ProForest

Getting small forest enterprises into certification

How standards constrain the certification of small forest enterprises

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This publication is an output from a research project funded by the United Kingdom Department for International Development (DFID) for the benefit of developing countries. The views expressed are not necessarily the views of DFID.

Forest Research Programme
R7589

Published January 2002

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1 Introduction

This report is an examination of the constraints created by forestry standards for small forest enterprises. It analyses the current situation and offers options for moving forward to reduce the constraints.

1.1 Forestry Standards and Small Forest Enterprises

The last five years has seen a proliferation of standards for good management in natural resources, and particularly in the forestry sector. These standards attempt to define what is sustainable forest management, in terms of economic, environmental and social values, and to provide a benchmark against which to evaluate performance through certification.

The Forest Stewardship Council's Principles and Criteria (FSC P&C) have been used worldwide as a standard for forest certification. In some countries, certification under the FSC scheme has become essential for access to certain markets for wood products. For these reasons, this report focuses on the FSC standards, both the International Principles and Criteria and the National Standards. However, the conclusions have more general relevance to the development of all standards for forest certification.

It has been widely recognised within the FSC community that many Small Forest Enterprises (SFEs) which wish to seek forest certification face a number of constraints which make it much more difficult for them to achieve certification than for medium and large enterprises [1]. The FSC is committed to addressing this problem, and in support of that process, the UK Department for International Development's Forestry Research Programme has funded a series of studies which analyse the barriers faced by SFEs, and seek to find solutions.

As the first part of this programme, a study was made of the FSC's requirements for accreditation, certification and standards. The results were published in June 2001 [2]. The report identified a number of areas where significant and potentially unnecessary barriers existed and made some recommendations for change.

This study aims to take the discussion one step further by focusing in detail on the constraints inherent in the FSC Standard, both the international P&C and the national interpretations. The report provides a number of options for progress. It offers guidance to the FSC Board and membership on how the barriers facing SFEs could be reduced. However, the report will be of use to a wider audience in the field of forest certification as a general discussion of the opportunities and constraints faced by SFEs in meeting formal forestry standards.

1.2 Background to this report

Nussbaum et al (2001) identified a number of reasons why the FSC Principles and Criteria create barriers to certification for SFEs. These can be summarised under the following headings

- **length and language of the standards:** the international P&C and national standards derived from them are lengthy documents. Requirements are often phrased in complex technical language. It may not be clear exactly what is being required and some interpretation may be needed before the requirement can be implemented. Some requirements are repeated at different points in the standards, adding to the length.

  The length and language of the standards create a strong disincentive to anyone with limited time available. It also excludes people without a formal forestry training and, even more, people with low literacy levels. Owners of SFEs, who are rarely professional foresters, particularly in developing countries, and who combine forest

[1] Bass, S. et al, 2001. *Certification's impacts on forests, stakeholders and supply chains.* IIED, London.

[2] Nussbaum, R et al, 2000. *An alaysiss of current FSC accreditation, certificatiion and standard-setting procedures identifying elements which create constraints for small forest owners.* Available from the Forest Stewardship Council, or from the Proforest website at www.Proforest.net on the Publications page.

management with other work, are more likely to fall into these categories than professional managers of medium-large enterprises. The length and language of the standard therefore disproportionately affects SFEs

- some **requirements are not relevant** to all situations and therefore add length and confusion to the standard. Sections of the standard, such as Principles relating to plantations, high conservation value forest, or indigenous people, may be irrelevant to certain situations where they simply do not apply. The process of developing national or regional standards allows for some parts of the P&C which are not relevant to local conditions to be omitted. For example, the Bolivian standard specifically applies to natural forest in the lowlands of Bolivia, and therefore do not include Principle 10 (plantations).
- some **requirements are inappropriate or not feasible** for a SFE to implement in a small forest area. These may be requirements which relate to the landscape-level values of the forest which cannot be fulfilled individually at a small scale, or requirements for detailed planning and documentation by the SFE which adds considerably to the management burden, but does little to improve forest management when applied at the small scale.

Nussbaum et al went on to discuss in general terms some of the measures which have already been identified informally by certification bodies, managers of group schemes which include SFEs, and forest owners themselves. This report examines the extent to which practical solutions can be applied to the international FSC Principles and Criteria and to two examples of FSC national standards.

1.3 Content of this report

In order to find solutions to the barriers created by the standard, it is important first to understand the underlying causes of these barriers. We therefore begin with a discussion of the reasons why forestry standards tend to be long, complex and sometimes apparently inappropriate (**The problem with forestry standards: Section 2**). Section 2 continues with a discussion of the possible means for identifying forest enterprises to which a more appropriate forestry standard could be applied. Is it possible to develop a definition of a SFE which ensures that a solution, specifically designed for SFEs, is not exploited by other organisations? The implications of this for larger scale issues, such as landscape level values, high conservation value forests and large, though low intensity community forests are discussed.

The report then analyses in detail, the FSC Principles and Criteria and two National Standards derived from the P&C (**Results of the analysis: Section 3**). The extent to which each of the constraints identified in section 1.2 contribute to the overall problem is assessed. Ways to overcome these constraints are suggested.

Extending the analysis of the P&C, we then examine two national standards:

- Bolivia, September 2000: Standards for the certification of forest management for timber products in the low lands of Bolivia. This includes the standard approved by the FSC Board and the proposals for meeting the FSC's conditions.
- Brasil, March 2001: The FSC Certification standard for plantation forest management in Brasil. This version (document 7.0) has not yet been submitted to the FSC for final approval.

The extent to which constraints are related to each of the issues noted above (length; complex, unclear language; irrelevant, inappropriate or unfeasible requirements) is examined. Detailed, criterion by criterion analysis is provided in four annexes:

Annex 1: an analysis of each criterion of the P&C, and possibilities for clarification;

Annex 2: an example of how the P&C could be shortened to produce a generic standard for SFEs

Annex 3: an analysis of each indicator for the Bolivian standard and its application to SFEs

Annex 4: an analysis of each indicator for the Brazilian standard and its application to SFEs.

In section 4 (**Reducing the barriers**), we discuss some options for reducing the barriers to SFEs entering into certification under the FSC scheme. The pros and cons of two options are examined and particular issues which need to be addressed are highlighted. Finally (**Next steps: Section 5**) the next steps for starting to implement some of the recommendations are discussed.

2 The problem with forestry standards

This section looks at some of the reasons underlying the constraints caused by forestry standards and the unease which many people have about creating a different standard or system for SFEs. If the problem with FSC standards is that they are long, complex and need interpretation, a solution may be to make them shorter, simpler and more precise. However, before jumping to this conclusion, it is important to understand why the standards were written in this way.

2.1 Why are standards so complex?

The FSC P&C were developed as a definition of good forest management practice applicable in all parts of the world, to all forest types and for all scales of forests. They cover a broad range of environmental, social and economic aspects of forestry. In drawing up such a standard there are two aims:

1. to minimise the risk of bad practice by describing in detail how every eventuality should be covered, leaving as little as possible to subjective decisions by forest managers and certification bodies;
2. to leave flexibility and avoid being unnecessarily prescriptive, allowing local development of appropriate management practices which fulfil the objectives of the standard.

2.1.1 Minimising risk

One of the main aims in formulating a standard is to develop requirements that are detailed and demanding enough to ensure that anyone who meets the requirements will fulfil both the letter and the spirit of the Principles on which the standard is based. The FSC standards aim to minimise the risk of poor practice which complies with the letter, but not the spirit, of the standard. Standards are written with a 'worst-case scenario' in mind, which usually means large, industrially-managed forest enterprises. The risks

of severe negative impacts resulting from poor management are assumed to be greater in large scale forests and lower at small scales.

A similar focus exists in national standards. Larger forest enterprises tend to have resources and ability to participate in the process, and see more immediate market benefits to achieving certification themselves. NGOs may be primarily concerned about the impacts of management in large, industrial forest enterprises. National standards working groups do not require specific representation of SFEs. It is unsurprising, therefore, if standards (both international and national) have tended to be written with larger enterprises in mind.

Where the risk of severe negative impacts is low, there is a case for using a less comprehensive, less complex standard. It may be justifiable, therefore, to use a less complex standard for SFEs. The definition of a SFE, must partly be based on the identification of forest management units where there is a low risk of severe negative impacts resulting from poor management.

2.1.2 Allowing flexibility

There is broad agreement that forestry standards should allow a reasonable degree of flexibility. They aim to avoid being overly prescriptive, and allow forest managers and local groups to define locally appropriate guidelines for best practice. Standards therefore tend to define what the outcome should be, but do not specify the management required to achieve that outcome. For example, the P&C require the forest enterprise to prepare and implement written guidelines for forest operations, but it does not prescribe what the guidelines should say.

While this is suitable for a medium or large enterprise, and does permit local adaptation, it may be easier for many SFEs to be provided with simple prescriptions which say what they have to do and how. In order to be appropriate to local conditions this type of prescriptive standard can only developed at a local or national level.

2.2 Identifying and defining SFEs

The standard creates some significant barriers to SFEs entering certification, for the reasons outlined above. In order to apply ways of reducing those barriers, we need first to identify the SFEs which would be eligible. This section looks at the basis for identifying SFEs and demonstrates how a set of criteria might be used to define eligible SFEs.

2.2.1 Can SFEs be identified?

A solution needs to be found which reduces the barriers facing SFEs, without compromising the high standards of forest management required. To do this, SFEs need to be clearly identifiable. Following from Section 2.1, a definition of a SFE needs to identify forests where:

- there is a low risk of non-compliance with the principles of the standard or of severe negative impacts, and
- variability is limited and appropriate prescriptions can be provided.

In forests where these two conditions apply, it may be possible to utilise a significantly simpler, but nonetheless equivalent, version of the standard. In order to identify such forests, a set of criteria is needed which will exclude forests with higher risks and more variability. Nussbaum et al proposed a number of possible criteria for defining a SFE. These have been adapted and are discussed in section 2.2.2, below. The criteria are based on:

- size of the forest
- exploitation rate
- ecological importance
- landscape level values
- social importance

Both the criteria themselves and the thresholds at which they apply would need to be locally defined as the concept of a 'small' forest is very variable from one country to another. For example, the first criterion to be considered - the size of the forest - demonstrates the difference between countries. A preliminary consideration of this criterion for SFEs

in Bolivia, Brazil and the UK suggested the size limit for small forests might be:

- Bolivia, lowland, natural forests: 200 ha
- Brazil, plantation forests: 50 ha.
- United Kingdom: 10 ha

The variation in these suggestions stems from differences in total forest area, forest types and management systems, as well as size limits used for other purposes, such as allocation of government support or legal requirements.

2.2.2 Developing a definition

Based on the criteria above, a definition of a SFE could be developed. The ways in which the criteria can be applied are discussed below. However, the criteria must be appropriate to the local context. While these criteria are discussed as examples, they may not be relevant in all situations and therefore need to be locally formulated.

Criterion 1: Size

Large scale forests entail greater risks of large scale or severe negative impacts as a result of poor management. Size is therefore a key variable and, while not the only important factor, it is the first factor in deciding whether a forest qualifies as a small forest enterprise. However, a number of additional factors may mean that a forest which is small in size cannot be considered a low risk SFE. It is therefore essential that a forest unit must meet all the criteria, and cannot be considered a SFE on the basis of size alone.

However, it may be appropriate in some circumstances to have a 'very small' category (for example, 1 ha woodlots) below which size forests automatically qualify as SFEs, without having to apply the other criteria.

Criterion 2: Exploitation rate

Since the main impacts on forests are generally as a result of management operations, in particular harvesting, forests with lower exploitation rates better fit the 'small' category. A maximum exploitation rate could be defined which limits the proportion of the forest which may be harvested over a particular time period. This would limit the risk of severe impacts.

However, the maximum exploitation rate needs to take into account the practicalities of managing a small forest, where it may only be economically viable to bring in harvesting equipment if a large enough volume of timber is extracted, or where there is no advantage to harvesting only a small proportion of the timber, such as in very small woodlots.

Criterion 3: Ecological importance

Forests with a high ecological value risk suffering greater negative impacts if poorly managed than forests of lower ecological importance. The FSC has introduced the concept of high conservation value forests (HCVFs) to include forests with high ecological (and social) importance. The same concept could be used in the identification of SFEs as a measure of a forest's ecological importance.

Projects are currently underway to develop criteria for the identification of HCVFs. If these areas can be identified at a national level, SFEs which fall within HCVFs can be regarded as being a higher risk than those outside, and are therefore less likely to be considered as SFEs.

According to the FSC standard, HCVFs require specific management to maintain their conservation values. It is left to the forest manager to define what that management should be. This is particularly difficult for SFEs, as it requires a consultative process and considerable scientific expertise.

As discussed in section 2.1, the availability of clear prescriptions for management may allow some aspects of the standard to be simplified. If there are clear, nationally or locally defined prescriptions for the management of HCVFs, which can be simply implemented in the field, a small forest unit within an area of HCVF could be considered as an SFE. However, where such prescriptions do not exist, and where the forest manager needs to define a management system for HCVFs themselves, risk and variability are increased and the forest may not be considered a SFE.

Criterion 4: Landscape level forests

Large landscape level forests may include a variety of vegetation or forest types, habitats or river systems whose management needs to be considered holistically. Some landscape level forests may also overlap with HCVFs [3].

In many countries, such large forests are divided into many small ownerships. Where only a few small ownerships are operating individually, the impacts may be limited and each forest ownership could be considered a SFE. However, the cumulative impact of the management of many small ownerships may be significant.

In addition, where a landscape level forest has been exploited in the past, any remaining unexploited SFEs may contain important remnants of the original flora and fauna, and may need to be treated with extra caution.

Two things are necessary for dealing with SFEs in landscape level forests.

- First we need to define what is a landscape level forest and how we identify whether a SFE is part of such a forest.
- Secondly we need to define what are the values which are provided at the landscape level and how they can be adequately protected. For example, the landscape value may be as habitat for large mammals, or may be aesthetic. These different values may have different management implications.

There are a number of possible ways in which landscape level values can be accommodated. It may be possible to define a cut-off point for the number of forest units or the proportion of the whole forest which is being commercially harvested.

Above this cut-off point, none of the forest units can be considered SFEs. This would ensure that individual forest ownerships can be counted as SFEs only if the overall intensity of management is low.

However, this introduces some problematic issues, which stem from the fact that a small forest unit may be excluded or included from the SFE definition because of the actions of their neighbours. Three potential anomalies are evident:

- If only a few small forest units within a landscape level forest are being commercially harvested , by accepting them as SFEs we are assuming that the lack of harvesting in other areas is by default protecting the lansdscape level forest. This may not be the case, for example, if the rest of the forest is being degraded by other land uses.
- If a small forest unit achieves certification as an SFE, but subsequently many of their neighbours commercially harvest their forest areas, the pioneer SFE may lose their SFE status. A group certification scheme would be an appropriate format for certification of many active owners, but only if sufficient owners are interested in certification.
- The landscape level forest may have been severely degraded in the past, thereby increasing the ecological value of the remaining forest units. Small forest units may be excluded as SFEs because of the previous actions of their neighbours. However, if the definition of a landscape level forest does not include degraded forests, this would not be an issue. The definition is thus crucial.

Alternatively (and particularly if there are a variety of landscape level values of importance) the criteria could require the forest ownership to be part of a basic land-use plan which addresses the landscape level issues. The criteria then need to establish what sort of land use plan would be acceptable, and raises the question of what happens if other forest owners do not implement the land use plan.

These issues illustrate some of the potential difficulties, which need to be overcome in the definition and identification of landscape level forests at a national level.

Social importance

Forests which provide important functions to a large number of people in the local community risk having negative social impacts if they are poorly

[3] HCVFs include 'large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance' see Glossary of the FSC P&C for full definition.

managed. The more people who rely on the forest, the higher the risk of having a severe negative social impact through forest management activities.

If the definition of a SFE aims to identify forests with low risks, it follows that forests which arenecessary for the well-being of a significant number of people should not be considered as SFEs. It is necessary to establish locally what sort of functions are considered important for the local community. These might include subsistence, employment, providing non-timber forest products, recreation or others.

2.2.3 Applying the criteria - an example

The following aims to provide an example of the steps which might be taken to apply the criteria described above. At each stage, the thresholds for each criterion need to be defined locally. These steps are outlined as a flow chart in Figure 1.

Step 1: the threshold (A ha) below which a forest may be considered a SFE is defined.

Step 2: the maximum proportion (area) of the forest management unit which is planned to be harvested in any 5-year period (B%) is defined. If the harvest rate of the forest exceeds B%, the risk of negative impacts from operations is increased and the forest cannot be considered a SFE.

Step 3: HCVF areas are identified, nationally or regionally by national initiatives. Forest owners need to be aware of whether their forest falls within a HCVF area.

Step 4: Clear, locally developed prescriptions are developed to ensure appropriate management in HCVF areas.

Step 5: a definition of a landscape level forest is developed and such forests are identified.

Step 6: the maximum proportion (C%) of the landscape level forest which may be commercially harvested, is defined. If more than C% of the area is being commercially harvested, or has been commercially harvested in the recent past (threshold defined) then individual forest ownerships may not be considered SFEs.

Step 7: The maximum number of people who rely on the forest (E people) for a particular function is defined locally. If more than this number of people are reliant on the forest, it cannot be considered a SFE.

2.3 The special case of community forests

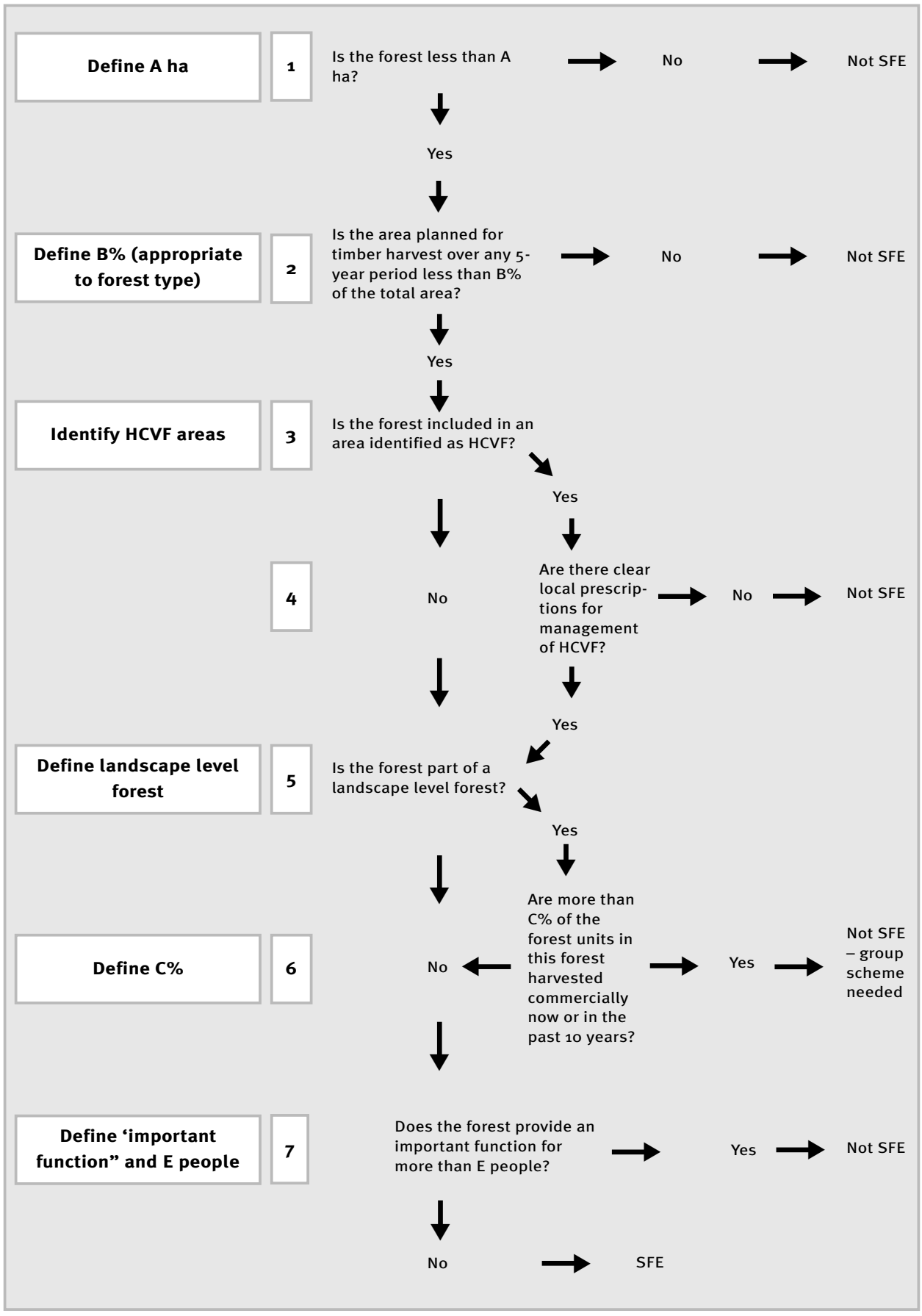
Discussions about SFEs are often linked to issues relating to community forests. One question which needs to be addressed is whether community forests, even if they are too large to meet the criteria suggested section 2.2, should nevertheless be allowed to operate using an SFE version of the standard, should it be developed. Community forest operations may be considered for special treatment because:

- managers of community forest operations may find more difficulty in interpreting the full standard than professionally trained foresters and a simplified standard would therefore be helpful.
- the rate of harvest is often low, so the risk of severe impacts is low.
- the level of capital investment may be low, and therefore the ability to cause severe negative impacts may be low
- if divided into individual ownerships (either legally or conceptually) each individual management unit would be small. A community forest might be considered as a group of SFEs.

However, this needs to be balanced against the considerations that:

- community forests can be very large indeed. In Bolivia, some Indigenous Community Forestlands may extend to 2.5 million hectares, while community forest operations average 40,000 ha. There is a risk that the cumulative and long-term effects even of low-impact forest management could be significant

Figure 1 **Flow chart using SFE Criteria – an example**



- difficulty of understanding the requirements of the standard should not be a justification for poor management. Many community forestry operations have management problems and simply do not meet the requirements of the certification standard.
- some issues are particularly important in the context of community forests, which may not be so relevant to SFEs. For examples, SFEs by definition are likely to have a low risk of severe social impacts. In community forests where there is a significant shift from traditional community forestry based on non-timber forest products to commercially oriented timber harvesting, social impacts (and their assessment) are likely to be crucial).
- development of a standard appropriate for SFEs would probably be made more complicated by including forest areas which are large in extent, even if they can be considered small according to other criteria.

For these reasons, the authors' recommendation would be to require all forest types, including community forests, to meet the SFE criteria before being allowed to utilise a standard or process specific to SFEs.

3 Results of the analysis

As discussed in Section 1, three main types of constraint were identified: length and language of the standards; requirements which are not always relevant; and requirements which are inappropriate or not feasible for a SFE.

To assess more accurately how significant each of these constraints is, a more detailed analysis was carried out of the FSC P&C and Bolivian and Brazilian national standards. This was carried out as a desk exercise; each criterion (and indicator) of the standards was considered specifically from the point of view of the SFE. This was done without a specific definition of a SFE, so the results are necessarily general. The aim is to identify the specific aspects which may cause constraints and suggest means of reducing those constraints.

3.1 The FSC Principles and Criteria

As discussed in Section 1.2, problems which have been identified with the P&C include the length and language of the standard, requirements which are not relevant to all situations, and requirements which are not feasible or appropriate for SFEs. We discuss each of these issues below; Annex 1 shows the detailed analysis of the standard. We offer here some suggestions for ways of dealing with each issue. A more comprehensive discussion of the options for implementing some of these suggestions is found in Section 4.

3.1.1 Overall length

The FSC P&C consist of 10 Principles, 52 Criteria and runs to 11 pages, including the glossary. This is daunting for many SFE owners and managers who may not have time for, or experience of, dealing with long documents. The length of the standard in itself is a barrier to the uptake of the FSC.

The length of the P&C is a result of:

- the number of criteria (discussed here)
- the length and complexity of each criterion (discussed in 3.1.2)

- requirements which are necessary to have general applicability, but are not applicable in all situations (3.1.3)

There are a large number of criteria because the P&C has a very broad scope, including legal, environmental, social and economic aspects of both natural forest and plantation management. There is a limit to how much they could be reduced. However, there are several criteria which overlap or duplicate each other to some extent. 12 criteria were identified (of 52) which contain duplicated requirements; 5 of these are contained in Principle 10. In Annex 1, these criteria are noted in the comments column and cross-referenced to their duplicates.

This suggests that one path to reducing the overall length, is to identify and eliminate duplication in the Criteria, particularly those which relate to Plantations (Principle 10).

3.1.2 Long and complex language

The second cause of the length of the P&C is the length and complexity of each criterion. The existing wording is technical and legalistic, providing a detailed definition of what is and is not acceptable. The aim is to try and cover every possible eventuality or situation; it also minimises the risk of a forest management unit complying with the letter but not the spirit of the standard.

The definition of a SFE identifies forests where the risk of severe negative impacts of forest management is small. Requirements which are aimed specifically at SFEs do not need to cover every situation, only the low risk specific situation of SFEs. Thus for SFEs, it should be possible to simplify and shorten the wording, making the standard more easily used. for example, Criterion 3.4 requires:

- 'Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.'

and could, for SFEs, be replaced by:

- 'If the traditional knowledge of indigenous people is used, they are fairly compensated.'

This simplified wording would not be adequate to cover the intellectual property rights of indigenous peoples when dealing with a large-scale industrial, international company. However, it does express the requirement where there is a low risk of severe negative impacts from non-compliance with the full wording, as in SFEs. The word count is reduced from 41 to 13.

In the P&C shown in Annex 1, criteria which are written in complex and lengthy language which could be expressed more simply are identified as 'Not Clear' and an alternative form of words is offered. 31 Criteria were identified which could be simplified while still adequately describing the requirement in the context of a SFE.

Given that so many of the criteria are written in complex language, this would suggest that using simplified, everyday language in standards would reduce the barriers to SFEs. Thus, one potential option could be to produce a SFE version of the P&C, written in clear, simple language, but accompanied by guidance notes for national initiatives, certification bodies, and others. This is discussed further in Section 4.3.

3.1.3. Requirement is not always relevant

As noted in section 1.2, large sections of the P&C may be irrelevant in certain situations. Principles such as those dealing with Indigenous People's Rights, high conservation value forests and plantations may all be irrelevant to certain locations. These need to be removed at the local or national level. However, there are no criteria in the P&C which would never be relevant to an SFE. Therefore, since the international standard needs to cover all situations, any such adaptation has to be done at a national or local level.

3.1.4. Requirement is inappropriate or not feasible

The analysis of the P&C identified 27 Criteria which were considered at least partially inappropriate or not feasible for SFEs. (These are identified in Annex 1). These criteria may be

inappropriate or not feasible because they contain:

- requirements which are appropriate at a landscape level and which therefore physically exceed the boundaries of a SFE (eg. 6.2). These requirements would be of concern, however, in the case of SFEs within landscape level forests (see section 2.2.2)
- requirements for in-depth studies and extensive documentation, which are onerous to implement, often beyond the resources of an SFE, and probably of dubious value in terms of on the ground forest management (eg. criteria 4.4 and 8.2).
- they are effectively guidance to certifiers (eg. criteria 1.4 and 9.2)

Dealing with these criteria may be the most contentious area for developing simple requirements for SFEs. In considering these criteria, it is important to keep in mind the criteria for defining a SFE and the issues of risk and variability. For instance, the authors consider that it is inappropriate to require SFEs to have an evaluation of social impact (4.4), because:

1. the definition of a SFE should encompass social impacts and exclude by definition forests which have potential for severe social impacts
2. the risk of severe social impacts from a SFE is therefore limited
3. it is unclear what depth of evaluation is required: a simple prescription would be easier to understand.
4. it is probably of limited value in the context of field management of a SFE.

Requirements identified as inappropriate or not feasible need to be carefully considered, not only in terms of the wording used, but also in terms of what is being required.

3.1.5. Other issues identified - Interpretation needed

In addition to the problems identified in section 1.2, several requirements were noted which need interpretation and would be much clearer if they were accompanied by guidelines. This would make the standard more prescriptive but also more easily implemented by SFEs. Guidelines are needed at a local or national level and would have to be provided by National Standards Working Groups. These criteria are noted in Annex 1 as 'Interpretation needed.' Examples of guidance which would provide assistance to SFEs include:

- guidance on locally appropriate mechanisms for small scale consultation and notification of operations;
- guidance lists of rare, threatened and endangered species;
- guidelines on what constitutes inappropriate hunting, fishing, trapping and collecting;
- guidance lists of prohibited chemicals;
- proforma management plan outline, which include any national legal requirements;
- guidance on what should be monitored and how in a SFE;
- prescriptions for the management of HCVF by SFEs (also required as part of the SFE criteria where HCVF occurs).

The provision of short, simple guidelines on these areas would go a long way to offering the type of prescriptions which SFEs can easily understand and implement, without needing interpretation.

3.2. National Standards

Two national interpretations of the FSC standard were examined. Other work carried out by the authors suggests that the results are typical of standards in both tropical and temperate/boreal areas. The national standards analysed were:

- The standards for the certification of forest management for timber products in the lowlands of **Bolivia, September 2000**, and
- The standard for plantation forest management in **Brazil, March 2001**. This version has not yet been submitted to the FSC for final approval.

From the point of view of SFEs, both standards have the same problems as the International P&C: ie. length, complex language and inappropriate or

unfeasible requirements. As with the international standard, it is apparent that the development of these standards has been largely through the efforts of people involved with large-scale, industrial forestry. As a result, the national standards are perhaps less accessible for SFEs than the P&C.

3.2.1. Overall length

The national interpretations examined have been adapted for local conditions by means of additional indicators, which vastly increases the length. The current versions of the standards consist of:

- Bolivian standard: 9 Principles, 44 Criteria and 112 Indicators; 16 pages of Annexes; total 39 pages long
- Brazilian standard: 10 Principles, 70 Criteria and 171 Indicators; 16 pages of glossary, introduction and history; total 41 pages long.

The two standards demonstrate a number of issues inherent in the national interpretation process:

Additional indicators The process of adapting the international P&C to local conditions is through adding indicators to each criterion. This inevitably increases the length of the standard, making it more daunting. The indicators can have different effects:

- In many cases the additional indicators add clarity about exactly what is required (eg. Bolivian standard, Criterion 6.5)
- Sometimes, however, additional indicators increase the requirements, making them more difficult to achieve (eg. Brazilian standard, Criterion 4.2, A-F)
- Sometimes they simply repeat the Criterion (eg. Bolivian standard, Criterion 3.4) This increases the length of the standard without defining exactly what is required in a particular country.

Additional criteria The Brazilian standard contains a number of additional criteria (eg. Principle 4 contains an additional eight Criteria). Many of these attempt to define the social rights and conditions for workers in large scale companies, which are largely inappropriate to SFEs.

Annexes Both standards contain lengthy annexes. These are essential to the full understanding of the standards for both users and auditors and contain much useful information, such as the summary of relevant legislation in the Bolivian standard. However, they may be a problem for people with limited time or who are not accustomed to long documents.

It may be preferable to produce a separate guide, containing all relevant legislation and guidance, while keeping the Annexes themselves short and clearly cross-referenced to the standard.

3.2.2 Long and complex language

As with the international P&C, some of the language used in the national interpretations is 'legalistic' and lengthy. In part this may be due to differences between languages and is difficult to analyse across languages.

In many other cases, however, indicators are used effectively to break down the criteria into their component parts and often provide short, clear requirements. Although this adds to the length of the standard overall, because each criterion has on average 2.5 indicators, while some have up to 12. Some of these indicators are not appropriate or feasible for SFEs. National standards processes offer the opportunity is to break down criteria into separate indicators, and evaluate which ones are appropriate to SFEs.

The Bolivian standard, for example, provides 12 indicators for criterion 6.5, which requires written guidelines for operations. Whilst it was considered inappropriate in the analysis of the P&C to require SFEs to develop written guidelines, the use of short indicators in the national standard, provides some of those guidelines. It is more prescriptive than the P&C. Each indicator is clear and concise, although 3 indicators were considered to be at least partly inappropriate for SFEs, while 4 more needed further interpretation to be applied in the field. The use of clear language in national standards, especially if directed specifically at SFEs, will make the standards more accessible to SFEs.

3.2.3 Requirement is not always relevant

The national standards examined are more specific to forest types than the international P&C. The Bolivian standard covers only natural forest, and therefore has no interpretation of Principle 10. The Brazilian standard applies only to plantations; Principle 9 is still included in the standard, although only one indicator has been added. This leaves the user unsure as to whether the principle is relevant or not.

Both national standards contain extensive requirements relating to indigenous people's rights. The Brazilian standard approaches the issue of indigenous people's rights from the perspective of outsiders operating on indigenous lands. However, in Brazil it is apparently unlikely that a small plantation will exist within indigenous lands: this may signify that these requirements would not be relevant to SFEs.

The Bolivian standard provides requirements for community owned forests, managed by the community. Depending on the definition of an SFE, these may not be included as SFEs, in which case, many of the requirements as currently formulated would not be relevant.

These examples illustrate some of the difficulties in determining absolutely whether certain requirements may not be relevant to all SFEs in a certain location. Explicit rules about when requirements apply would be useful.

3.2.4 Requirement is inappropriate or not feasible

There are several requirements common to both standards which are inappropriate or not feasible for SFEs. There are a large number of requirements for documented plans, procedures and programmes. For example, the draft Brazilian standard requires a safety management plan, an environmental risk prevention programme, monitoring of environmental and health conditions at work, a training programme, and a procedure for providing information about potential risks. In a SFE, with few or no employees, this would clearly be inappropriate.

A particular case where specific requirements have been nationally defined, which are more appropriate to large enterprises relates to protected zones or reserves. The Bolivian standard requires forest enterprises to set aside a minimum of 10% of the area as reserves, in distinct habitats and forest strata. The Brazilian standard requires a small property (as defined in the Forest Code) to set aside 5% of the area for restoration. In an SFE, the definition of such blocks of forest may be inappropriate, while there may be benefits in being more prescriptive about where forest is protected (such as on steep slopes and beside rivers) or how particular rare, threatened or endangered species could be protected.

3.2.5 Requirements needing interpretation

As noted in section 3.1.5, there are a number of areas where national guidance would greatly increase the ease with which SFEs could implement the standard. The national standards provide some of this information as Annexes: for example the Bolivian standard includes a summary of the most relevant legislation. Other requirements do not have any guidance. For example:

- **Rare, threatened and endangered species** Neither standard offers a list of which species should be considered, or where the information may be found.
- **Monitoring** Few indicators are provided in either national interpretation which would assist a SFE to understand what exactly they should be monitoring. The Brazilian standard does not provide any indicators. The Bolivian standard attempts to integrate the national legal requirements for monitoring, but it is unclear how these relate to SFEs. Neither standard provides a clear list of aspects which SFEs should monitor.
- **High conservation value forests** No indicators have been developed for either country.

In the context of standards for SFEs, it would be extremely useful to ensure that all national standards provide simple guidance for the areas shown in 3.1.5.

4 Options for reducing the barriers for SFEs

The analysis summarised in Section 3 indicated that the standards examined create significant barriers for SFEs as currently written. Many people fear that making changes to the standard could be seen as making it 'easier' for SFEs, leading to a two-tier system. However, this must be balanced against the risk that the current situation discriminates against SFEs. If no change is made to the system, SFEs may become increasingly disaffected by their experience and will turn elsewhere. Doing nothing is not an option.

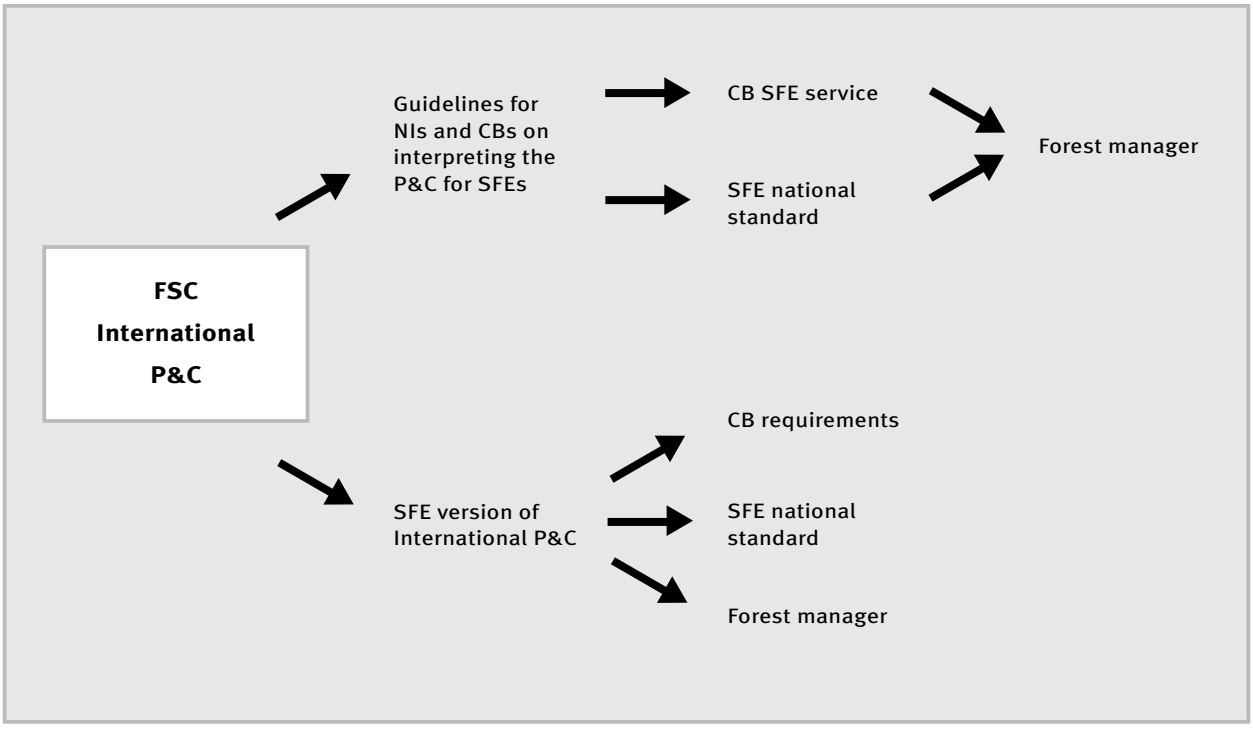
This section examines potential options to reduce or remove the barriers identified. Since the main finding was that standards are too long, too complex and include inappropriate requirements, the most obvious approach to resolving the problem is to produce shorter, less complex standards for SFEs. This section therefore discusses the options for ways of introducing changes: how can requirements be introduced which are appropriate to SFEs? What form should these requirements take?

This section looks at the advantages and disadvantages of two main options for introducing changes to the requirements for SFEs:

- Guidelines for national initiatives and certification bodies [4] on developing national or local standards applicable to SFEs, based on the existing International P&C and national standards.
- A Global SFE Standard which would form the basis for interpretation by certification bodies, national initiatives and forest managers

Both alternatives envisage that ultimately a standard is produced which is specifically aimed at SFEs. The alternatives relate to whether that standard is produced at the international level, or the local level. The two alternative routes are shown in Figure 2. However, as discussed in section 4.1.3, there is room for some overlap between the two options.

Figure 2 **Alternative routes for introducing SFE requirements**



[4] Certification bodies working in countries which do not have an endorsed national standard are required to produce their own interim standard to take into account local requirements and conditions

4.1 Guidelines

This option envisages the development of guidelines by the FSC for certification bodies and national initiatives to use when developing their own SFE standards. These standards may be based on the existing International P&C or national standards.

Guidelines could be used by national initiatives (or certification bodies) for adapting existing national standards and developing national SFE standards. Certification bodies could use the International P&C and the guidelines to produce their own interim standards for SFEs, for use in countries where no national standard exists. Guidelines could also help Group Managers to develop their management system. In practice, it is likely that few SFEs will seek certification individually. Providing help for group managers and associations of SFEs might be an alternative.

Guidelines should cover both the process for developing a SFE standard and the content of the standard:

- who should be involved in the process and how to ensure that SFEs are represented;
- an introduction to the SFE criteria (section 2.2), and how they should be developed and used to identify eligible SFEs;
- examples of the type of wording and requirements which should be included in a standard;
- an outline of other information which needs to be provided to SFEs so that they do not need to make their own interpretation of the standard (such as lists of prohibited chemicals, etc.).

4.1.1 The Pros and Cons of Guidelines

The main advantages of this approach are:

- it avoids the need to develop a new and possibly controversial international standard for SFEs.
- standards would be developed over time allowing the FSC to monitor progress and effectiveness of the guidelines.
- the resulting standards should be adapted to local conditions

Given that the definition of a SFE is likely to vary considerably from country to country, locally developed standards are likely to be more appropriate. To some extent this is already happening: certification bodies and group schemes are producing their own simplified versions of the standard for use with SFEs. However, where there is no group scheme, and no certification body with a locally developed simplified standard, SFEs have no means of understanding and implementing the standard.

The disadvantages of this option largely relate to the time which will be needed to carry out the process of developing local SFE standards:

- guidelines will not assist those SFEs in countries where there is no national initiative and where no certification body is working proactively to develop a SFE interpretation.
- where national initiatives do exist, the development of national SFE standards may be a low priority for already over-worked standards groups, because SFEs are often not as active in the debate as larger operators.
- Guidelines themselves are unlikely to provide any assistance directly to owners and managers of SFEs. If they are unable or unwilling to read and interpret the standard itself, they are less likely to use lengthy guidelines without a very simple explanation. In the UK, for example, guidelines were produced to explain the requirements of the UK Woodland Assurance Scheme. In practice, the guidelines are mainly used by larger enterprises and group scheme managers.

Where the guidelines can be used by group managers, this would overcome some of the problems outlined above. However, where no group scheme exists, a large proportion of SFEs which are currently excluded from certification will remain so for the foreseeable future.

4.2 Global SFE Standard

The alternative option is to develop a global SFE standard. This would form the basis for interpretation by certification bodies and national initiatives. It would also provide a clearer standard for SFEs in countries where there is no national initiative, allowing them to actively participate in certification more rapidly. A global SFE standard could be developed which is concise and written in simple terms, but still adequate to describe the requirements which SFEs must meet in the field.

Annex 2 is a shortened and simplified version of the International Principles and Criteria. This should be seen only as an example of what is possible. Annex 2 reduces the original P&C from:

- 52 Criteria to 41criteria (about 20%), and
- 2,540 words to 1,507 words (about 40%).

This is still a long document, but is considerably more accessible than the International P&C and, in the context of small forest enterprises, the spirit and meaning of the shortened standard reflect those of the International P&C. Obviously, any move to develop a global SFE standard would need to be done with the backing of the FSC membership. Although Annex 2 may not be the standard which the FSC membership would wish to adopt for small forest enterprises, it demonstrates that it is possible to develop such a standard.

4.2.1 The Pros and Cons of a global SFE standard

The advantages of developing a global SFE Standard would be:

- to engage SFEs in certification more rapidly by providing a definitive and clear statement of what is expected of SFEs worldwide.
- SFE standards worldwide may be more consistent if developed from a common base
- a global SFE standard would only have to be developed once; using guidelines the process would be repeated for every country;
- there would be no need for SFEs to wait for national initiatives, certification bodies or group managers to provide them with a local interpretation of the standard. The standard would be directly available to forest owners.

This would demonstrate unequivocally that the FSC was proactively involving SFEs in certification.

There are disadvantages to taking this route:

- a global SFE P&C would suffer some of the same problems as the current P&C: in particular parts which were not relevant in all situations would have to be included in a global standard. Some interpretation would still be necessary, although this could be clearly pointed out in the standard.
- some requirements may be inappropriate in some situations, but not in others; and some requirements will always need further interpretation (see section 3.1.5).
- the criteria for identifying SFEs which may use a SFE Standard will still need to be defined in a local context. This will still create a difficulty for SFEs in countries with no national initiative, group scheme or certification bodies.
- a global SFE P&C would potentially be more difficult and controversial to develop than guidelines, and as a new standard, would need a more formal ratification process than guidance. However, it is also likely to produce a more robust result, and to draw SFEs into FSC certification.

4.3 The Third Way?

A third way may be possible, using a combination of these two options. This is the route which has been adopted by the Fair Labor Association (FLA), which operates a certification scheme for clothing manufacturers. The FLA Workplace Code of Conduct is very clear and concise, and extends to only one page. However, the Code of Conduct is backed up by a detailed Monitoring Guidance handbook, which is available on the FLA website [5].

The Monitoring Guidance provides a set of 'Compliance Benchmarks' setting out the precise requirements attached to each provision of the

[5] www.fairlabor.org

Code of Conduct. Where the Code of Conduct requires that 'There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.' the Monitoring Guidance provides 15 benchmarks which define more precisely how this should be interpreted.

Such a format might be adopted for a global SFE Standard. This would allow the standard itself to be kept short and accessible, while reducing the risk of misuse by defining separately and more comprehensively indicators or benchmarks for how each requirement should be interpreted by certification bodies.

5 Next steps

According to this analysis, the current FSC standards create specific barriers for SFEs in achieving certification. A number of practical steps which would facilitate a process to ease the barriers are outlined below.

5.1 Action or Research?

It is evident that further primary research would usefully contribute to the debate and ensure that changes do not lead to a two-tier system of certification. More field level research is needed, in particular aimed at:

- field assessments of the criteria which could be used for identifying SFEs;
- a comparison of the requirements provided by group certification schemes who already deal with this problem for their members;
- field comparison of the application of a SFE standard and the existing standards to see whether the results of assessments are significantly different;
- more primary research to evaluate other problems faced by SFEs in relation to forest certification, and their relative importance compared to barriers caused by the standard itself.

However, as discussed in Section 1, there is already plenty of evidence of the difficulties faced by SFEs and sufficient knowledge to suggest that action needs to be taken now. Options have been suggested which would benefit from practical field trials.

5.2 Criteria for identifying SFEs

Regardless of the approach which is taken to developing specific requirements for SFEs, it is necessary to agree a clear definition for identifying SFEs. A number of criteria for this are outlined in Section 2.2. Two aspects need to be tested:

- the criteria themselves need to be evaluated. There may be other more appropriate criteria.
- the thresholds for each criterion (required in Steps 1 to 7 of Figure 1) need to be determined for each country.

Tests of the criteria need to be done in several countries and regions. These could include:

- Bolivia, which already has extensive experience with forest certification and an endorsed national standard, but no forests smaller than 30,000ha have been certified. Community forests in Bolivia would provide useful experience of the options of their inclusion in the definition;
- South Africa, where there is no endorsed national standard, but considerable experience of certification. Outgrower schemes and small private plantations are an important part of the forest sector. Previous research has been carried out here on forest certification by the International Institute for Environment and Development [6]
- A European country, such as Finland, Germany or Russia, where there are a large number of SFEs, comprising an important economic sector and considerable antagonism to FSC certification.

5.3 A participatory process

The development of guidelines or a SFE standard will, by definition, need to encourage or require the participation of owners and managers of small forests. This may be problematic for the reasons which tend to exclude SFEs already: lack of time, funds or ability to participate. Given the difficulty which many small forest owners find in attending urban meetings, it is suggested that any process for developing a standard, whether global or national, needs to involve as many SFEs as possible. This will involve:

- focussing on countries where there are a large number of SFEs and experience of forest certification (eg. Bolivia, South Africa, Finland, UK, Costa Rica, Solomon Islands);
- being as field-based as possible;
- providing adequate funding to enable SFEs to participate.

Where national initiatives are working on the development of standards, ensuring that there is always representation of SFEs on working groups would also be useful.

5.4 Other barriers

This report has dealt only with issues related to the standards themselves. There is no doubt that a number of other barriers to certification exist for SFEs These include:

- the cost and complexity of the certification process itself;
- the difficulty which faces many SFEs and community forests in implementing good forest management;
- fulfilling market demands for quality and quantities of products, following certification.

Developing responses to these issues will be as important as those related to the standard.

[6] J. Mayers, J. Evans and T. Foy, IIED October 2001. Raising the stakes: impacts of privatisation, certification and partnerships in South African forestry