

*An analysis of current FSC
accreditation, certification
and standard-setting procedures
identifying elements which create
constraints for small forest owners*



Getting small forest enterprises into certification

An *analysis* of current FSC accreditation, certification and standard-setting procedures identifying elements which create constraints for small forest owners



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1 Summary

1.1 Definition of 'small forest enterprise'

It was identified that there is no accepted definition of 'small forest enterprise' and that this may be contributing to the problem. Therefore it is recommended that:

- a definition of 'small forest enterprise' be developed by the Forest Stewardship Council (FSC) which takes into account a range of factors including size, intensity of management and ecological and social importance
- the definition be generic to allow further interpretation by FSC working groups and/or certification bodies at a national or regional level
- a methodology is developed to allow a simple questionnaire to be developed based on the national definition which will allow forest managers to carry out a self-assessment.

1.2 An analysis of the problem and current initiatives to overcome it

An examination of the issues suggested that small forest enterprises do face genuine problems related to cost, compliance with the standard and access to certification (see Section 4.1 for further details).

An analysis of the current initiatives which aim to overcome some of these problems showed that some are very promising and others less so:

- group certification appears the most promising, the main shortcoming being lack of availability of a group scheme for many small forest enterprises
- subsidies and support from external parties may be useful in some situations but raise questions of long-term sustainability
- a more streamlined certification process could provide a solution for the larger small forest enterprises, but cannot solve the problems of the smallest players
- regional certification poses several serious issues, though it may be appropriate under certain exceptional circumstances

- categorising the products of small forest enterprises as 'neutral' to avoid certification altogether probably creates as many problems as it solves.

It is recommended that in addition to continuing to support the more promising of the initiatives described above, the FSC also considers the recommendations below relative to the accreditation requirements, certification process and standard.

1.3 Accreditation

An analysis of the current accreditation requirements suggested that there is little scope for simplification without undermining the credibility of the FSC system and its accredited certifiers. However, it was recognised that the current system results in accreditation being expensive and technically demanding and this has two consequences:

- firstly, unless certification bodies are subsidised, accreditation costs are passed on to the certification applicants, thereby increasing the cost of certification
- secondly, to ensure access to certification it is essential to have local certification services, but the cost and complexity of the current requirements makes it unlikely that local organisations will be able to implement the requirements, particularly in countries which do not use English or Spanish (the only two official FSC languages) or pay for accreditation without support.

Two possible solutions to this were identified:

- firstly, the provision of 'generic' certification systems for prospective certification bodies, together with support and training. This could be provided by a certification body, a donor organisation, government, private companies or anyone else. This should overcome the main technical barriers, but the prospective certification body would still have to pay the costs of accreditation
- secondly, the use of networks or partners by existing accredited certification bodies. This is already being used by several certifiers and has proved an extremely efficient way of providing

both the technical support required to run a certification service and a very cost-effective way of providing access to accreditation.

It is recommended that the FSC clarify their policy in relation to both of the approaches to increasing the availability of local certification services described above.

1.4 Certification

The FSC certification process can be divided into two parts:

- the technical assessment of compliance with the standard through the collection of objective evidence by an assessment team
- the requirements included to increase the transparency of the process.

It was concluded that there is little scope for reducing the technical requirements of the assessment process for small forest enterprises, since they are the main component of certification. However, it does appear that there is some scope for reducing the requirements relating to transparency of the process, since most stakeholders are concerned about large, not small, forest certifications.

It is recommended that the FSC review the current requirements related to transparency in the certification process for certification of individual small forest enterprises, and considers simplifying them as suggested below:

- **stakeholder consultation** a minimum requirement to inform stakeholders should be sufficient
- **peer review** not necessary for small forest enterprises
- **public summary** a very brief summary specifying the location, size and type of forest, the justification for it being a 'small enterprise' and details of any non-conformances addressed
- **language** all documentation other than the public summary (see above) to be in the local language to avoid translation costs
- **public summary of management plan and monitoring results by the certified enterprise**

not required provided visitors to the forest are allowed access to the full plan and results of monitoring.

It is not recommended that the above applies to certification of group schemes for small forest enterprises, but it could apply to the group's internal requirements.

1.5 The standard

It is clear that the standard creates a number of barriers for small forest enterprises. In particular (see Section 7.1 for details):

- it is long, including 10 Principles and 56 Criteria even in the generic form, and often much longer in a national standard, occupying 30 to 40 pages or more. This is very intimidating for people with low literacy levels or not used to dealing with documentation
- it is written in very complex language which is not immediately understandable to many forest owners and managers and is almost incomprehensible to those with little education
- the requirements are often aimed at large forests so that even if they are understood, it is not clear how they should be applied in a small forest
- some requirements are simply inappropriate for small forest enterprises and an attempt to implement them contributes nothing to sustainable forest management but significantly increases costs.

It is recommended that:

- the FSC reconsiders the way national standards are developed to ensure that consideration is given to interpretation for small forest enterprises which uses appropriate language and interpretation of the requirements
- a form of the national standard is produced for small forest enterprises which uses simple, straightforward language and which makes it clear:
 - which requirements are already required by law, so that legal compliance is sufficient

- how to interpret those requirements which need a special interpretation
- which requirements do not apply to small forest enterprises
- the FSC consider requiring a format for national standards which includes a number of sections:
 - **requirements** the actual standard written in concise, precise language which is kept as simple as possible
 - **guidance** a second section which provides guidance on how each requirement should be interpreted. This would provide an opportunity to give specific interpretations for small forest enterprises
 - **means of verification** by providing suggestions about how compliance should be verified, standard-setting bodies are forced to think about the practicality of the requirement, forest managers are given a clearer understanding of what is expected of them and certification bodies are made to be more consistent in their approach.

It should be relatively easy to take such a document and extract the specific requirements for small forest enterprises in order to produce a shorter, simpler standard.

2 Introduction

Since its establishment the FSC has always stressed the importance of certification for small forest owners. However, by January 1999, of the 15 million hectares of forest certified, only about 1% were ‘small, private’ forests (Thorner, 1999). The proportion of total certificates issued which have gone to small forests is much higher – the very low hectareage in part reflects the fact that small forests are small. Despite this, however, the fact remains that the majority of certified forests are medium to large commercial ownerships, and in many countries particularly in Europe, small forest owners remain opposed to the FSC due to a perception that it is too expensive and difficult for small owners to achieve (Lindahl and Garforth, 2000).

A number of reasons have been suggested for this. Larger companies have better resources to understand and implement the requirements of certification. They are often closer to the market and respond more quickly to market demand. There is frequently less resistance to change in larger companies, particularly those which are vertically integrated and already have some experience of standards and certification within manufacturing divisions.

However, it has also been suggested by a number of players in the system, including FSC working groups, certification bodies and small forest owners themselves, that the system is too complex and expensive thereby causing unfair constraints for small forest owners wishing to get their forests certified.

Therefore, this study was carried out to do two things:

- to establish precisely what the problem is and examine whether current measures are, in fact, already sufficient to overcome any constraints
- to analyse the key components of the FSC system in order to identify whether they contribute to the constraints identified, and if so if there is any scope for reducing or removing them without compromising the overall credibility of the system.

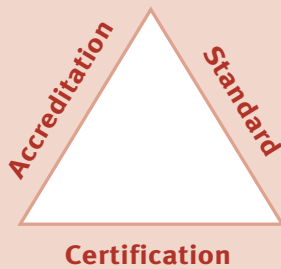
We begin by looking at the problem in more detail to establish whether it really exists, or whether it is more a question of perception. We also examine whether the initiatives already in place to try to help small forest owners are, in fact sufficient.

We then move on to an analysis of the FSC system. There are three key parts to any credible certification system, including that of the FSC. These are accreditation, certification and the standard. The role of each is further explained in Box 1. The review of the FSC system looked at each of these three aspects of certification and each is reported in a separate section below.

However, it quickly became apparent that before it was possible to analyse issues causing constraints for small forest enterprises, a clear definition of ‘small forest enterprise’ was urgently needed.

Box 1 The FSC certification system: Accreditation, certification and standard

The three requirements of a credible certification scheme are often represented schematically as the three sides of a triangle in an attempt to emphasize that each one is an essential part of the whole.



Standard The standard must be clear, unambiguous and publicly available so there is clarity about what compliance with the standard means. The FSC has developed the international Principles and Criteria (FSC P&C) which are designed to form the basis for national or regional standards currently being developed by FSC working groups around the world. In the absence of a national standard, certification bodies are required to produce an ‘interim standard’ based on the P&C. *The P&C appear in full in the documents list section of the FSC website, www.fscoax.org.*

Certification All certification against the standard must be carried out by third party, independent organisations following clear, defined procedures. Certification is not usually carried out by the organisation which developed the standard, but rather by organisations specialising in certification called certification bodies. Certification bodies must have the systems, procedures and personnel to ensure credible, replicable certification of forest organisations against the standard. The FSC Accreditation Manual provides the ‘standard’ that certification bodies must meet to be accredited. To ensure a consistent and high standard of certification, the certification bodies must be approved and monitored through an accreditation programme.

Accreditation This is the process of ‘certifying the certifiers’ and must be carried out by a competent, independent body capable of ensuring that all certification bodies provide a consistent interpretation of the standard through approved procedures and processes. The FSC is responsible for accreditation of certification bodies wishing to certify against the FSC standard.

Indeed, it may be that some of the confusion that currently exists about how to support ‘small’ forest enterprises is the result of the lack of a clear definition. Therefore, this report begins with a discussion about how to define ‘small forests’.

3 Defining ‘small forest’

3.1 Introduction

Although the discussion about ‘small forest owners’ and ‘small forest enterprises’ has been going on for some time within the forest certification community, there has never been any clear definition about what is meant by ‘small’. This is very important since proposals for approaches which might be acceptable for ownerships of less than 10 hectares might not be acceptable for an ownership of 100 hectares or 1000 hectares. Therefore, it is proposed that the FSC develop a standard definition for a ‘small’ forest management unit or ownership.

When considering ‘small’ forests, it is first necessary to ask why they should be treated as a special case. It appears that there are at least three reasons:

- **Costs** Small forests don’t generate much income and so certification has to be cheap if it is to be viable. There is a very significant economy of scale for larger organisations seeking certification and the relative cost per hectare or per cubic metre of wood produced increases rapidly with decreasing size (see Section 4.1). This does not appear to be equitable.
- **Risk** If a large forest fails to comply with the standard, the impact of that non-compliance will have a large impact and therefore a rigorous certification process is justified. However, if a small forest fails to comply, the impact is likely to be much lower. Therefore, it can be argued that a less rigorous process is justified because the risk if the certification body fails to identify a non-conformance is much less.

- **Feasibility** Several requirements of the standard, while both appropriate and necessary for a large forest area, are either inappropriate, unnecessary or even impossible to implement in an area less than a certain size. Though this cutoff point is not precise, most people realise it exists and that operations below the cutoff point should not be treated the same as those above it (see Section 4.1 and 7.1).

Thus, it is clear that ‘small’ does not necessarily apply only to areas less than a particular number of hectares. It also relates to production and income, impact (or risk of negative impact) and applicability of requirements. Therefore, a definition of ‘small forest enterprise’ is needed which takes into account these factors.

In addition, the definition will differ in different forest types, locations and contexts just as the FSC national standards differ.

3.2 Proposed methodology

To capture all these considerations, the most appropriate way to develop the definition may be through a combination of generic requirements to act as a guide, together with a customised interpretation for each country. This could eventually be the responsibility of the FSC National Working Group, but could also be developed by certification bodies where no national interpretation had been agreed as occurs with national standards.

If this becomes the agreed approach, then it would increase transparency if the certification body submitted its interpretation to the FSC (both the national working group and the secretariat) for circulation to other certification bodies or made it available on a website. This would ensure that all certification bodies used the same interim definition while awaiting the final version developed nationally.

To make the process more replicable, the FSC could develop a standardised format for presenting and justifying the definition.

A proposed set of generic requirements is set out below in Box 2. It will be immediately clear that this raises two issues:

- **What will be the correct attributes of a small forest in each country?** This will not always be simple to agree and may require some discussion among interested parties
- **If the criteria are complicated, how will forest owners be able to check easily whether their forest meets the requirements of a ‘small forest’?** To address this issue, an example has been provided of a simple questionnaire which a forest owner could use to test whether his or her forest meets the requirement for ‘small forest’ (see Box 3).

4 The constraints faced by small forest owners – reality or perception?

4.1 What are the constraints?

There are three main issues which appear to cause problems for small forest owners wishing to certify their forests: cost, compliance and access.

Cost It is clear from an analysis of the total costs of certification for a range of forest organisations that the cost per hectare or cubic metre decreases with increasing size of the organisation being assessed (SGS QUALIFOR, personal communication) confirming that, in some situations at least, this is a real problem. There is a minimum cost to the FSC certification process beyond which it is no longer possible to reduce with decreasing size of organisation being assessed. The exact figure for this ‘minimum’ varies between countries and certification bodies, but a figure of US\$1,000 is probably an absolute minimum for a full certification without subsidy. Clearly, for small areas of forest this is a very high cost.

In addition to the costs of certification, there is also a cost associated with compliance. This is a more complex area. It is clearly a real issue since certification bodies all have examples where they have required improvements which certainly had associated costs prior to certification of small forest areas. However, it can be argued that if the

Box 2 Proposed set of generic requirements to define ‘small forest enterprise’

Criterion	Requirement
Size	<p>While not the only important factor, size is a key variable and in most contexts it should be possible to categorise all forests below a certain size as ‘small forests’. Once this minimum size has been decided, any forest ownership smaller than this is automatically considered ‘small’.</p> <p>There will be many forests larger than this minimum size which, if the other criteria below are met will also be considered small. However, there will be a cut-off point, above which no forest can be defined as small. This maximum size should also be defined.</p> <p>For example, if the minimum size is 10 hectares and the maximum size is 100 ha, then all forests less than 10 hectares in size are ‘small’. Forests between 10 and 100 ha in size will qualify as small if they meet the other criteria below.</p>
Exploitation rate (intensity of operations)	<p>Since the main impacts on forests are generally as a result of management operations, in particular harvesting, forests with lower production rates better fit the ‘small’ category. Therefore a maximum exploitation rate could be defined.</p>
Ecological importance	<p>Forests with a high ecological value will have a stronger negative impact if poorly managed and so require a rigorous certification process. Therefore, a definition of maximum ecological importance compatible with the ‘small forest’ definition will be needed. This could be based on factors such as the area or number of sites of high conservation value, the likelihood of rare species or the importance for water and soil protection.</p>
Social importance	<p>Forests with major social importance will have a stronger negative impact if poorly managed and so require a rigorous certification process. Therefore, a definition of maximum social importance compatible with the ‘small forest’ definition will be needed. This definition should capture the importance for the local community whether for subsistence, employment or recreation. It may also be appropriate to recognise specific situations, for example where all work is done personally by the owner and his/her family.</p>

Box 3 Example of the type of simple questionnaire which could be used to assess whether a forest is a ‘small forest’ or not This type of questionnaire, which could be developed once a definition for the country had been finalised, should be straightforward enough to be understood by a small forest owner

Questions must be answered in order	Response	
	Yes	No
1 Is the forest ownership less than A hectares?	Small forest	Go to 2
2 Is the forest ownership between A and B hectares?	Go to 3	Not a small forest
3 Is the proportion of the forest area harvested over any five-year period less than C %?	Small forest	Go to 4
4 Is the proportion of the forest area harvested over any five-year period between C and D %?	Go to 5	Not a small forest
5 Is the area of the forest defined as a ‘special conservation area’ less than E %?	Small forest	Not a small forest
6 Is the forest more than F km from the nearest community of more than 500 people? (There may be other, more suitable, social indicators)	Small forest	Not a small forest

costs are associated with implementing good forestry then they are necessary costs. However, a problem does arise when the requirements for compliance are inappropriate for a small forest. This is discussed below.

Compliance The second problem faced by small forest owners is that of understanding and implementing the requirements of the standard. This is discussed in more detail in Section 7, but can be divided into two basic difficulties:

- Firstly, the standard is long, complicated and uses complex language. Discussions with certification bodies and others working with certification leave no doubt that for many owners and managers of small forests this is a huge barrier. The FSC standard contains 10 Principles and 56 Criteria. For a small farmer who may be only barely literate, the length of the document is already a serious impediment.

If he or she overcomes this and begins to read it, the next problem is the type of language used. While a requirement such as *'you must protect the soil from erosion and make sure streams and lakes are not damaged'* might be understandable, the actual text of Criterion 5.5 'Forest management shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources...' is much less clear

- Secondly, the way the standard has been developed, the requirements are much more adapted to large forest areas than to small ones and even where the owner understands a requirement, they are unsure how to implement it in their situation. A good example of this is Criterion 6.4 which requires that *'Representative samples of existing ecosystems within the landscape shall be protected in their natural state...'* It is clear what this means for a large forest, but much less clear what it means for someone with 15 hectares.

While there has been no formal study of these problems, most certification bodies have evidence of all of the above difficulties from clients and prospective clients.

Access Finally, a problem which seems to be emerging is that in some places small forest owners are finding it difficult to gain access to certification. This is particularly a problem in countries where no certification has yet occurred and where there is no FSC working group or certification body available. In such cases, a small forest owner would have to contact a foreign organisation, probably in another language, in order to proceed with certification.

Since the result of this problem is likely to be the failure of the small forest owner to make contact with a certification body, it is almost impossible to gauge how widespread the problem is. However, one source of information comes from international certification bodies with offices in many countries which, if they receive enquiries, are able to pass them on to their colleagues in the forest certification division even if they are not involved in forest certification themselves. Based on this information, it appears that the lack of local certification capacity is now beginning to be a barrier for small forest owners in some countries (SGS QUALIFOR, personal communication).

4.2 Current initiatives

There has been an awareness of the potential problems faced by small forest owners for some time, and a number of initiatives have already been developed to try to address these problems. These include:

Group certification This is probably the most promising initiative. By forming a group which seeks certification as a single entity, small forest owners gain some of the economies of scale enjoyed by their larger competitors.

There are two types of group scheme, conventional and resource manager. The conventional group consists of a group manager who defines requirements for membership and then co-ordinates and monitors the activities of group members, each of whom manages their own forest. The resource manager, on the other hand, actually manages the members' forests on their behalf, making this type of group somewhat simpler to manage and certify.

An analysis of group schemes in Europe suggests that the members find that they work well and are satisfied with this method of gaining access to certification and have not found the costs excessive (Lindahl and Garforth, 2000). Experience elsewhere suggests the same. However, group schemes are only available in some places and there are many small forest owners who do not have access to such a scheme.

Subsidies Many small and community enterprises have had their certification costs subsidised by external parties such as donor organisations or customers. A recent review of this practice suggests that, while it can be useful in helping to develop forest management, it also runs a high risk of being unsustainable and collapsing if the external funding is removed (Thornber and Markopoulos, 2000).

Therefore, if this approach is to be used, there needs to be careful thought about what the most appropriate input should be.

Neutral categorisation It has been suggested (FSC Guidance for Certification Bodies, Subject 2.21) that the FSC should allow the products from small forests to be automatically included in a neutral category so that they do not need to undergo certification.

However, this raises two problems. Firstly, many small forest owners want to have access to markets for certified timber, not have their timber classified in a 'second class' neutral category. Secondly, use of a neutral category for small forests raises many issues for chain of custody which may, in the end, be as expensive to resolve as the cost of certification for the forest.

Regional certification A solution proposed, and now implemented by Pan European Forest Certification scheme (PEFC). This approach recognises the fact that in many European countries there is strong government control of the management of small forests and uses these existing structures as the basis for certification.

This approach has two major advantages. Firstly, because it uses structures which already exist, the cost is kept to a minimum. Secondly, because an

entire region is certified at one time, the chain of custody for the products is relatively simple.

Two concerns have also been raised about this approach. Firstly, in the regional approach, all small forests in a region are automatically certified unless the owner actively refuses to be involved. This is extremely unusual in certification where the normal practice is to require active agreement to certification. This is because certification assessments usually identify areas where improvements in management are required and it is much more likely that a forest owner actively agreeing to be certified will undertake these improvements than a forest owner who does not even realise that his forest is being assessed. In the case where the regional management entity acts as a resource manager – i.e. is fully responsible for planning and implementing all management activities in all forests – this may not be a problem since the entity agrees to be certified and is fully responsible itself for undertaking improvements. But in the situation where individual forest managers themselves are responsible for some or all of the management, there is clearly a serious issue.

Secondly, regional management entities only exist in a form which is genuinely appropriate for certification purposes in some countries, but already there is growing pressure from countries and regions without adequate structures to be able to use the same low-cost approach. This could result in a serious undermining of the credibility of certification.

Streamlined individual certification Finally, some certification bodies are seeking to find ways of streamlining their certification procedures to minimise the expense for small forest enterprises. This may be a useful approach for larger small enterprises, but still does not solve the problem for the really small forests.

4.3 Constraints: the conclusions

There were two conclusions:

- some small forest enterprises do face genuine barriers when wishing to get their forest certified

- some of the current initiatives aimed at dealing with this problem show great promise, but are not yet sufficient to remove barriers for all small forest enterprises. Therefore, an analysis of the current FSC certification system (accreditation, certification and standard) is needed.

5 Accreditation requirements

Accreditation is a key requirement for the credibility of any certification scheme. A good accreditation scheme will ensure that:

- all accredited certification bodies are properly organised to carry out independent verification with all the necessary internal systems and procedures
- staff within the certification body are adequately trained to do a professional and consistent job
- the certification programme developed by the certification body delivers replicable and consistent results
- there is consistency between all certification bodies so that each delivers the same result.

It is these accreditation requirements and the way they are implemented which makes the certification scheme what it is.

However, both the cost and the complexity of accreditation is likely to have an impact on the access to certification for small forest enterprises:

- **cost** certification bodies (unless they are subsidised) have to pass the costs of accreditation on to their clients, so the cost of accreditation is likely to have a direct impact on the cost of certification
- **complexity** small enterprises are likely to find it easier to seek certification from a local certifier, but the availability of this local service is likely to depend on both the costs and the complexity of the requirements.

Therefore, the issue raised is whether it is possible to reduce costs and complexity while maintaining

the robustness and credibility of the accreditation process.

5.1 Costs related to the accreditation process

Part of the cost that each operation seeking certification has to pay is a contribution to the costs of accreditation of the certification body.

Accreditation costs are made up of three parts:

- the cost of developing a certification system which meets the accreditation requirements of the FSC
- the cost of being accredited
- the cost of annual monitoring.

Development of a certification system The FSC's requirements for accreditation are set out in its *Accreditation Manual*. The requirements are very detailed covering the organisational structure, internal systems and certification programme required by an applicant certification body. As a result, developing an organisation and certification programme which meets the requirements is complex and requires a reasonable level of understanding of certification and accreditation processes. Although no precise figures are available from any certification body, the cost of developing a certification system which meets FSC accreditation requirements is generally very high involving one or more people working full time for several months.

The *Accreditation Manual* requirements for certification bodies were reviewed in some detail to assess whether any of the requirements might be simplified or removed. Each one was reviewed to assess what the effect of removing it might be in terms of both costs and benefits. These were:

- simplifying the accreditation process to reduce the cost of getting accredited
- reducing the credibility of the accreditation system by removing some of the requirements.

The result of this analysis (see Appendix 1 of the *Manual* for further details) was that there does not seem to be much scope for reducing or simplifying the requirements for the structure and functioning of a certification body if the current high standard

and credibility of FSC certification is to be maintained. Any simplification of these requirements would be offset by the potential loss of credibility and consistency in certification bodies. However, there does appear to be some scope for flexibility in the requirements for the certification process which is discussed further in Section 5.

Initial accreditation process The initial accreditation process involves a review by the FSC of all the systems and documentation produced by the certification body, followed by office visits and observation of assessment work in the forest. This involves a time input from the FSC which must be paid for. This cost again seems unavoidable since the process described above is the minimum likely to provide internal and external credibility.

An additional cost is the time input by the applicant certification body. Currently, this is probably greater than necessary as the accreditation process tends to be long and time-consuming. This is predominantly due to resource constraints within the FSC, but may be an area where reductions in cost can be made.

Annual monitoring Annual monitoring of certification bodies by the FSC is an essential part of the maintenance of a credible certification system. The cost of annual monitoring is generally less than that of the initial visit and since, by this time, certification bodies have a growing income from certification work and a growing number of clients to share the cost, it is less likely to cause any difficulties.

5.2 Cost-effective accreditation for local certification bodies

The availability of local certification bodies is an important part of making certification available to small forest enterprises for two reasons:

- they are able to provide information and a certification service in the local language and in a way appropriate for local culture
- they are likely to be less expensive than certification bodies coming in from other countries since there are no travel costs and personnel will

be employed at local salaries. This is likely to be particularly important in low-income countries.

However, the FSC accreditation requirements result in a number of barriers to the development of local certification bodies, particularly in low-income countries.

Costs As discussed above, there is a significant cost associated with the development of a certification system and with gaining accreditation. Both these costs occur prior to any income being generated from certification work, and thus represent a substantial investment. Many organisations which are interested in becoming FSC-accredited certification bodies are likely to find these costs too much of a barrier.

Technical requirements Developing a system which meets the FSC requirements is a complicated and specialised undertaking. In many countries there are few people with the technical training and understanding to implement all of these requirements. Therefore, local organisations wishing to develop certification may find it difficult to recruit experienced personnel.

Changes to FSC requirements and policy Linked to the complexity of the FSC accreditation requirements are the relatively frequent changes in both the requirements and the associated policy which certification bodies must understand and implement. This has a considerable cost in terms of time taken to monitor, review, comment on and implement changes.

Language The FSC has only two working languages, English and Spanish. FSC documentation is produced in these two languages and all documentation from an application certification body must be submitted in one of the two. Therefore, any organisation wishing to seek accreditation must be able to operate in English or Spanish. This is a serious obstacle for smaller organisations in countries where neither English nor Spanish is regularly used.

The combination of these factors appears to make it unlikely that many local organisations will seek FSC accreditation without some type of external

support or encouragement. This is especially so since experience to date has shown that the income generated by FSC-certification work is initially low in most countries and often continues to be sporadic and uncertain.

Therefore, it seems essential that if local FSC-accredited certification services are to be available, particularly to small forest enterprises, there will need to be external support. The review team identified two approaches, both of which are already being used by existing accredited certification bodies:

- the provision of support, training and ‘off-the-shelf’ documentation to applicant certification bodies
- the use of certification partnerships or networks.

Support for prospective certification bodies

The review identified that the main barrier facing local small and medium organisations seeking certification initially is the cost and complexity of developing a certification system which meets accreditation requirements. If such a system can be supplied ‘ready-made’ together with training to ensure its correct and efficient use, much of this cost could be removed. Costs of translation into the local language would still have to be addressed, but this is small compared to development of the system from scratch.

This approach is already being pioneered by one certification body which has a mandate to support the development of independent certification bodies. The results so far look positive and have shown that there are a number of advantages:

- it reduces the initial costs of developing the system and automatically provides technical support
- it increases local empowerment and is likely to result in a strong relationship between the certification body and the client
- it avoids delays associated with communication with an international headquarters which multi-

national organisations face (see also ‘Certification networks’ below).

As this approach is relatively new, it is not yet clear if it will reduce the costs of the accreditation process by the FSC. However, it seems likely that there are two reasons why costs could be reduced. Firstly, in a normal accreditation process significant time (and therefore money) is spent on identifying where the system does not meet the accreditation requirements and addressing these shortfalls. A generic scheme should be in compliance immediately. Secondly, if the approach and documentation is familiar, it will probably take less time (and therefore cost less) for the FSC to review.

One possible drawback is that it does not reduce the costs of monitoring and implementing ongoing changes to FSC policy and requirements which can be substantial.

Although so far this approach has only been adopted by a certification body, it does not have to be undertaken by an accredited organisation, since each recipient seeks its own accreditation directly from the FSC. Therefore, it could be undertaken by other organisations such as donor agencies, government or private companies.

Certification networks

An alternative, which is already being used with great success, and which can only be used by certification bodies which are already accredited by the FSC, is the use of partnerships or networks. Under this system, an accredited certification body forms a partnership with an organisation in a new country. The organisation is trained to operate the certification body’s accredited system on its behalf and thus becomes an extension to the certification body.

As with the approach above, this system allows the new organisation access to a fully developed system without any of the development costs and it ensures the technical support required to implement the system.

In addition, it allows the new organisation to

operate under the existing accreditation. Though the cost of the annual monitoring visits carried out by FSC will gradually increase as the number of partners increases, the cost is spread over all members of the network and so is much less than the amount that would be paid by each member for individual accreditation. In this, there is a strong parallel with group certification schemes.

A further advantage of the use of networks is that the cost of ongoing compliance with developing FSC policy and requirements is shared between all the partners, and can be co-ordinated by the accredited entity at the centre of the network.

Finally, in countries where forest certification is slow to develop or there is not much forest (i.e. where certification alone cannot provide a sustainable income) partners can be chosen which offer other services besides forest certification. This approach (partners doing both certification and other work) poses some issues of ‘conflict of interest’ which must be recognised and managed but may still be one of the best options for ensuring that a local certifier exists in some countries.

5.3 Accreditation limited to ‘small forest enterprises’

Finally, the question as to whether a simplified accreditation procedure could and should be developed for certification bodies aiming to work exclusively with small forest enterprises. The advantages of this approach would be that accreditation requirements would be simpler and could therefore be implemented more quickly at less cost, and that the accreditation process would be easier thereby encouraging more organisations to seek this type of accreditation.

However, such an approach would run a serious risk of creating a ‘two-tier’ image of certification bodies and possibly even create a ‘two-tier’ certification. This would be likely to seriously undermine the image of the FSC and of its ‘small enterprise’ certificates.

In addition, it would require significant resources to develop and implement such an accreditation system within the FSC.

5.4 Accreditation: the conclusions

There does not seem to be much scope for simplifying the FSC’s requirements for the systems and organisation required of certification bodies if the credibility of the FSC certification scheme is to be protected. However, there are approaches which could help to ensure that the accreditation requirements are not a barrier to small forest enterprises either because of costs or because of the lack of local certification expertise:

- **Support the development of certification networks or partnerships** Currently, although this is allowed by the FSC, the policy is not completely clear and needs to be fully agreed and implemented. In order to do this it may be useful for the FSC to define more precisely the rules for establishing and maintaining partnerships of this sort.
- **Support the development of training, support and ‘off-the-shelf’ accredited programmes** This should not be done by the FSC itself, as it would be a conflict of interest for an accreditation body to provide such a service, but should be supported by certification bodies, donor organisations, governments, companies and others interested in supporting access to certification.

Both of these approaches should reduce costs and ensure increasing local availability of certification bodies.

While there is little scope for simplification of the institutional requirements for certification bodies, there may be some scope for simplifying some of the accreditation requirements for the certification process. This is discussed in the next sections.

6 Certification requirements

6.1 The certification process

The forest certification process required by the FSC is a long one taking a minimum of two to three months (see Box 4 for details). By comparison, an ISO 9000 certification or even an FSC

Box 4 The certification process required by the FSC

- 1 Pre-assessment or scoping visit
- 2 Development of interim local standard if no FSC standard exists
- 3 Stakeholder consultation (at least 4 weeks prior to main assessment)
- 4 Main assessment (review documents, visit forest, interview staff and stakeholders)
- 5 Report writing
- 6 Peer review
- 7 Certification decision
- 8 Public summary report made available
- 9 Ongoing surveillance

chain of custody certification can easily be set up, carried out, reported and a certificate awarded within a week (though in reality it is usually somewhat slower!).

Each phase of the process was analysed, as with the accreditation requirements to see whether it could be simplified or removed, and if so what the effect was likely to be. It was found that most parts of the process are necessary to a generic system which aims to provide a robust and credible system.

However, it also became clear through the analysis that the process could be roughly divided into two parts, requirements relating to:

- the assessment of compliance with the standard by the certification body
- making the process transparent.

The cost of assessing compliance with the standard by the applicant is the central job of the certification body and there did not appear to be much that could be removed since such processes are well-defined internationally. Despite this, it appeared that it may well be possible for certification bodies to make the process more efficient and still meet the accreditation requirements. This is discussed in Section 5.2.

The cost of ensuring transparency is a significant cost within FSC certification, but it has been a

very important part of building and maintaining credibility with a wide range of stakeholder groups and members. However, it is not clear whether the costs associated with ensuring transparency are appropriate for a small forest enterprise. This is discussed in Section 5.3.

6.2 Assessing compliance

The technical part of the assessment process involves the collection of objective evidence by an assessor (or assessment team) to establish whether the organisation being assessed meets the requirements of the standard.

Pre-assessment or scoping visit This is a preliminary visit made to a potential certification client to identify any gaps between current management and the requirements of the standard. This is not a requirement of the FSC, just a recommendation, but has been incorporated into standard practice by most certification bodies (and is increasingly recognised internationally as an important part of the certification process for a range of standards).

However, for small forests it may be an unnecessary expense which could be replaced by a self-assessment form or a phone call. Since it is only a recommendation in the *Accreditation Manual*, certification bodies have flexibility to make a change to their procedures without any change to the FSC's requirements.

Developing an interim standard Where there is an endorsed FSC national standard, certification bodies can use this for certification work. However, where there is no endorsed standard, certification bodies are required to develop an 'interim standard' to use for assessments. Once a certification assessment has been carried out in a country or region this 'interim standard' exists and can be used for any subsequent assessments.

A problem exists in the situation where there is no FSC national standard and no interim standard has been developed. While larger organisations are able to absorb the additional costs involved in developing an interim standard, it is likely to be a serious obstacle for a small forest owner.

Main assessment From a technical point of view, this is the main part of the certification process since it is the point where the auditor collects objective evidence of compliance. Therefore, this is a necessary part of the process whatever the size of the organisation.

Certification decision Again, this is an essential part of any certification process, whatever the size of the organisation seeking certification.

Overall, it appears that there is little in the technical requirements for certification which is either unnecessary or a specific barrier for small forest enterprises. The only exception to this is the need to develop an interim standard where none exists. This is addressed further in Section 7.

6.3 Transparency

A significant proportion of the costs of FSC-accredited certification are those associated with transparency of the certification process and on-going checks on the certification body. These include:

- **Stakeholder consultation** As part of the certification process, certification bodies are required to engage in a process of consultation with interested parties. This process currently varies between countries, certification bodies and forest types. In all cases, however, a thorough consultation process has significant costs.
- **Peer review of certification reports** (*Accreditation Manual* Part 3.2, Section 11.2.1) Currently all certification reports, even those for 'small' forests have to be reviewed by a minimum of two independent peer reviewers. Each of these reviewers must be paid. This adds both time and cost to the assessment process.
- **Public summary of certification reports** Certification bodies are required to produce a public summary report for every certification they carry out. This must be made available on a website and updated annually following the surveillance. The reports have to be relatively detailed, providing not only the results of the assessment, but a great deal of background

information. While this may be appropriate for medium and large operations, it is a significant burden on small operations.

- **Requirement for use of English or Spanish** Certification is now being carried out in many countries around the world. Organisations being certified usually wish their certification to be carried out in their own language. This is also preferred by certification bodies since it is vital for effective communication, both with the organisation and with local stakeholders. However, all public summaries must also be produced in either English or Spanish. Again, this is a significant cost for a small organisation.
- **Public summary of management plans** (Criterion 7.4) and **monitoring information** (Criterion 8.5) (*Accreditation Manual* Part 2, Section 3, paras 3.2, 3.2.1, 3.2.2) All certified organisations are required to produce a public summary of both their management plan and the results of their monitoring. For small organisations this is complicated and expensive. It can also be frustrating as it is extremely unusual that the information is actually requested by anyone.

Clearly, the combination of all the mechanisms described above, results in an extremely transparent certification process, particularly when it is compared to other types of certification such as ISO 9000 or ISO 14001. This has been an important part of building the credibility of the FSC among stakeholders and even with this level of transparency issues occasionally arise where a stakeholder wants even more information. However, so far this is always in relation to a large organisation. There has been no instance to date where complaints have been made about lack of transparency in the certification of small forests. This is despite that fact that with the growth of group schemes, the level of consultation and provision of information for individual small forests has decreased significantly.

Therefore, it is recommended that the FSC review each of the requirements above to ascertain whether they are really necessary to maintain cred-

ibility in the certification of small forest enterprises. In particular, the recommendation of the working group is that for individual certification of small forest enterprises:

- there is a very limited requirement for stakeholder consultation, for example that the forest owner is required to inform local stakeholders through a notice, letter or advert and that a list of all such forests is provided on a website
- there is no requirement for peer review for small forest certifications, but that the internal review and certification decision suffice
- a very brief public summary is sufficient, for example a short template which provides information on the location, size and type of the forest (including a justification for it being 'small') and any non-compliances identified and addressed as a result of certification. If this is made publicly available (for example on a website), stakeholders will then be able to contact the certification body if any issues arise
- all documentation other than the public summary can be produced in the local language, at least in countries with an FSC working group, and preferably everywhere
- small forest owners do not have to provide a summary of the management plan or monitoring results, provided that they make their full plan available to any interested party prepared to visit them in order to review the document.

For group certification, the situation is rather different since even a group which contains only small forest enterprises may overall be representing a large area of forest. Therefore, group schemes designed for small forest enterprises should not be treated as small forests by the certification body, but some of the internal group requirements could reflect the suggestions above.

6.4 Certification: the conclusions

An analysis of the certification process suggested that:

- the part of the certification process relating to the assessment by a certification body could not

be substantially simplified or reduced, but that certification bodies should be encouraged to review their own systems, in consultation with the FSC, and see if a more streamlined process could be developed for small enterprises

- the part of the certification process relating to transparency adds significant extra costs and may not be appropriate for small enterprises. Therefore, the FSC should reduce the requirements for individual certification of small forest enterprises.

7 Standards and standard setting

The FSC has created a set of international Principles and Criteria (FSC P&C) from which national or regional standards can be developed by national working groups. The standard is central to the credibility and the influence of the FSC since it represents the consensus of a wide range of stakeholders, ranging from industry to conservationists and from forest owners to indigenous people, about what constitutes 'sustainable' (or at least 'acceptable') forest management.

Therefore, it is extremely important that all certified forests meet the standard since this is what the FSC system has been developed to deliver. However, it is apparent from discussions with a wide range of forest managers that the standard itself often creates a barrier to certification.

In some cases the barrier is the result of the large gap between what is currently 'normal practice' in a particular country or region, and the much higher levels of performance the standard requires. The standard is high and many forest operations have to do a considerable amount of work to comply with it. This should not be automatically considered as a barrier, however, since it is precisely why the FSC was developed, and gradually both literature, e.g. Higman et al. (1999), and training and consultancy services are developing to help organisations to meet the standard. Even more importantly, the existence of the standard

seems to be influencing expectations of what is acceptable practice.

However, in many cases – and most especially for small forest owners – the barrier is not the result of the direct demands of the standard, but rather due to an inaccessibility in the way it has been written. This is discussed below.

7.1 Barriers created by the standard

It is becoming clear that for many small forest owners the standard is a problem not because of what is required, but more because of how the requirements are expressed, for several reasons:

- **Length** The international FSC Principles and Criteria contains 10 Principles and 52 Criteria. In national standards, each criterion is further elaborated by specific requirements. As a result, typical FSC standards are often 30 or 40 pages long. For many owners and managers of small forests it is very difficult to deal with such a document. Those who are unused or unable to read will be affected particularly badly.
- **Language** The FSC P&C and standards use language and phrasing which has not been designed to be easily accessible to forest managers. The issues are often addressed in a way which emphasizes their importance to the various stakeholder groups which helped develop the P&C, but does not reflect the type of language familiar to forest managers, e.g. *‘Ecological functions and values shall be maintained intact, enhanced or restored...’* This is not language which is likely to be understood by an uneducated farmer managing a small area of forest.
- **Clarity in implementation** Finally, the requirements of the standard are often worded in such a way that it is not clear, particularly for small forest owners, how it is intended that it should be implemented. Larger organisations have the skills and resources to make interpretations of requirements, but small forest enterprises usually have neither.

As a result, huge numbers of small forest owners, when presented with the FSC P&C or the national FSC standard are intimidated or alienated. Even those who persevere beyond the first impression of the length, complexity and unfamiliar language often find that they are simply unable to be sure what they are supposed to do in order to meet the standard.

Yet certifiers and group managers are already aware that much of the content of the standard can be removed or simplified for group members with small forests. This is generally for one of the reasons below:

- **The requirement is not relevant** In such cases, the entire section can be removed reducing the length of the standard and avoiding confusion, e.g. in areas with no indigenous people, Principle 3 is not relevant, in natural forests Principle 10 is not applicable.
- **The requirement is already a part of national or local law and routinely implemented** In this case, either it could be omitted from the ‘small forest’ standard or, if there is a concern that not all law is well known and implemented then the standard could be divided into two sections:
 - *‘The following are already legal requirements...’* (thereby providing a reminder)
 - *‘In addition, for FSC compliance...’.*
- **The requirement is worded in a way which is inappropriately complex for a small forest** This can be made much more specific for a small forest of a known type and location, e.g. *‘Forest management shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries’* (Criterion 5.5) is rather grandiose for a manager with 25 hectares and may be dismissed as ‘not relevant’ or ‘impossible’. However, a specific requirement to protect streams and other waterbodies and leave riparian strips to maintain the microclimate of fish habitat is both extremely important and easily understood and implemented.

- **The requirement is not feasible since it cannot realistically be implemented in a small area of forest** For example, the requirement that ‘*Representative samples of existing ecosystems within the landscape shall be protected in their natural state*’ (Criterion 6.4) is not really implementable in a 10 hectares forest. However, this could be replaced by ‘*all areas within 10 m of a stream and all statutory conservation sites must be protected from damage during operations*’ which is clear and implementable and probably the best that can be achieved in a small area.
- **The requirement is unnecessarily burdensome for a small enterprise and an attempt to fulfil it is unlikely to improve forest management** For example, the requirement that ‘*Management planning and operations shall incorporate the results of evaluations of social impact*’ (Criterion 4.4) seems rather excessive for the management of a 10 hectares woodlot, as does the requirement that ‘*Forest management should strive to strengthen and diversify the local economy ...*’ (Criterion 5.4). Neither of these seems an appropriate indicator of sustainable forest management in such a situation and their removal would not lead to reduced performance.

7.2 Standards: the conclusions

It is very clear that the length, complexity and, in many cases, lack of clarity of the standard is a serious barrier to implementation by small forest owners. Therefore, it is strongly recommended that the FSC develop an additional requirement for national standards groups that within, say, 12 months of having a national standard endorsed, a version is produced specifically for small forest enterprises.

This should aim to remove all unnecessary requirements and be as clear and specific as possible about all requirements which are included.

Alternatively, the FSC could require national initiatives to include specific information about interpretation for small forest enterprises with the national standard when it is submitted for endorsement. If this latter approach is taken, it

would still be useful to produce a version of the standard which includes only the information for small forest enterprises once the standard has been endorsed.

Perhaps the most effective way to achieve this is by producing standards in three parts:

- **Requirements** These should be as concise and precise as possible.
- **Guidance** For each requirement as much or little guidance as necessary could be given. In particular, this would allow provision of specific guidance on interpretation for small forest enterprises.
- **Means of verification** A third type of information which has proved useful is some outline of the type of objective evidence forest managers will be expected to supply and certification bodies to provide. This serves two purposes:
 - firstly, it forces the group developing the standard to think through how they expect each requirement to be verified, leading to a much better, clearer standard
 - secondly, it helps both certification bodies and organisations seeking certification to have a common view of how the assessment will be conducted.

This approach was used in the development of the UK Woodland Assurance Scheme (UKWAS) standard which was developed jointly by all stakeholders in the UK including the FSC and is equivalent to the FSC-endorsed national standard (UKWAS Support Unit, 2000).

8 Final issues

8.1 Generic certification programmes

An issue which was raised during the review is whether the credibility and transparency of the process would be increased, and the cost of certification decreased by the development of a single, generic FSC certification programme including an FSC-approved decision-making system.

Although this approach has several potential advantages in terms of replicability, ease of operation and transparency, it also raises many issues:

- it will reduce the choice, currently available to organisations seeking certification, about the way they want their certifier to work
- it will remove the flexibility to work in different ways in different countries and cultures as is most effective and appropriate
- it will mean that any weaknesses in the methodology are repeated by all certification bodies and therefore pose more of a risk to the system
- existing certification bodies would strongly resist a system based on those they have invested much time and money in developing being used by new competitors.

Because of the serious nature of the issues summarised above, this is raised as a discussion item only, with no recommendation as to whether or not it would be a good idea.

9 References

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