSC signed a Cooperation Agreement with government agency National Forest Corporation. The Cooperation Agreement aims is to establish a framework for cooperation in the field of responsible forest management in relation to with smallholders and the wider forest value chain.

A collaborative approach to mapping key stakeholders has been completed, and the next step is a combined action plan.
Phase Two, planned for 2021, includes the development of a defined collaborative action plan, with identification of activities and indicators crucial for measuring impact and success over time.

Some sample categories for indicators are as follows:

- Impact (quantitative indicators)
- Governance
- Process

Looking ahead, there is a lot of potential growth in forestry certification in Chile.
There is a potential for FSC certification growth in small-scale and medium-scale forestry of native forest of around three million ha, and a potential certified plantation growth of an additional 1 million ha in the medium and long term. There exists an even greater potential in forest areas where forest management can be implemented or improved to avoid deforestation and forest degradation.

Case study 2
Brazil

Objective: Increase the relevancy of FSC in Açai and Brazil nut value chains

In Brazil there is 198 million ha of Amazon forest for Indigenous Peoples to only harvest Non-Timber Forest Products (NTFPs).
This forest can only be managed to extract or collect Non-Timber Forest Products (NTFP) i.e., public lands which are given to Indigenous Peoples to live and can only have production of NTFP because the harvesting of timber for commercial purposes is not allowed. As such, there exists an important link between increasing the importance of FSC in the market of NTFP and growing forest management certification growth in Brazil.

These lands (RESEX) are imperative to maintain the livelihoods and culture of traditional people.
Extractive reserves (RESEX) are protected lands, similar to concessions, with the objective to maintain the livelihoods and culture of traditional people, as well as to ensure the sustainable use of the area's natural resources. The RESEX area belongs to the government, but its use right is granted to traditional communities.

Local associations and NGOs are already working to improve livelihoods of these communities.
Inside a RESEX area there are typically several communities organized into associations or cooperatives, whose livelihoods are based on the extraction of NTFPs. Many of them have the support of NGOs for improving their governance, forest management and/or business models.

Açai and Brazil nut are available NTFP resources, but traditional communities are having difficulty connecting to prosperous markets abroad.
Local producers received only half a dollar per kilo of Açai berries in 2020, and just less than a dollar per kilo received for Brazil nut producers.

FSC can help add transparency and legitimacy to supply chains to connect local producers to international markets.
FSC can play an important role among producers by improving their forest management practices, mitigating the environmental impacts, improving the communities living conditions, as well as helping them design a more suitable business model.

FSC must work to add relevancy to NTFP product labelling.
The consumer does not recognize the FSC label in the acai or Brazil nut value chains, neither in Brazil, nor Europe or the United States. Although FSC has a credible and positive image for wood products, interviewees do not understand why and how FSC fits in the açai and Brazil nut value chains or what could be the unique selling proposition.

FSC is connecting with local actors to find mutually beneficial solutions.
Açai and Brazil nut protect the Amazon against deforestation, but there are risks in its production. Considering FSC is combating deforestation with market solutions it is well placed to participate in multi-stakeholder dialogues.

FSC is applying tools and solutions for collective benefit through co-creating solutions through a local multi-stakeholder platform, pro Acai.
The platform dialogue, pro Açai,[11] connects key players to promote sustainability throughout the value chain, provides a good business environment and continues to structure a sector agenda through a series of organized and integrated activities. This initiative has been organized by the Green Markets and Sustainable Consumption Project, a partnership between the Ministry of Agriculture, Livestock and Supply (MAPA) and the German Cooperation for Sustainable Development (GIZ), with the support of WWF-Brazil. It is led by the Terroá Institute and the EcoConsult/IPAM Consortium. It has already been adopted by the most relevant sector players, including companies, cooperatives and NGOs, FSC Brazil among them.

A mutually beneficial joint action plan has been decided on by the platform.
A preliminary joint action plan has been discussed and agreed, and further planning will happen in the next phase. This will help tackle the difficulties faced in the production of Acai and Brazil Nuts to help bring sustainable NTFPs into the global market.

The table below lists the territories of the communities managing the forest area for açai or Brazil. If successful, there is a potential to certify 1.5 million ha and positively impact over 6,000 local people.

Terriroty	Total area (ha)[12]	People	Source
Resex Verde para Sempre	1,289,363	2,200 families	ICMBio
Resex Mapuá	93,746	3 community groups, 14 communities, 3,200 people	ICMBio
Resex Arioca Pruanã	83,445	1 community group	IFT
Resex Terra Grande	194,867	2 community groups	ICMBio
COOPETRAL	200	5 communities, 254 families	Portal Estado Amapá
Total	**1,567,675**		

Table 1: List of the mapped communities with açai and Brazil nut. *Source: FSC Brazil, 2018*

[11] pro Açai, blog.institutoterroa.org/dialogosproacai

[12] The RESEX areas represent the total area of each protected land, and not all will be managed for açai or Brazil nut production. The figures are only indicative. FSC Brazil and other partners are currently working to compile more accurate data.

Açai

Açai is one of the main products of NTFP extractive production in the Amazon. Its production revolves around 200,000 tons in volume and US$ 111 million in revenue per year. It is a trendy product, especially for food. USA, Netherlands, Australia, and the UK are the largest importers. In 2020, the volume exported was 56,600 tons, which represented 25,5% of production, with approximately US$ 252,333 revenue value.

In the Amazon, açaí is known as 'purple gold', since its value has increased in the last decade due to demand. However, the increasing demand is not always accompanied by good management practices.

Açai is a traditional food in the Amazon for both communities and local markets. For many communities, açai represents food security and the main source of income. Many are organized in cooperatives and associations to formally work with açai management. Despite açai being a product with high market value, in 2020, only around half a dollar was paid to the producer for each kilo of açai.

Brazil nut

The production of Brazil nut revolves around 35,000 tons in volume and 145 million reais in revenue per year. Brazil Nut is also included in the most recent trends for better nutrition and health. Exportation represents 22% of the market. The US, Germany and Australia are the main importers. In 2020, 7,537 tons were exported, with US$ 19,928,779 in revenue.

Brazil Nut is also a traditional food for indigenous people and can be considered as a commodity, with high added value in the industry and retail level. However, forest producers also receive low return, on average not even a dollar.

Case study 3
Mesoamerica

Objective: Increase competitiveness of FSC certified small-scale and community forestry in Mesoamerica

Background

35% of the surface of Mesoamerica is covered by forests, almost all natural or naturally regenerated. The region contributes 9% of the world's forest cover. With a joint coverage area of 120,000 km2, the five largest forests in Mesoamerica (Mayan jungle in Mexico, Guatemala, and Belize; Moskitia in Nicaragua and Honduras; the Maíz-Tortuguero Indian in Nicaragua and Costa Rica; the Talamanca region in Costa Rica and Panama; and the Darien in Panama and Colombia) are home to more than 2,000 species that represent 7.5 percent of the planet's biodiversity. They also contain 47 percent of the region's forest carbon stocks and supply more than 5 million people with important ecosystem services.

Some of these forests are FSC certified, mainly in Mexico and Guatemala. In Petén, Guatemala, FSC certification is mandated by the concession contract and in Mexico FSC certification has government support. Nevertheless, few economic benefits, in contrast to high efforts and initial investment, threaten the continuity of FSC certification.

Figure 1: Map of Mesoamerica.
Source: Wild Conservation Society

FSC Honduras is leading an effort to increase smallholder certification uptake especially after a recent significant drop in FSC certificates

In the last decade, the drop of forest management (FM) and controlled wood (CW) certificates among small farmers and communities in Mesoamerica has been enormous: almost 100,000 ha managed by Indigenous Peoples and smallholder groups in Honduras; 80,000 ha owned by the Miskito and Mayangnas communities in Nicaragua; and 21,000 ha managed by the Embera and Wounaan communities in Panama dropped their certification.

The Collective Impact methodology will be employed to create a comprehensive stakeholder mapping and training program to increase certification.
The initiative started in 2019, reconnecting different actors that have been supporting small-scale and community forestry in Mesoamerica, such as the Forestry and Climate Change Fund, Precious Wood and Rainforest Alliance.

After being put on hold due to Covid-19, efforts will begin again in 2021 to support solutions targeted for smallholders and communities in the Mesoamerica area.
The following next steps will be implemented to continue pushing the program forward under the initiative to co-create tools and solutions for collective benefits:

- Develop training materials, in co-creation with the targeted communities and smallholder groups, to improve their business models and competitiveness.
- Collect detailed and updated information from communities' forest inventories, harvesting potential and processing capacity, in order to analyse the information and carry out planning with a proven methodology.
- Train community leaders, carrying out the data analysis and planning of logging, processing, and selling, taking into account market information delivered by FSC partners.
- Set up a dynamic tool to compile the collected information, facilitate data analysis and update on lesser-known timber species offer from communities and smallholders' groups in Mesoamerica (Mexico, Guatemala, Honduras, and Panama). The use of this tool will be shared with communities and smallholders' groups in other sub-regions.
- Develop a project proposal and carry out fundraising efforts that will secure scaling-up efforts.

If successful, there is a myriad of benefits in the area for FSC certification growth.
The project can add value and contribute to maintain 200,000 ha of FM-certification managed by seven ejidos in Mexico, as well as 350,000 ha with FM certification managed by nine communities in Guatemala. Additionally, there is the potential to recover 21,000 ha of FSC certification managed by three communities in Darién Panama, and certify around 200,000 ha managed by communities in the long-term.


FSC
FORESTS®
FOR ALL
FOREVER