



Forest Stewardship Council®

Controlled Wood Strategy Process Discussion Paper Consultation Results

Compiled by Accreditation Services International GmbH

on behalf of FSC®

01 September 2017

1 of 39



Table of Contents

Executive Summary	3
Introduction	5
Demographic Distribution of the Consultation.....	6
Consultation Responses	8
Vision.....	8
Desired outcome 1: Increase in the area of FSC-certified forests	10
Desired outcome 2: Avoidance of unacceptable sources in the FSC system	19
Desired outcome 3: Enabling market access for smallholders	26
Desired outcome 4: Continuous improvement in forest management practices	33
Desired outcome 5: Shared understanding about the future of the FSC system and its impact among various groups of stakeholders.	37
Additional overall comments	39

Executive Summary

The FSC [Global Strategic Plan 2015–2020](#) states the ambition to more than double our share of global forest-based trade to 20 per cent by 2020. We will do this while strengthening our governance, transforming the way we work, and increasing the market value of FSC certification.

Backed up by calls from our members and guidance in FSC's *Implementation Plan*, created to help FSC take the necessary steps towards achieving the *Global Strategic Plan 2015-2020*, an interdisciplinary team of experts are facilitating a strategy development process with rigorous analysis and productive debate on the direction of a controlled wood strategy that comprehensively addresses the merits of 'mixed products'.

A delegation of the FSC membership representing economic, environmental and social interests met in Bonn, Germany in early 2017 for a workshop.

The product of the workshop was a set of five desired outcomes - or common ground all stakeholders believed to be critical elements for a controlled wood strategy:

- Increase in the area of FSC-certified forests
- Avoid unacceptable sources from entering into the FSC system
- Enable market access for smallholders
- Lead to continuous improvement in forest management practices
- Enable an understanding about the future of the FSC system and its impact among various groups of stakeholders.

In order to further develop the controlled wood strategy, FSC held a [30 day public consultation](#) that ended mid-June and in which more than 100 participants took part via the [FSC Consultation Platform](#). The purpose of the consultation was to verify or deny the desired outcomes from the workshop and to solicit best-known metrics to measure them.

The results from the consultation were analyzed in August 2017. The majority of respondents were buyers, traders, and sellers of FSC-certified wood (i.e. FSC certificate holders), equally representing largely importing and exporting countries. The second largest group of respondents came from the FSC membership, particularly from the economic chamber.

The consultation results show agreement that 'mixed products' are required to achieve the aspiration that the FSC share of global forest-based trade is 20 per cent as set out in the [FSC Global Strategic plan 2015-2020](#). The majority of stakeholders who were consulted believe that 'mixed products' are necessary for increasing FSC forest certification, explaining that you need wood from FSC-certified forests to



create a ‘mixed product’. Mixing increases overall demand for wood from FSC-certified forests and therefore certified area. There is no other economically viable alternative for the immediate future.

Respondents proposed the following, among others, to measure the performance impacts of the controlled wood strategy, in relation to the five desired outcomes:

Desired Outcome 1: Increase in the area of FSC-certified forests

- Change in volume of FSC-certified material in FSC-certified products
- Change in the amount of fully FSC-certified products
- Change in numbers from controlled wood certification to full forest management certification

Desired Outcome 2: Avoid unacceptable sources from entering into the FSC system

- Change in non-conformities in the system
- Change in the number of complaints

Desired Outcome 3: Enable market access for smallholders

- Change in number of small suppliers or number of owners in group certificates

Desired outcome 4: Continuous improvement in forest management practices

- Change in FSC risk assessment risk designations in each country over time
- Change in number of controlled wood certificates related to at-risk areas according to FSC risk assessments

Desired Outcome 5: Shared understanding about the future of the FSC system and its impact among various groups of stakeholders

- Change in opinions or comprehension on controlled wood through surveys
- Change in general assembly motions related to controlled wood

FSC will be taking these results forward as a baseline from which to further refine our position based on membership input at the 2017 general assembly (GA) in Vancouver, Canada. At the GA, a “fish-bowl” conversation will be held on topics pre-determined by experts representing the FSC governing chambers and stakeholder groups. The topics will be thematically aligned with the five desired outcomes of the controlled wood strategy discussion paper.

The feedback received in the fishbowl conversation will be included in the second controlled wood global strategy workshop, “Future Search for Controlled Wood”, in June 2018, in addition to the outcomes of the consultation, which will in turn provide the final input for the controlled wood strategy.



Introduction

This report provides the results of a international consultation carried out by FSC International on the strategic approach to be followed for FSC Mix products in the FSC system and consequently the concept for uncertified but controlled material to be included in mixed products.

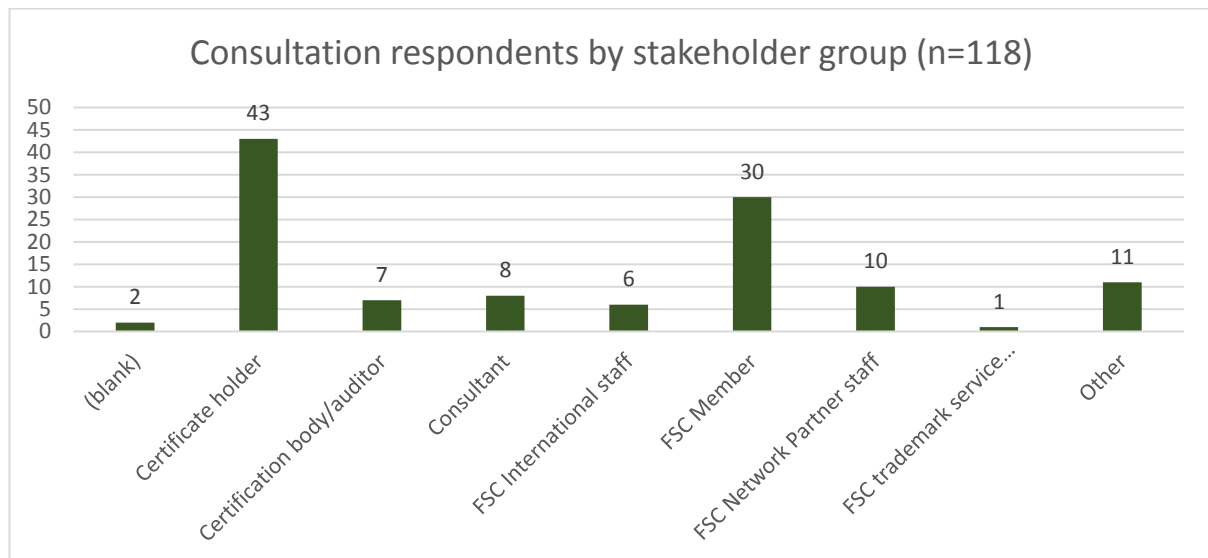
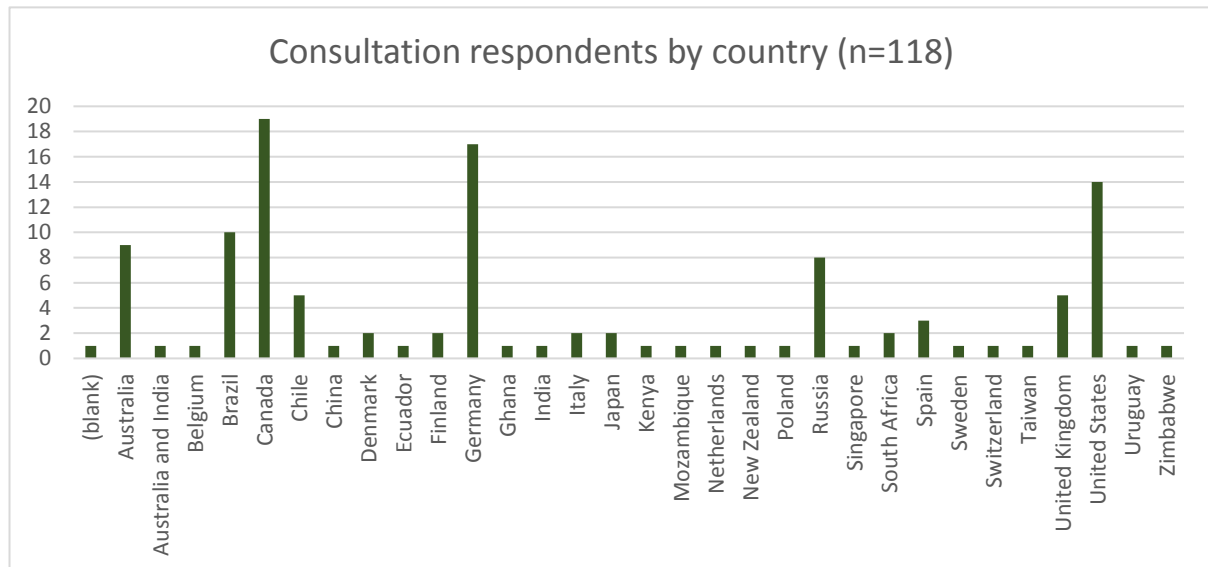
The consultation included two types of questions where general opinions could be given on a scale from 1-5 to pre-defined questions and open questions where respondents could give comments to certain aspects of the system and options for its development. The purpose of this report is to structure and summarise the comments received.

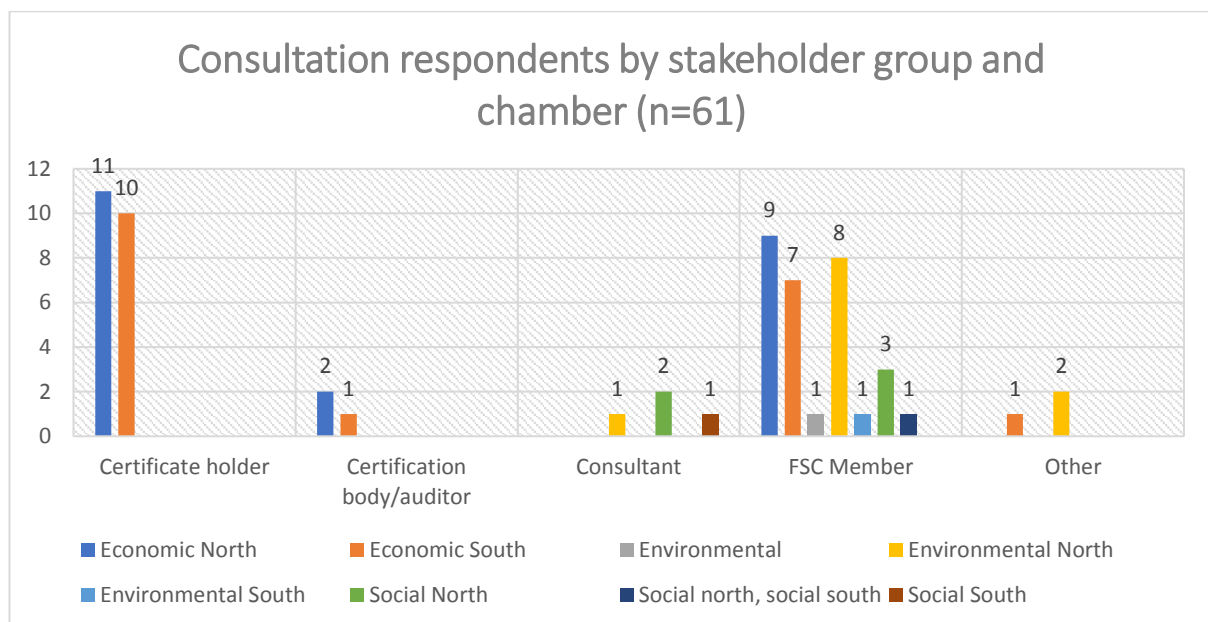
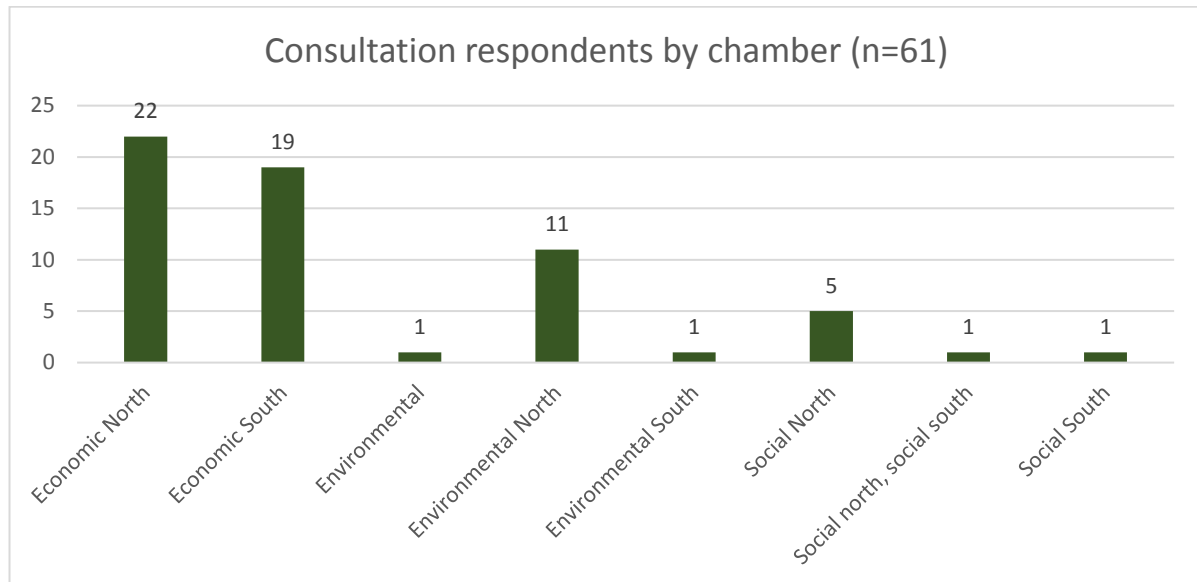
The results to numeric answers are given in graphs followed by a brief summary of the main outcomes. For the open questions, the main results are summarised together with the proposals made in the comments. The approximate number of respondents who favoured a certain approach is also added in brackets, if applicable. For each question where stakeholders could give comments, a brief analysis is added which highlights the main topics from the answers.

In most cases it was not possible to attribute the comment to a certain stakeholder group. The expressed opinions vary largely within the groups and the groups are too diverse so that a stratification on the basis of stakeholder groups is not meaningful.

The outcomes of the consultation are presented below, aggregated qualitatively by theme or topic when necessary.

Demographic Distribution of the Consultation

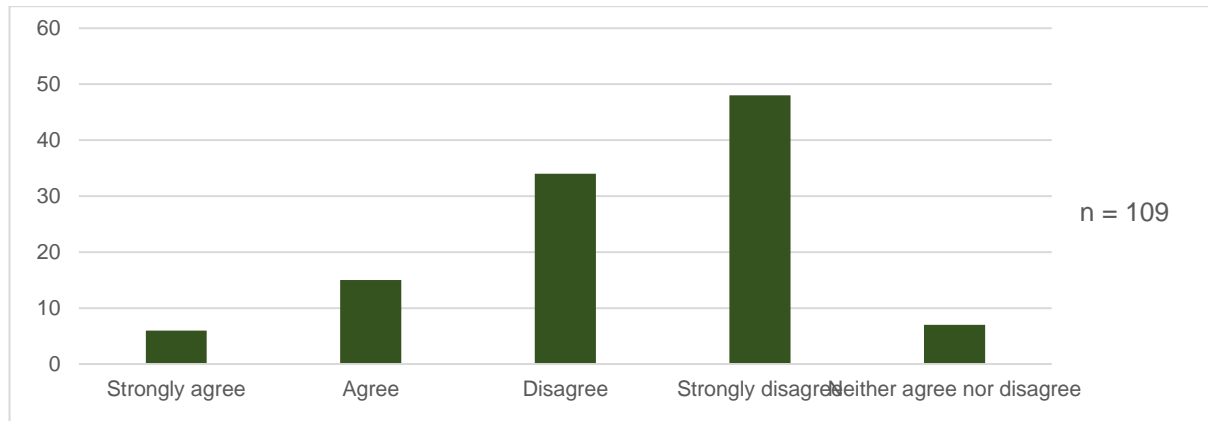




Consultation Responses

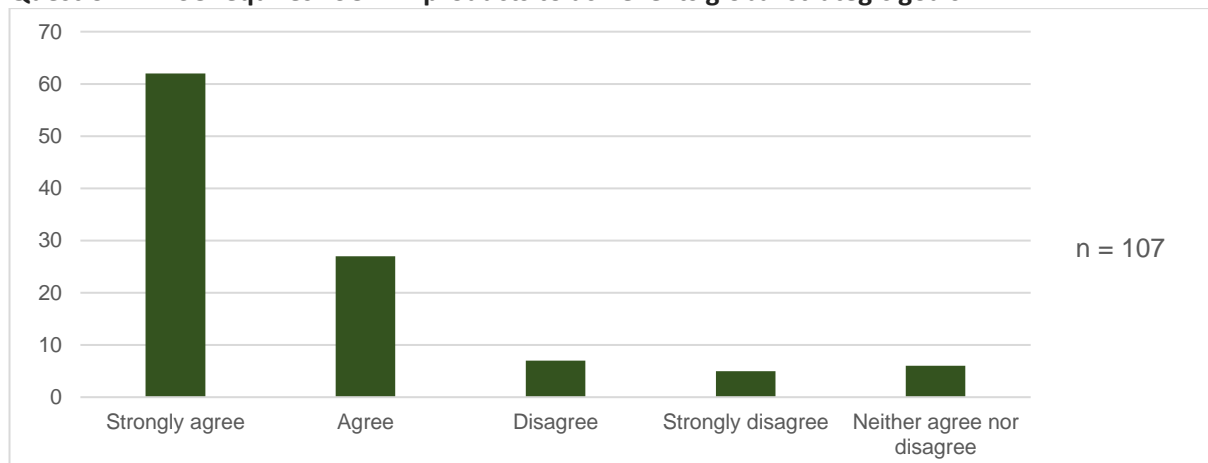
Vision

Question 1: FSC can achieve its global strategic goals with FSC 100% products alone.



Results: the majority expressed the opinion that FSC will not achieve its strategic goals with FSC 100% products alone. There is however a 20% minority of respondents who do not agree with this statement and think that the approach to have only FSC 100% products may be supportive to achieve these goals.

Question 2: FSC requires FSC Mix products to achieve its global strategic goals.



Results: there is a clear majority for the opinion that FSC Mix products are needed to achieve the strategic goals.



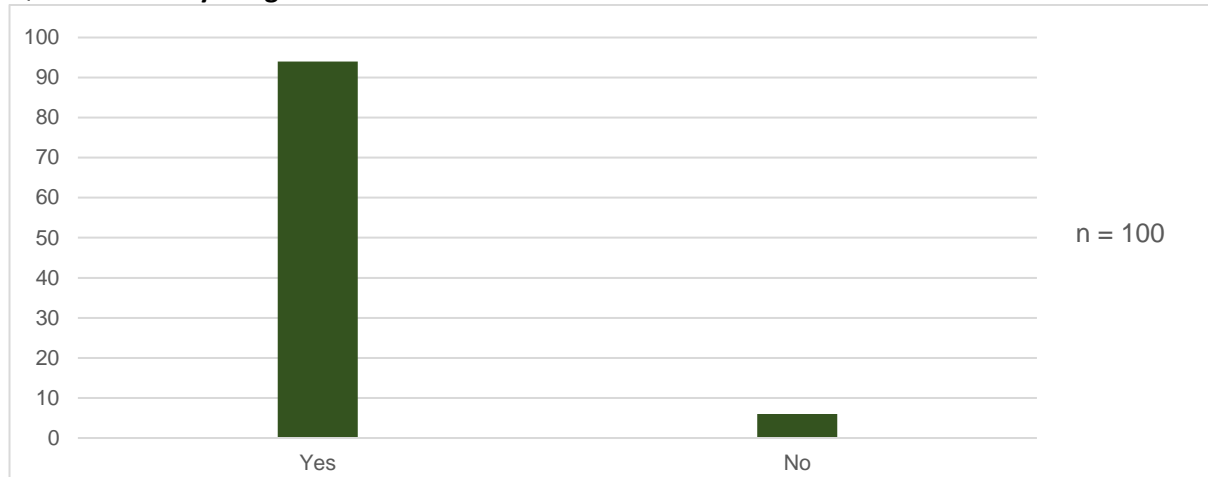
Question 3: What other ways are there to achieve FSC's global strategic goals without FSC Mix products?

Comments to this question can be grouped in various types which are listed below:

- there is no other way (15): this was the most frequent comment. Respondents see no other economically viable alternative to the FSC Mix system for various reasons as e.g. lack of other incentives for businesses, too little certified area for 100% products, long transportation distances for FSC 100% material or prohibitive cost of segregation. Mainly certificate holders expressed their opinion that under the currently prevailing circumstances the system cannot be replaced.
- increase smallholder access (7): respondents proposed to increase involvement of small holders through e.g. direct financial incentives or lowered requirements in order to increase the certified area and thus the availability of FSC certified material.
- stepwise approach or phasing out CW (7): respondents proposed a time bound phasing out of the FSC Mix claim, a step wise increase of the minimum percentage in FSC Mix products, or making it mandatory for FM CW certificate holders to achieve full certification after a certain time.
- lower requirements for FM certification (6): the complexity and the high requirements of the FSC FM standards is considered a barrier especially for small holders. Respondents therefore proposed to reduce the FM standard requirements, make the standards simpler or apply a regional or landscape level approach to certification especially in small holder dominated areas.
- promote FSC certification or products (4): respondents expressed concern over the lack of tangible benefits for certificate holders and proposed more promotion for FSC products in the market, better communication and an added value to the FSC brand.
- align the CW system with other standards or initiatives (3): proposals were made to align CW requirements with PEFC or EUTR standards or to build on these to reduce complexity. Recent initiatives for 'deforestation free' products should be considered. The CW requirements could also build on the legal system and law enforcement in order to make the system easier.
- FSC should not focus on growth alone (2 comments): respondents pointed to the trade-off between growth and credibility and saw the CW system as a threat to the system as a whole.

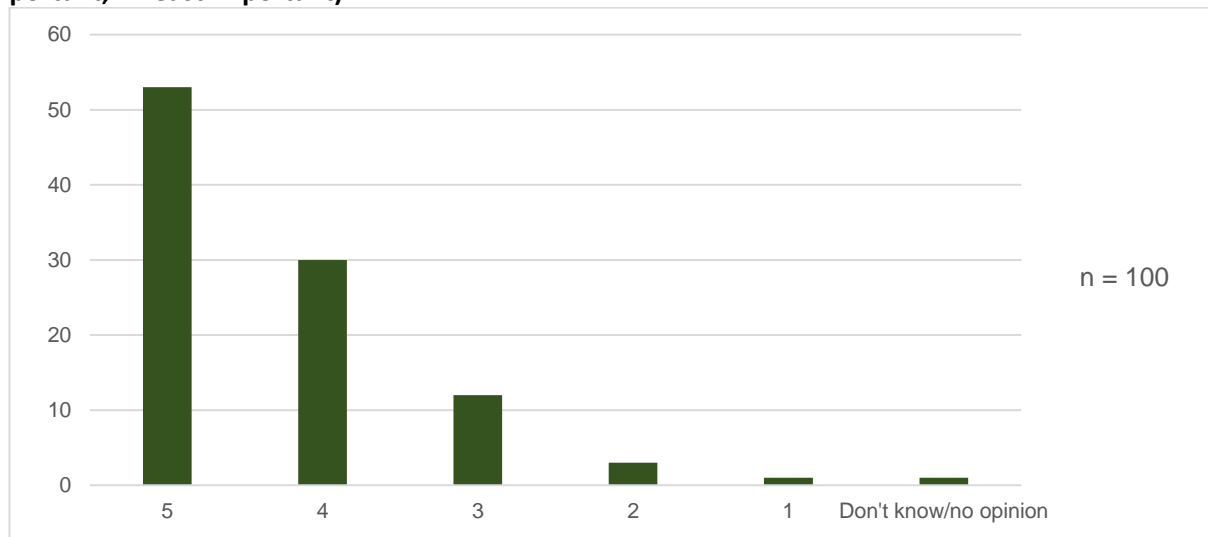
Desired outcome 1: Increase in the area of FSC-certified forests

Question 1: Do you agree with the desired outcome?

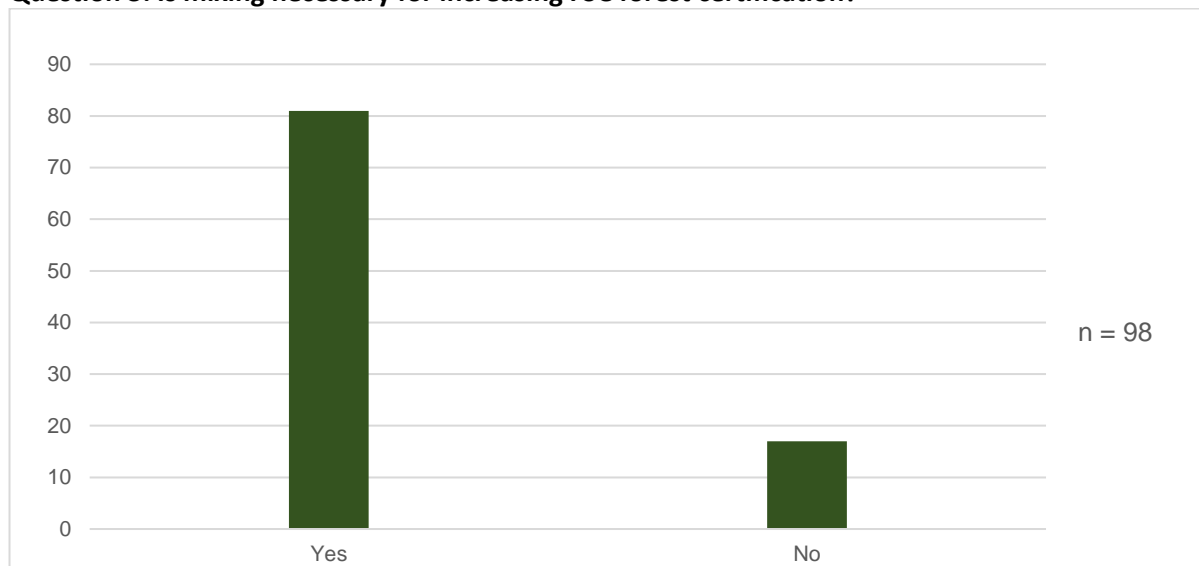


Results: there is broad support for an increase in FSC certified area. As the limited extent of certified area is considered an impediment for the broader production of FSC 100%, this result is therefore understandable.

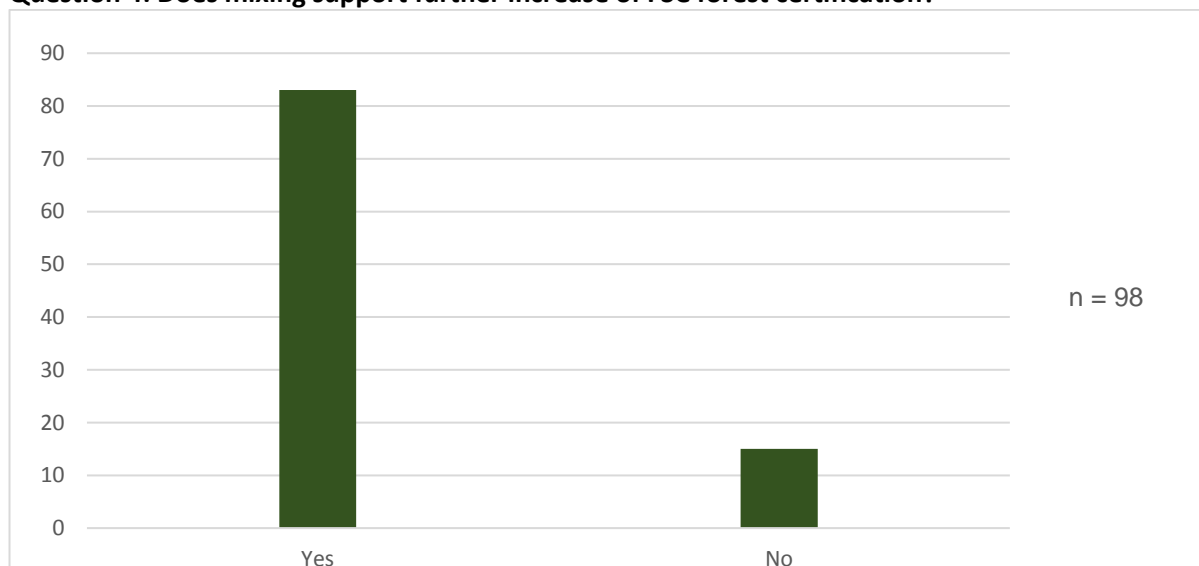
Question 2: How important is this outcome to achieving FSC's global strategic goals? (5=most important, 1=least important)



Results: the opinions to this question are more mixed but a majority still sees the increase in certified area as important for FSC's strategic goals.

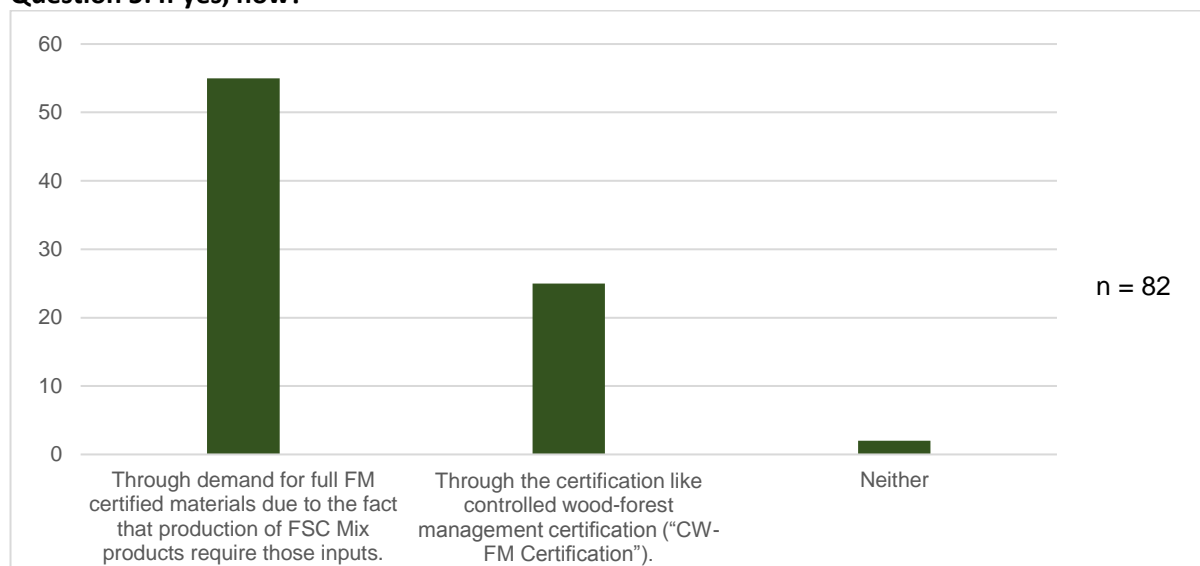
Question 3: Is mixing necessary for increasing FSC forest certification?

Results: again, the majority of respondents see a link between the possibility to mix different materials and the increase of certified area. There is however a small minority of respondents who do not see an impact of mixing on the increase of certified forest area.

Question 4: Does mixing support further increase of FSC forest certification?

Results: the same results are obtained as for question 3. The majority of respondents see a positive impact of mixing on the further increase of certified forest area

Question 5: If yes, how?



Results: most respondents conclude that there is a need to source FSC certified material in order to produce FSC Mix products and thus mixing increases demand and therefore certified area. The step-wise approach to come from FM CW certification to full FM certification is considered to have a lower impact on the increase of certified area.

Question 6: Others, namely:

The impact of mixing on the increase of certified forest areas is considered to be through

- access of certified forest owners to FSC supply chains
- an intermediary step to full certification
- keeping FSC certified companies in the system which maintain demand for FSC certified material
- involvement of more stakeholders in the system
- the possibility to produce labelled products and thus enhancing value of the brand
- a positive impact mainly on small and medium producers at landscape level

Analysis:

Most comments established a clear positive link between mixing and forest area. Two comments requested a further analysis on the impact of mixing on certified forest area as this is considered not a matter of opinion but should be based on more clearly researched evidence.



Question 7: Besides mixing, what are other ways to increase FSC forest certification?

The proposals made in this section are to some extent similar to the ones made under question 3 of part 1 (What other ways are there to achieve FSC's global strategic goals without FSC Mix products?). These are namely:

- support to small holders through decrease of bureaucratic requirements, direct financial incentives, organisational support
- increase incentives for certification
- promotion of FSC 100% products through direct and regionalised marketing, engagement of retailers and customers
- streamlined, simplified and more user-friendly rules for FM certification in general,
- phase out of CW

Besides these general and repeated comments the following more specific proposals were made:

- revise the cut-off date 1994 for certification of plantations
- require a minimum share of certified production from certified CoC companies
- develop standards for conservation and restoration areas which do not supply timber

Analysis

There are different proposals here which indicate the widespread difference in opinion on the issue of mixing and CW. While some stakeholders express their overall satisfaction with the current system, others strongly advocate for a phase-out approach. There is also the strong request to make FM certification more accessible and affordable.

Additional comments

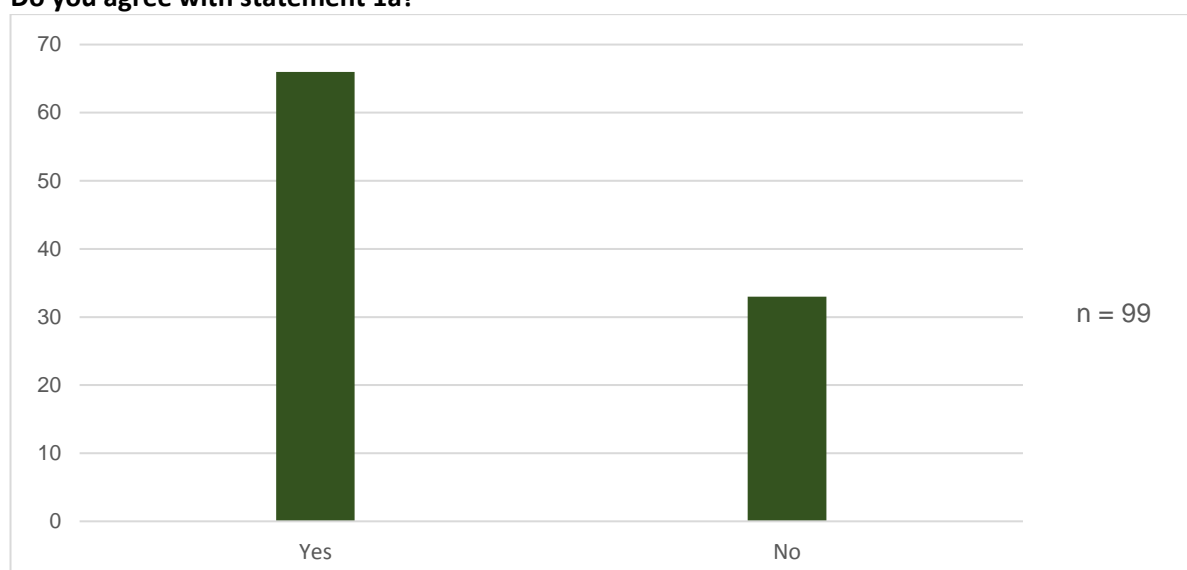
- if FSC excludes this option of mixing, other systems would gain importance
- CW assessment more demanding than full certification
- revise the definition of conversion for plantations
- CW is undermining the credibility of the system
- little progress with the modular approach
- limit the activities to the core business (not interfering with national laws, indigenous rights, health and safety)
- the FSC credit system is key for the uptake of FSC certification in many sectors
- markets cannot distinguish between different levels of FM certification
- CW and mixing is hampering FSC certification as it is an easy way to produce certified material

Question 7

1a. A modular approach is needed that effectively enables:

- a step-wise transition from controlled wood-forest management certification to full FSC forest management certification and;
- enhanced attainment of forest management certification by suppliers and sub-suppliers that currently deliver controlled wood to FSC chain of custody certificate holders.

Do you agree with statement 1a?



Results: the opinions are mixed with regard to agreement to the above statement with no particular stakeholder group in favour of one or the other option. As the question includes a wide range of aspects a clear yes or no statement is not always possible.

Question 8: What are the main barriers (external and internal) to increasing the scale of FSC through the methods described by statement 1a?

In general, the comments under this question are very diverse and for their most part cannot be grouped. High cost for full certification, lack of incentives and the current advantages of keeping the CW for forest owners and industry alike are repeatedly mentioned. Below, some additional comments are given in shortened version.

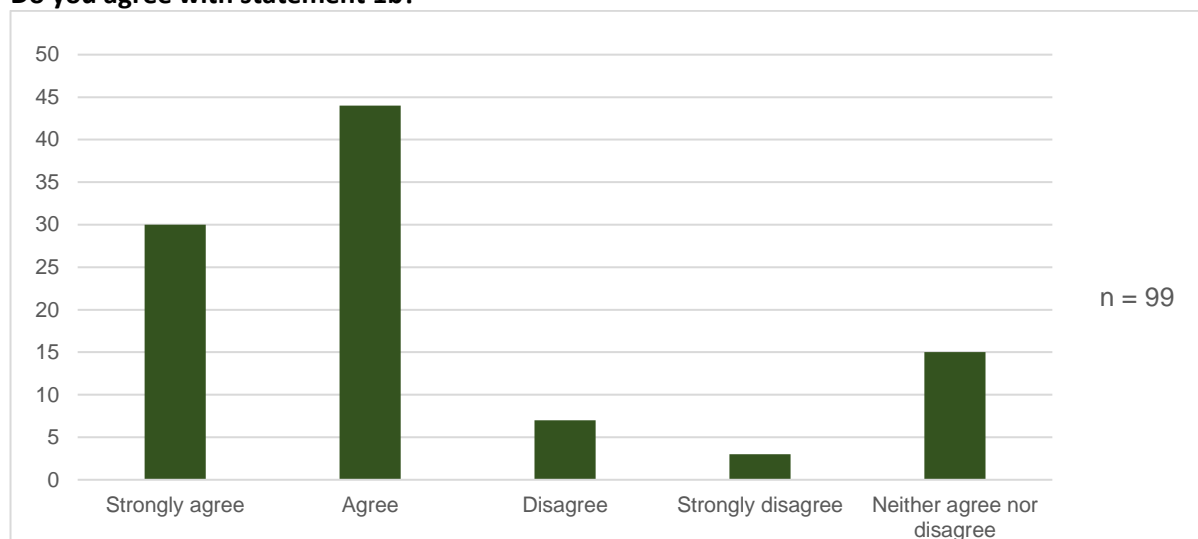
- modular approach shouldn't be a step-wise approach
- cost for small holders and cost for achieving full certification (mentioned frequently)
- no price premium (mentioned more frequently)
- forest owners can't comply with P&C e.g. because of the 1994 cut-off date for plantations or other requirements they cannot achieve
- there is no claim opportunity for the modular approach



- for plantations there is no control on options for subsequent rotations
- onerous requirements for full certification (e.g. 10% restoration area in 6.5.5 of the P&C)
- full certification not possible for forest owners or forest owners are not interested
- in low risk areas, forest owners can sell CW to their clients and there is no incentive for the modular approach
- lack of promotion
- Slow implementation of P&C v5
- too complicated CW processes, change of deadlines etc. no trust in CW assessments, no support of Envi chamber, too much resources spent for CW processes
- difficult to transition from CW to FM certification in some regions, due to severe governance-related external factors,
- commitment of forest owners to other certification schemes
- the modular approach is not what companies want
- the approach has neglected natural forests, smallholder farmers, and access to tropical forest certification
- comfort zone achieved in controlled management thus no need to go for full certification, CW is barrier because it is sufficient for certificate holders, industry feels comfortable with CW approach
- CW providers are not forest owners, no incentive for forest owners to get CW certified
- no need for forest owners to get FSC CW certified especially in low risk areas
- risk of over-valuation of the modular approach in the market
- role of other schemes in the modular approach not considered
- FM certification is not practical/achievable for large scale diverse supply areas
- cross site credits puts downwards pressure on getting FM wood in some regions
- Contradictions between Russian legislation and FSC rules
- system requirements for FM CW are too difficult
- unfair competition between operations with full certification and those applying a modular approach
- uncertainty with Intact Forest Landscapes and Intact Cultural Landscapes are barriers that limit FSC's ability to increase in scale.
- the current CW certificates are not offering a clear step to achieving FM
- the greatest barrier is the lack of a common vision for FSC mixing amongst the FSC members and staff
- customers cannot distinguish between Mix and 100% and CW

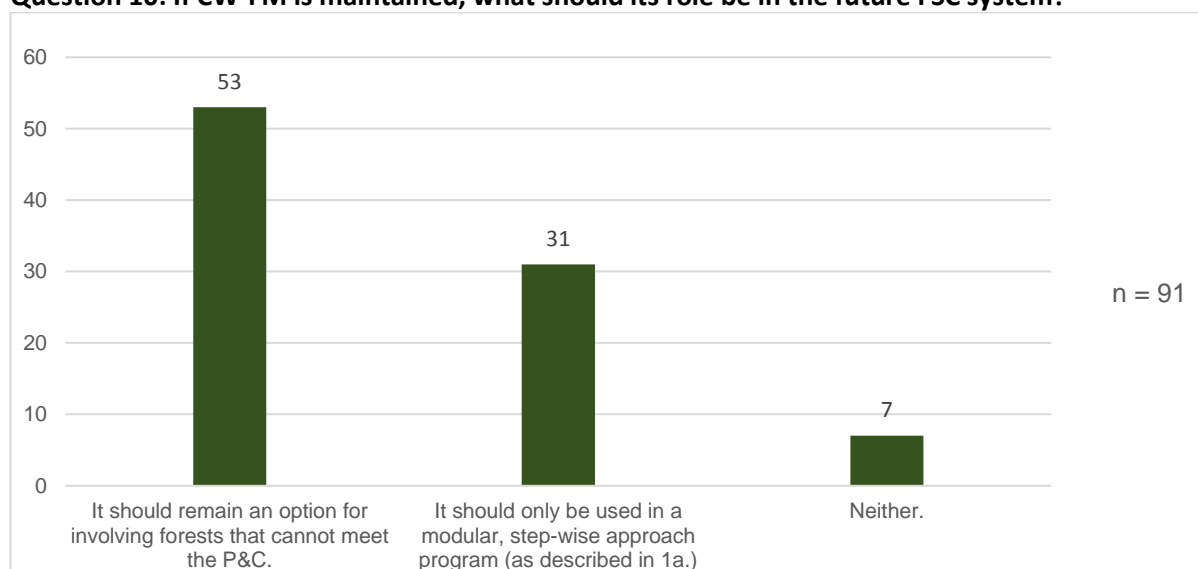
Question 9

1b. To increase the area of certified forests, mixing should facilitate more trade in FSC products. Do you agree with statement 1b?



Results: most respondents agree that a purpose of mixing should be to increase trade in certified products.

Question 10: If CW-FM is maintained, what should its role be in the future FSC system?



Results: the opinions to this question are mixed although a majority of respondents consider CW in the future as an option for forest owners who cannot meet the P&C. There is a clear tendency that CH tend to favour the option to maintain CW as a possibility for forest owners to stay in the system whereas a wide range of other stakeholders saw CW as a step in a modular approach.

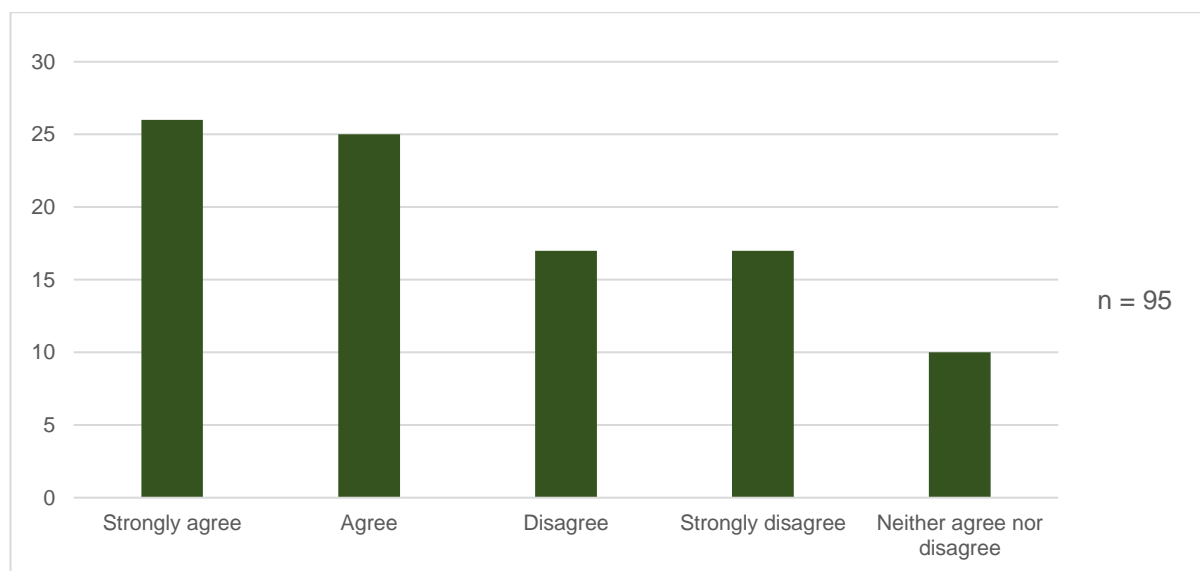
Others namely:

- a simplified CW FM certification
- both options should be possible
- remove the power imbalance and conflict of interest when processors are doing their own CW verifications
- all CW should be sourced from CW FM certified operations, no DDS route
- change the P&C so that more forest can achieve FM certification
- CW FM should be phased out, not much demand for this option and no value for forest owners and the system
- CW-FM should get 'extra-credit' in FSC Mix products in order to encourage its use.
- there should only be one system for CW not two standards 30-001 and 40-005

Analysis

There is no clear opinion on the role of CW FM. Some favour an option where FCW FM becomes mandatory and company evaluation therefore redundant while others do not see added value in CW FM also due to little uptake of this option from the part of forest owners.

Question 11: In order to encourage certification, sales from CW-FM certified forests to non-certified customers should be allowed.



Results: Although there is a slight majority for opening up sales of CW-FM to non-certified certificate holders there is also a large group of respondents who do not see this as a valuable approach.



Question 12: Under what conditions should sales from CW-FM certified forests to non-certified customers be allowed?

- should not be permitted (mentioned more frequently)
- Sold quantities should be part of the audit and verified
- Should have strong commitment to get FSC certification, or should be a FSC International member.
- should be permitted without conditions (mentioned frequently)
- buyer cannot make any claims (mentioned more frequently)
- under specific claims adapted to this type of material
- for demonstration that timber is coming from non-controversial sources, FSC should market two different standards
- as evidence of legality or low risk (mentioned more frequently)
- the risk of the non-certified customer making inaccurate claims is managed
- CW-FM should be allowed as a stand-alone basis for FSC claims but not for label use in the market
- where the customer can demonstrate they are on a pathway to FSC certification.
- there should be no break in the CoC.

Analysis:

Again answers are split between respondents who advocate for opening up the possibility to make CW claims to any client while others see risks of false claims in the system when non-certified clients receive wood with CW claims. Many respondents would still introduce conditions to the buyer or the seller and not allow unconditional use of CW claims in the supply chain.

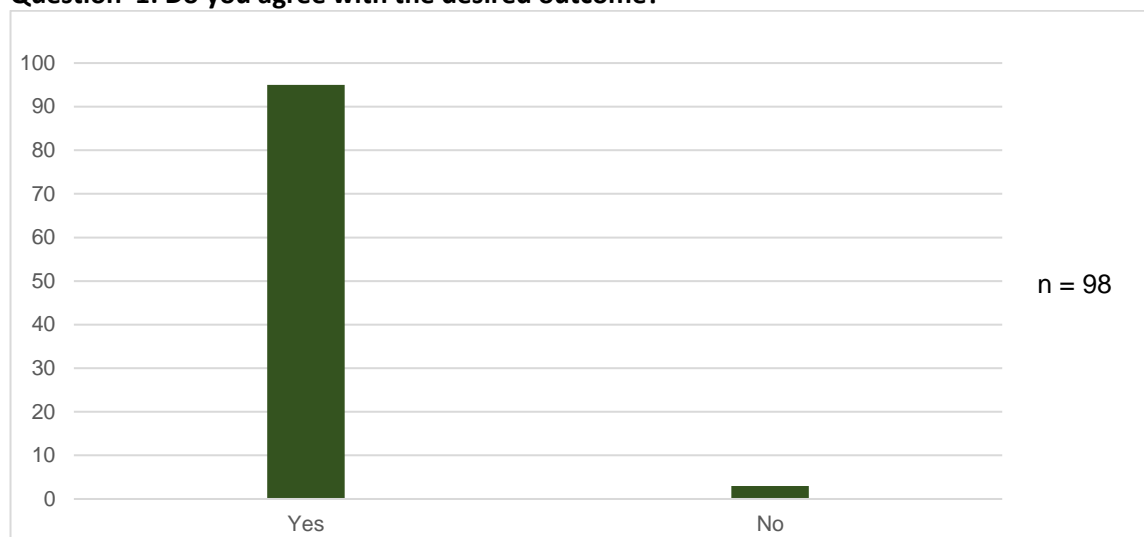
Additional comments

- FSC CW may undermine FSC certification
- why are problems associated with marketing a competing and much less credible certification standard not mentioned in the questions
- focus on full FM certification
- approach will remain marginal
- CW FM input should bear a greater value than non certified CW input
- CW FM could assist with illegal Logging and Human Rights risk management and sales could therefore be of value for the CH
- some areas have non-certifiable forests to the P&C
- use CW FM in an audited and modular approach

Desired outcome 2: Avoidance of unacceptable sources in the FSC system

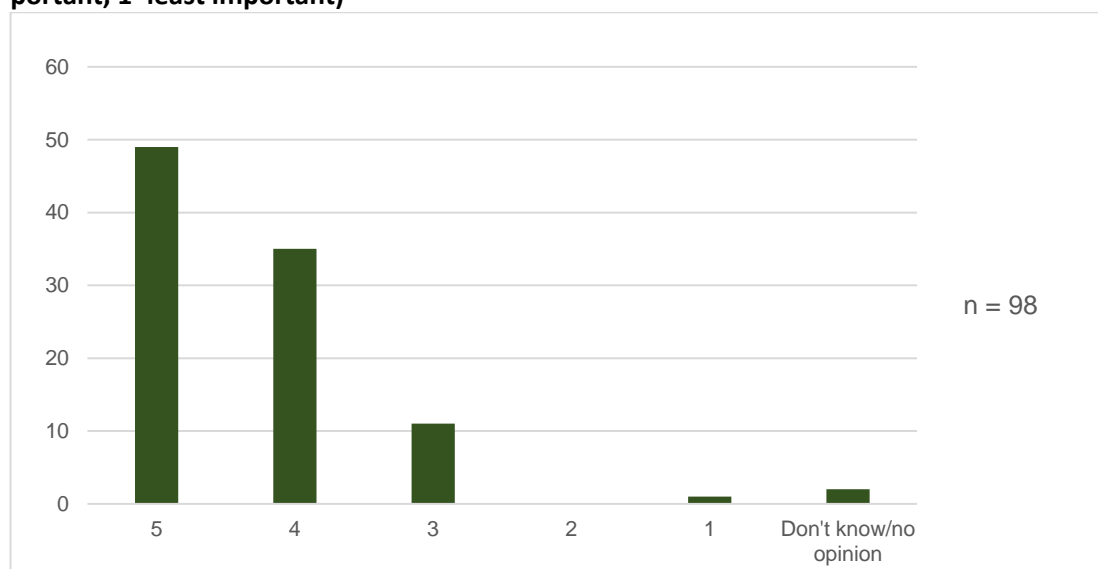
(This desired outcome was developed with the assumption that mixing will continue).

Question 1: Do you agree with the desired outcome?



Results: there is nearly unanimous support for this outcome

Question 2: How important is this outcome to achieving FSC's global strategic goals? (5=most important, 1=least important)



Results: most respondents consider this outcome as important to achieve FSC's strategic goals



Question 3: What metric is best for measuring this outcome?

Note: many comments under this question are not related to the question and are therefore discarded.

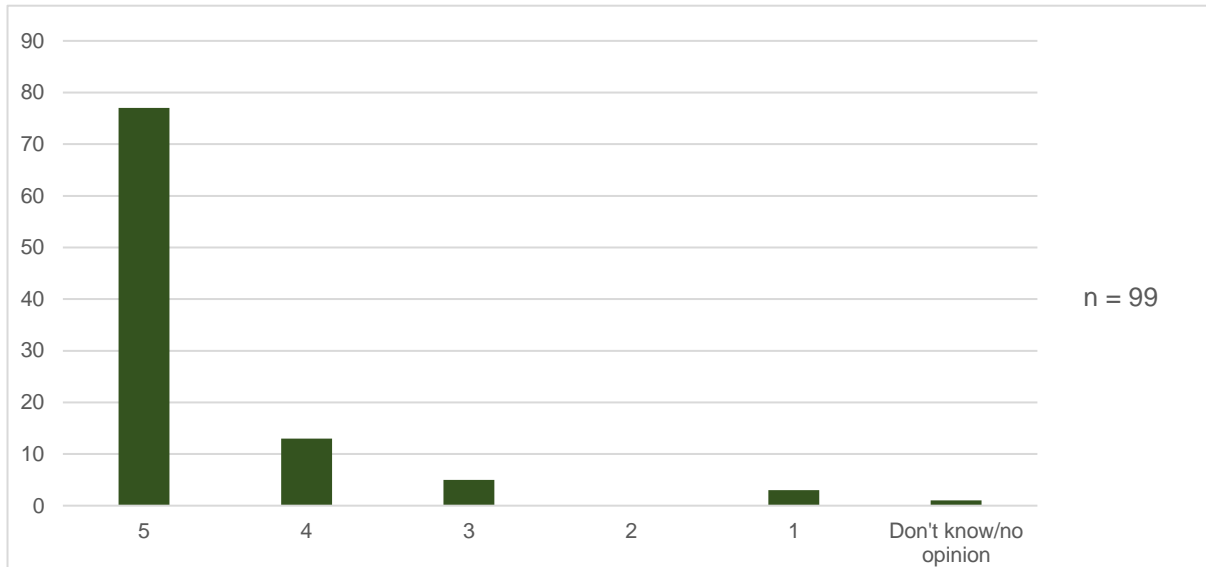
- the number of consistent complaints (6)
- current practice of risk assessments (4)
- the correlation (or lack of thereof) between FSC Risk Assessments and credible international studies the identify risks to the 5 categories
- proportion of FSC certified material in FSC certified products (2)
- increase of FSC certified area
- percent of logs entering the FSC system from each of the unacceptable sources
- proportions of controlled wood sourced, in order of preference, via CW/FM, FSC risk assessments or company risk assessments
- actual proportion of controlled wood found, on investigation, to come from unacceptable sources
- Volume/value of products that are handled through this system
- issued non-conformities in the system (3)
- highlight number of COC certificates by regions with CW challenges.
- there are far too many external factors to devise a meaningful on the ground metric (2)
- amount of FSC certified product (100%) and area of forest with the full FM (4)
- decrease of illegal logging
- this outcome should only be measured in some areas where it actually makes sense to measure and not in areas where the risk is relatively low.
- surveys/research to measure the confidence of members and non-member stakeholders in the system, plus some kind of measure of the effectiveness of the C/NRAs

Additional comments

- other certifications should be accepted as source of controlled wood, establish criteria for acceptance, integrate other systems in a step-wise approach (9)
- FSC needs to run with this system for 2-3 years and then review. Constantly changing the standard will have a perverse outcome.
- Mixing of FSC-full and non FSC timber is simply concession to corruption
- doubtful efficiency of the CNRA and Extended Company Risk Assessment to ensure that desired outcome 2
- the whole system is however sensitive to delays in providing the NRAs and is also strongly influenced by the quality and granularity of the NRAs

Question 4:

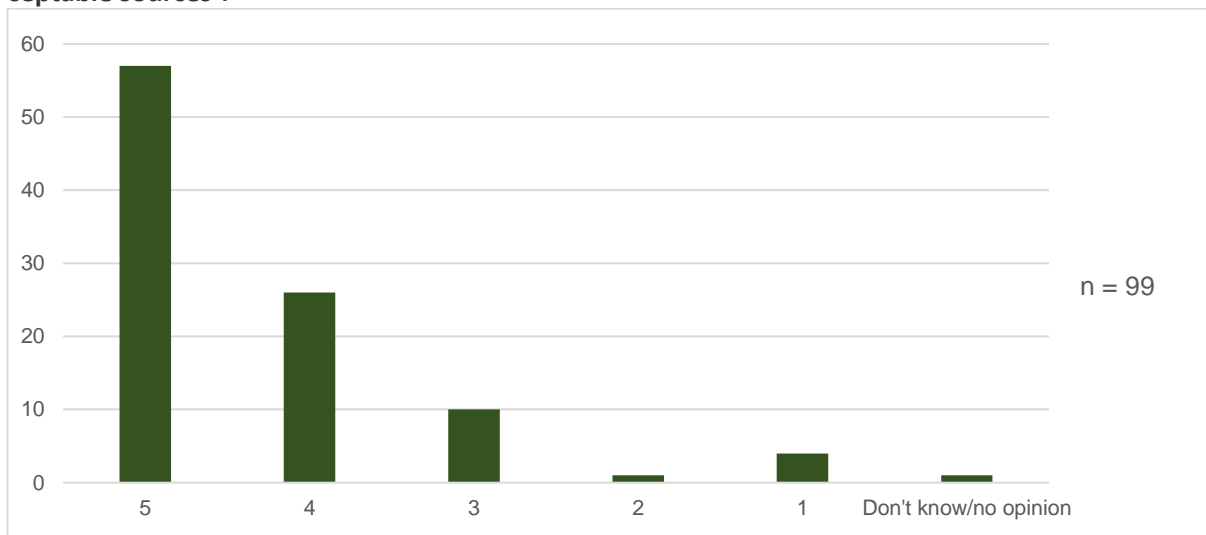
2a. Not just any material should be accepted in mixing – there should be requirements for it.



Results: there is a strong majority for requirements to be applied for material in mixing.

Question 5:

2b. The requirements for mixing should cover, at a minimum, the five current categories of unacceptable sources¹.

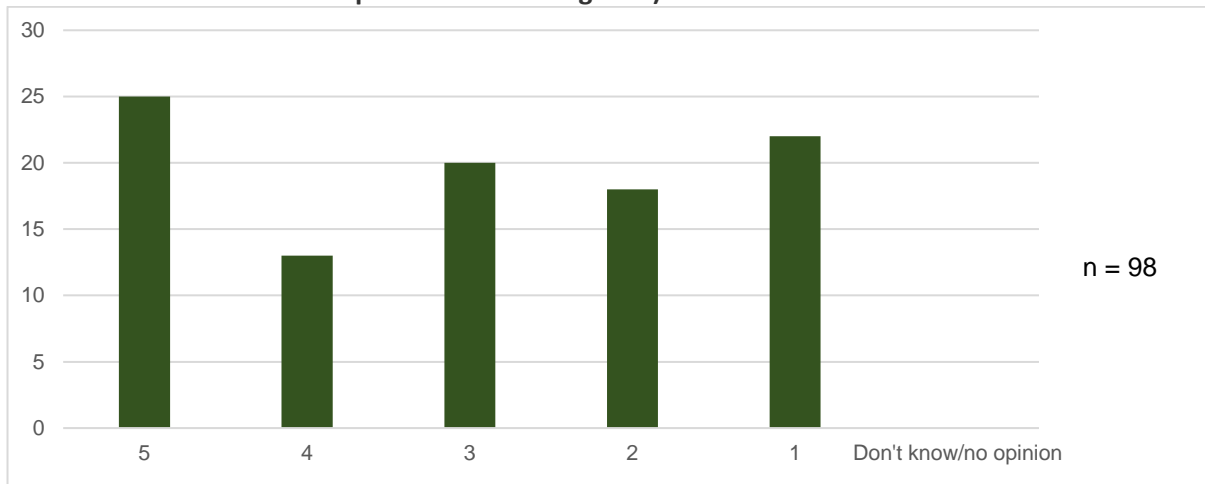


Results: the responses indicate support for maintaining the current risk categories

¹ Wood resulting from: illegal harvesting, violation of traditional or human rights, areas with threatened high conservation values, conversion to non-forest uses, GMO trees.

Question 6:

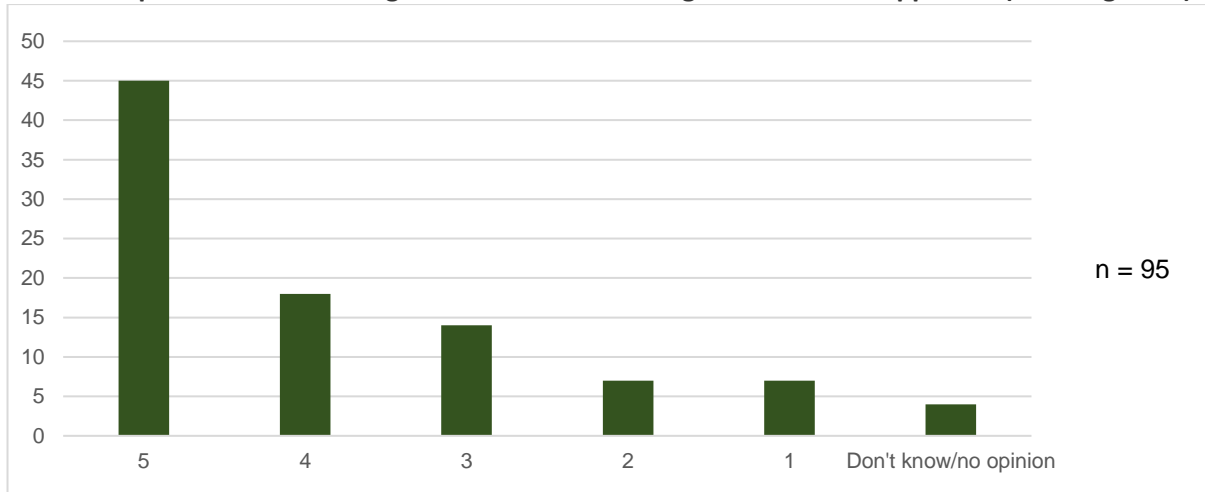
2c. Material that complies with other certification schemes (e.g., PEFC-certified material) should not automatically be considered in mixing (there has been consideration by some stakeholders that certain claims from other certification schemes should be accepted as compliant with specific controlled wood unacceptable source categories).



Results: there is no clear support for this statement. Opinions differ greatly and indicate that acceptance of material from other certification systems as 'controlled' is controversial.

Question 7:

2d. The requirements for mixing should be verified using the risk-based approach (due diligence²).

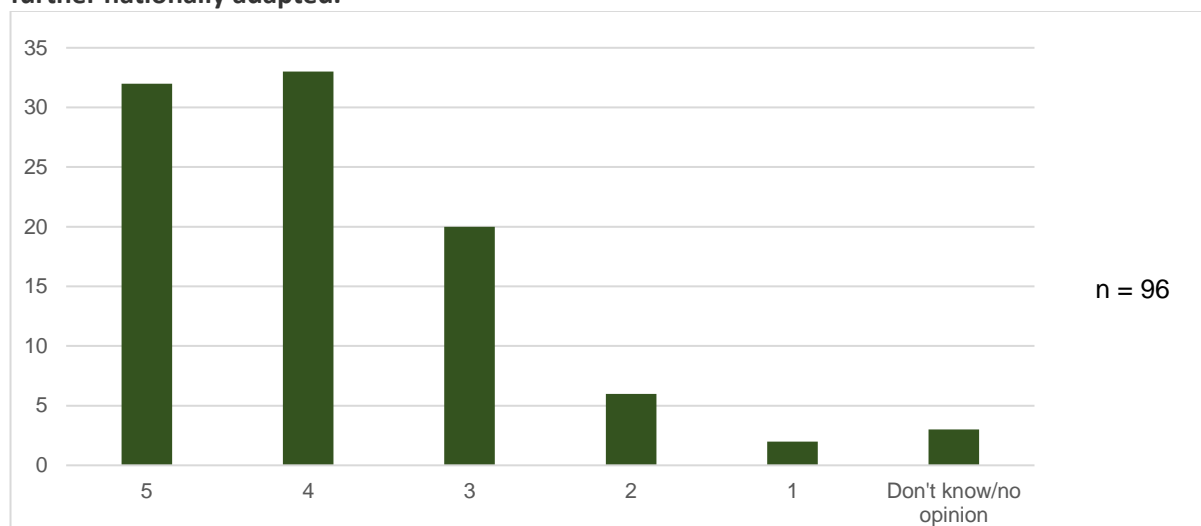


Results: there is general support for using the DDS system for risk assessment, despite a small minority of respondents who do not support this approach.

² Due diligence is a term referring to an investigation or inquiry that meets a level of required carefulness or reasonable care. In the context of FSC and controlled wood, due diligence refers to a system of measures and procedures to minimize the risk of sourcing material from unacceptable sources.

Question 8:

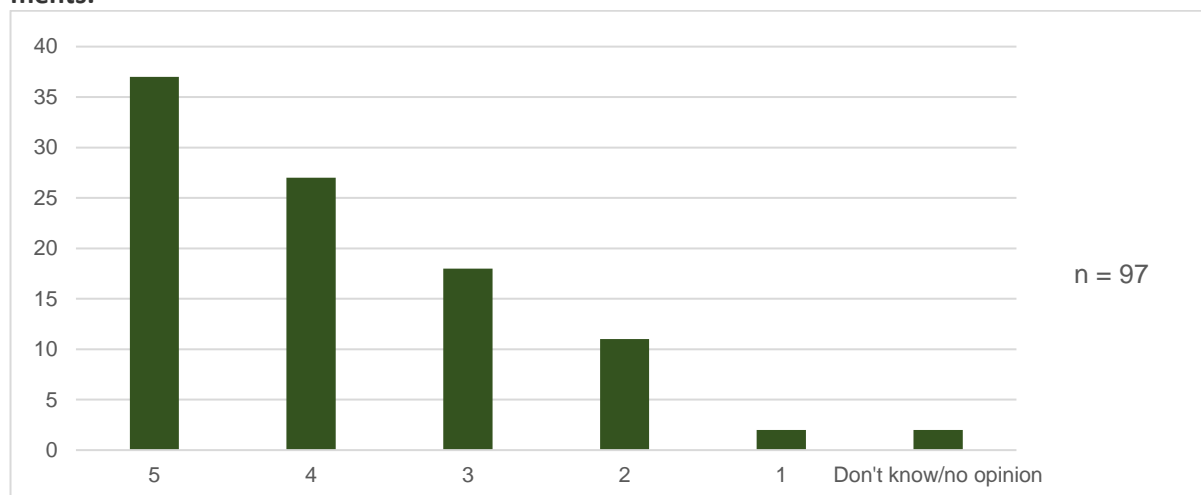
2e. There should be global requirements for the risk-based approach (due diligence) that can be further nationally adapted.



Results: respondents generally support the approach of a global framework which is adapted at national level.

Question 9:

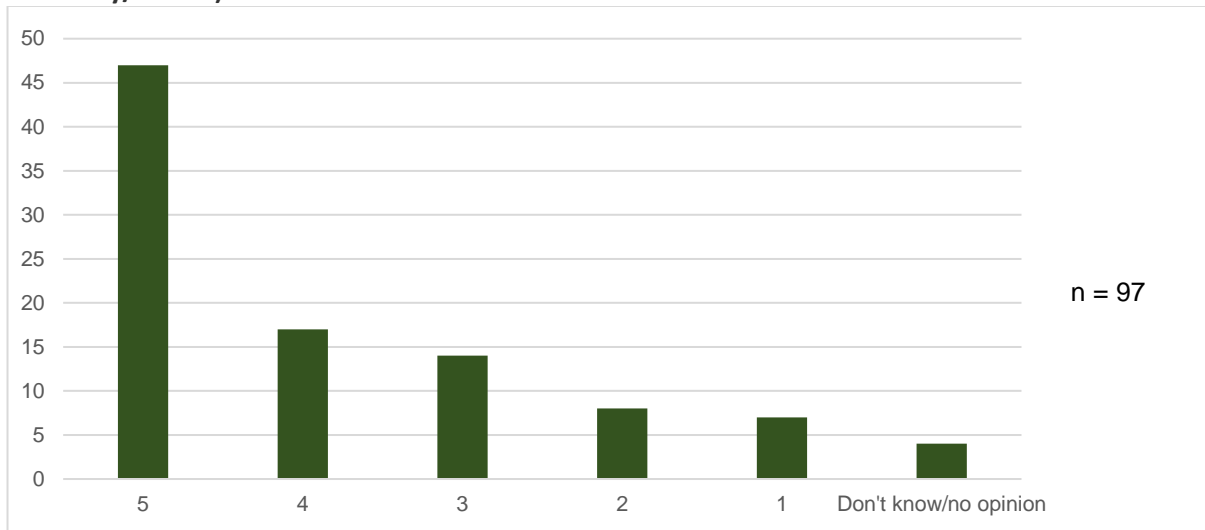
2f. When implementing a risk assessment within the risk-based approach (due diligence), FSC should use data collected by other organizations when available (e.g. using databases provided by WWF, WRI, Legality Alliance). However, FSC should maintain the responsibility for providing risk assessments.



Results: use of existing information from other sources is generally supported but there is a significant number of respondents who do not agree that FSC should use data from other organisations for the DDS.

Question 10:

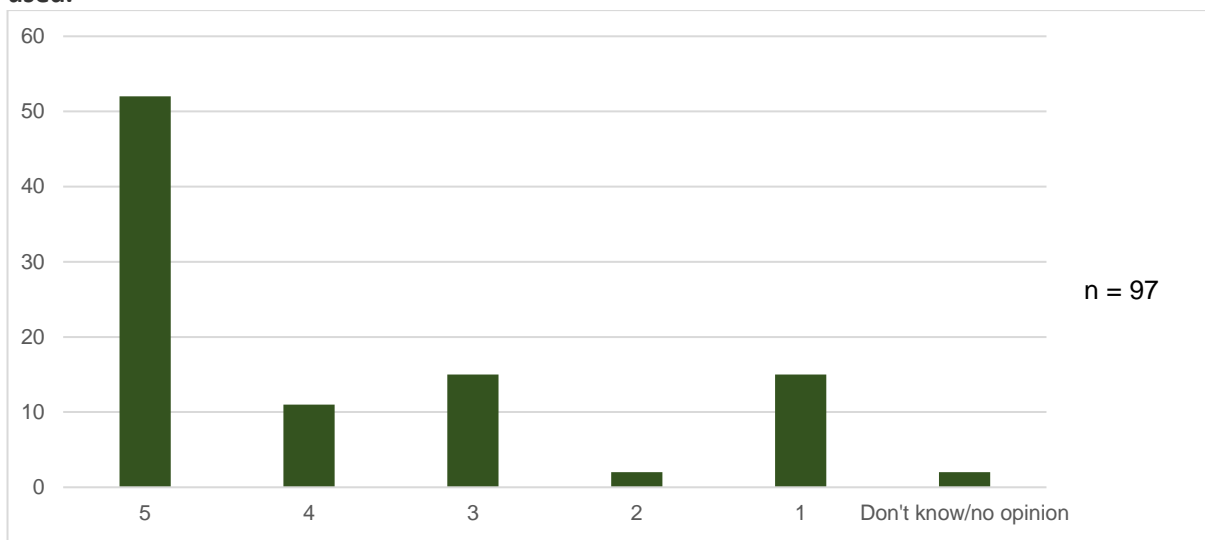
2g. The scale of risk assessments should be flexible (not fixed at a certain administrative unit such as a country/nation).



Results: respondents in general agree that the geographic scale of risk assessment should be kept flexible

Question 11

2h. Material sourced from organizations disassociated with FSC and their affiliates should not be used.



Results: there is general agreement that material coming from organisations disassociated form FSC should not be used but there are also some respondents who fully disagree with this statement

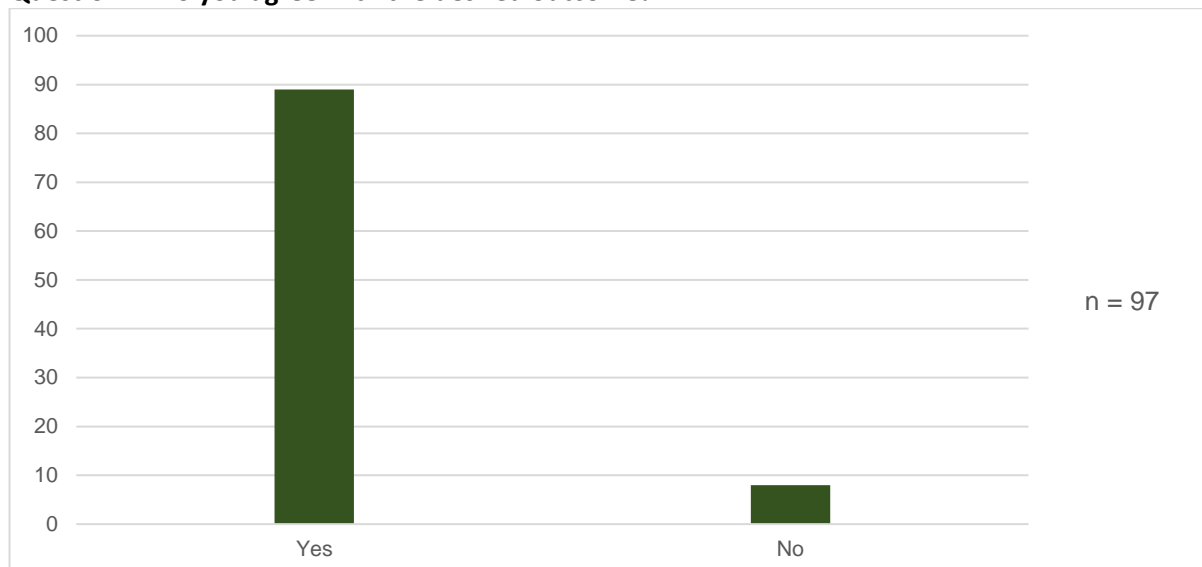


Additional comments

- align minimum requirement for CW with the FSC Policy for Association (2)
- limit CW to categories 1, 4 and 5
- accept material from other systems automatically (5) or after a recognition process
- avoid unfair national differences (2)
- don't exclude material from disassociated organisations (4)
- stop CW in the next three years
- establish a set of global rules only as national level approach is complex (2)
- FSC should shy away from becoming directly involved in Risk Assessments (2).

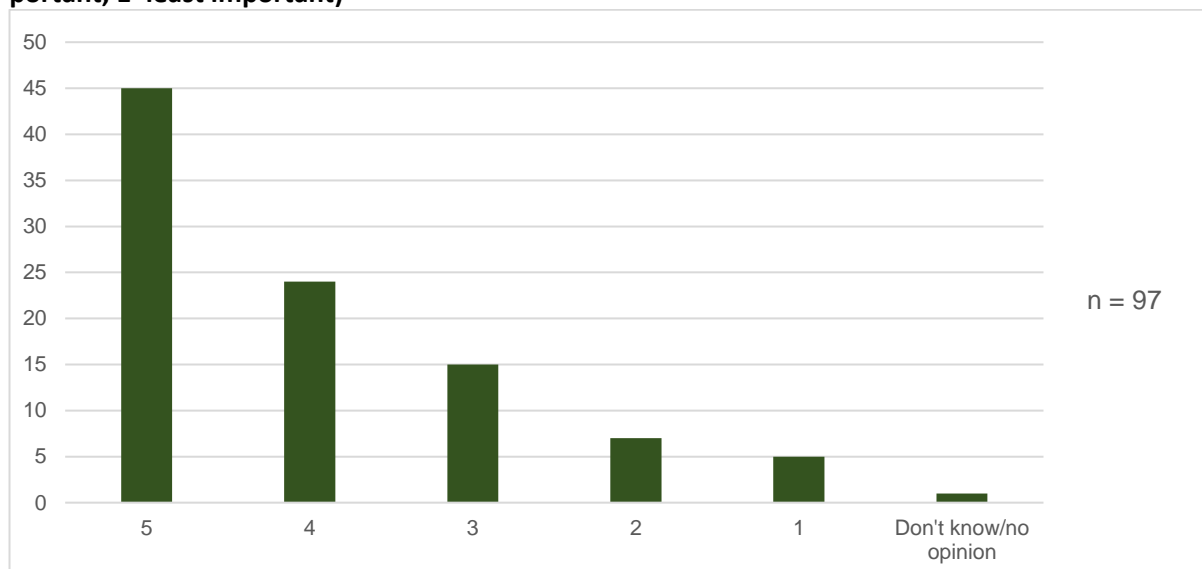
Desired outcome 3: Enabling market access for smallholders

Question 1: Do you agree with the desired outcome?



Results: there is unanimous support for improving access for smallholders

Question 2: How important is this outcome to achieving FSC's global strategic goals? (5=most important, 1=least important)



Results: improvement of access to the system for small holders is considered by most respondents as important for FSC's strategic goals.



Question 3: What metric is best for measuring this outcome?

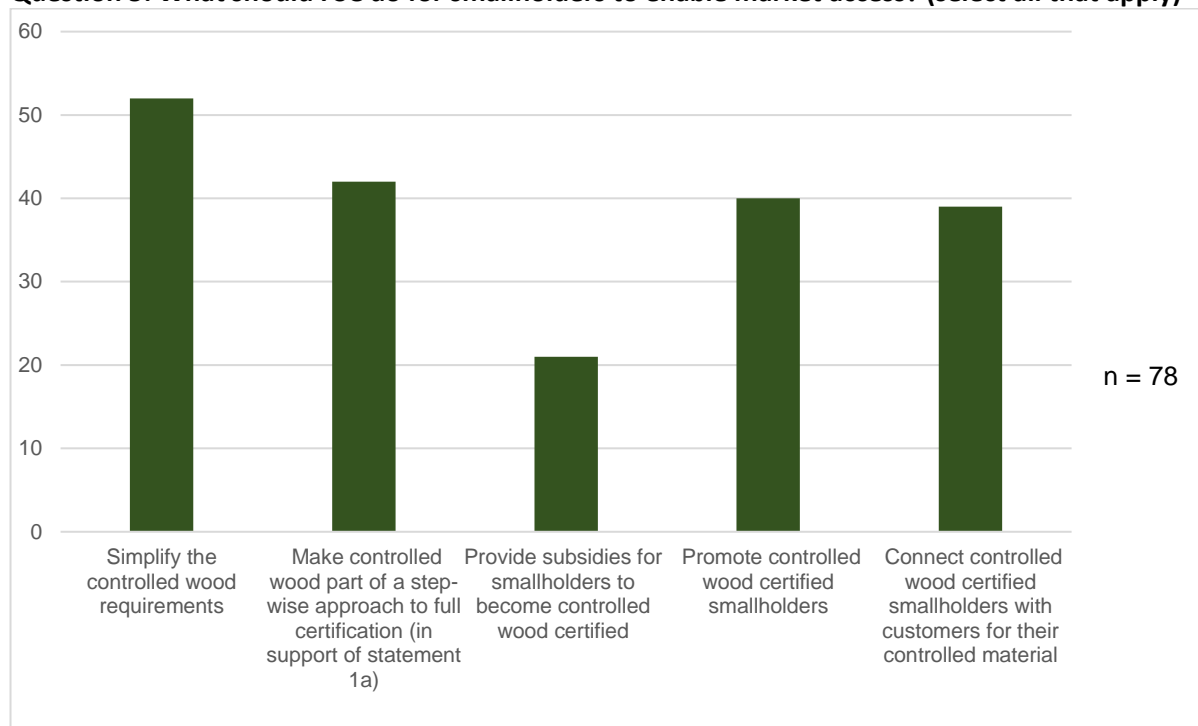
- number of small suppliers and/or indigenous people (9)
- amount of timber coming from small holder's areas (7)
- number of owners in group schemes or other programs for small holders (4)
- time they stay in the FSC system
- number of ha certified from small holders (6)
- livelihood improvements of indigenous people
- market access for indigenous people and small holders (3)
- Monitor the size of organizations entering /leaving the system
- Efficiency and effectiveness of supported/funded smallholders' programs
- The concept to attain small holders is not a good business idea
- overall satisfaction of small holders with the system
- first set thresholds for defining small holders

Analysis: there is overall consensus on the proposed metrics which are proposed to be based on area, amount of timber coming from small holder areas, number of owners certified. Market access, livelihood improvements and satisfaction of this group are other notable proposals. It is interesting that one comment was made to first establish a definition for this term which cannot be abused and that overall, the focus on small holders although laudable will not add much certified area.

Question 4: Do you know of any existing data measuring this outcome?

- CoC audits should collect data from suppliers
- other certification systems RSPO, UTZ
- FSC should have relevant data (2)
- SFI already does this
- ETIFOR Srl carries out a study on overall results of the Smallholder Funds
- some countries have programs to support SLIMF managers and could provide data
- group certificate managers
- use fsc-info.org
- online claims platform

Question 5: What should FSC do for smallholders to enable market access? (select all that apply)



Results: Four questions rate more or less equally with 40 to 50% of respondents proposing the related activities. Astonishingly, there is comparably little support for subsidies to get small holders into FMCW certification

Question 6: others, namely:

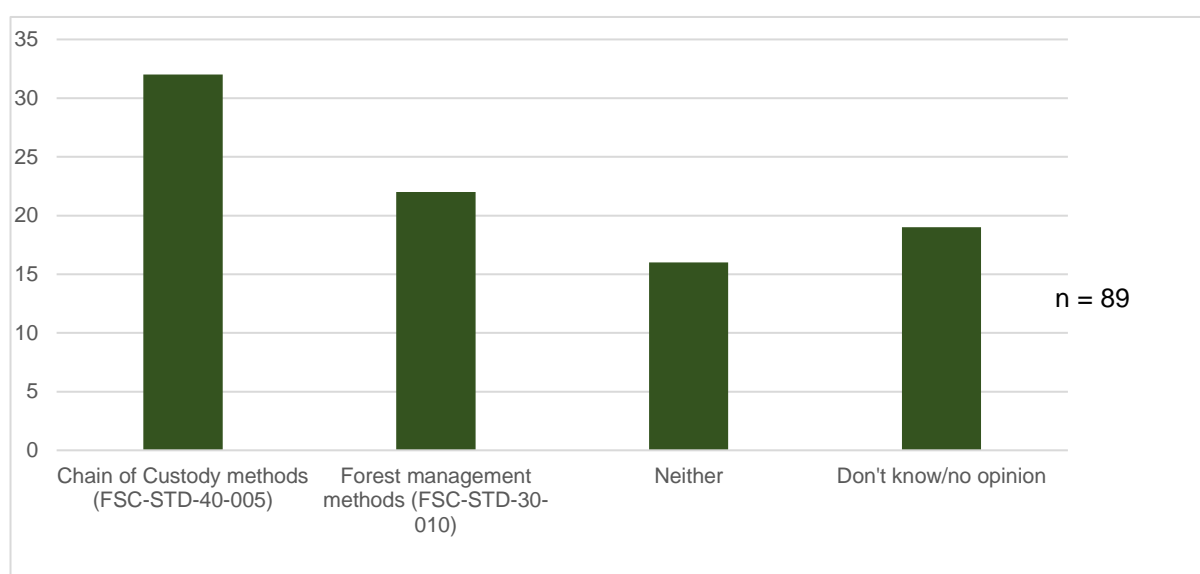
Note: some comments were not related to the question and were therefore discarded

- simplify the FSC certification requirements for smallholders and support FM certification rather than CW certification (10)
- Remove supply barriers such as requiring CoC certification at every step for claim transfer
- collaborate with NGOs
- help small processors to use the wood from small holders
- free training e.g for management planning
- Offer proportional, risk-based approaches to full FM certification.
- recognise existing systems and practices which are close to or par to par with FSC FM (2)
- allow the claims from small holdings to be made by certified contractors
- CW requirements must be lower than FM requirements
- reduce the paperwork
- the options are not exclusive, lack a phase-out for CW
- develop a smallholder certification stream
- create a different claim on FSC INFO for products from small holders

Analysis:

Most comments do not see CW FM certification as the main objective but rather prefer focusing on full FM certification. There are some other notable proposals but again most comments argue for a simplification of FSC FM standards for this group.

Question 7: Which certification provides better market access for smallholders?



Results: opinion is divided as to the preference for one or the other standard. Taking together the answers 'don't know' and 'neither' undecided respondents are a majority. Definitely, a clear minority of respondents see the CW FM standard as the best option to gain market access and the CW CoC standard is considered better positioned for allowing market access of small holders.

Question 8: Why?

FSC-STD-40-005

- because mixing is done through this standard
- because small holders are controlled in the CoC system as 'controlled suppliers'
- small holders rely on their clients to do the CoC organisation for them (2)
- less requirements
- without this standard small holders cannot sell their wood
- provides an easy access to FSC supply chains (3)
- Low or no cost and no benefit from FSC FM or CW certification
- No use for FM CW certification in the US

FSC-STD-30-010

- they could target NTFPs



- helps ensure independence and support for growers to be paid correct royalties
- they can see a premium
- small holders should have direct contact with the FSC system
- other options too expensive
- only FM certification provides assurance of sustainability
- has a higher impact

Neither

- only a new small holder label can provide better access
- both are too complicated and costly (5)
- both are essential
- there should be a regionalised approach as both may not be globally adequate
- these are different concepts - FSC FM certification and CW supplies

Analysis:

there are no clear arguments that FSC-STD-30-10 would bring better market access. In general, respondents see many advantages for small holders to get part of supply chains for which FSC-STD-40-005 is applied as this leaves cost and effort with the CoC operations interested in sourcing controlled wood. In general, it is thought that FSC-STD-30-010 is no viable alternative for small holders to both FSC-STD-40-005 and full FM certification.

Additional comments:

- small holders should be convinced through communication material, good practice examples, direct contact
- FSC is obsessed with small holders, they will join if it is economically viable
- support FM but not CW (2)
- small holders a niche
- develop a system where certified contractors ensure compliance with FSC criteria on small holder's land
- small holders not interested in getting FM CW, increase FSC certified fiber and labelled products
- simplifying controlled wood requirements, improving system's practicality, reduce system's bureaucracy and costs
- test different group certification and contractor certification schemes
- monitoring land owner activity against too many and not relevant requirements is too expensive
- to bring small holders in the system we need simple national SLIMF standards, solid wood and niche NTFP markets



Question 9:

3a. Support to forest certification should include direct support for key groups (e.g., smallholders, Indigenous Peoples)

Which key groups should be supported to increase forest management certification, as indicated in statement 3a?

There is general support that the key groups mentioned in 3a should be supported. Many respondents add local communities to this list. Some comments provide more nuanced statements as outlined below:

- some groups are not viable and will not be able to achieve sustainable FM
- support should be left to NGOs as this is not sustainable
- support should be channelled through co-operatives or forest owner's associations (2)
- FSC should support local and regional market development as these are relevant for small holders
- support for small holders will drain too many resources and not increase certified forest area and market presence.
- there needs to be an incentive which can only come from the market
- look at large companies which are only FSC CW certified or only sell CoC operations which only sell FSC CW
- start a dialogue with existing groups and their members to understand their needs

Analysis: some proposals clearly indicate the need to develop more tailored approaches as the situation of small holders may be different due to many circumstances under which these owners operate. Respondents also warn of a waste of resources as the outcome for FSC may not be worth the effort. Again, proposal re-iterate to come to a better understanding of this group and their needs before initiatives should be launched.

Question 10: What means of support for key groups do you envisage (e.g. monetary, changes in audit scheduling, etc.)?

- Monetary (19), more detailed proposals entail a fund, reduction of audit costs, direct funding, funding through revenues from CoC operations
- Group certification (3)
- Guidance to understand requirements (11), this entails proposals for consultancy services, assistance for management planning, a hotline for information requests, guidelines for implementation
- Less rigorous standards, simplified standards, less bureaucratic standards, stand alone standard (15)
- Removal of market barriers e.g. CoC certification at each step of the supply chain
- Audit intensity is greater for small entities compared to bigger entities and should be reduced, risk based audit intensity (13)
- Premium for their products (2)
- FSC should approach target groups directly, to understand their difficulties, possible points of interest, benefits, what they want/need and how FSC can help them
- certification of contractors
- engage with governments especially in the South, advocate procurement procedures for SFM



- make an analysis of the current impediments
- marketing campaign for smallholder's products
- recognise existing programs for FM certification

Analysis:

there are in general three ways proposed to facilitate certification of small holder entities:

- monetary support
- reduction of auditing and/or standard requirements
- better guidance to small holders

There are a number of other noteworthy proposals. Some respondents argue that the needs of and barriers faced by this group should first be analysed preferably in direct consultation and appropriate, regionally targeted, measures be developed.

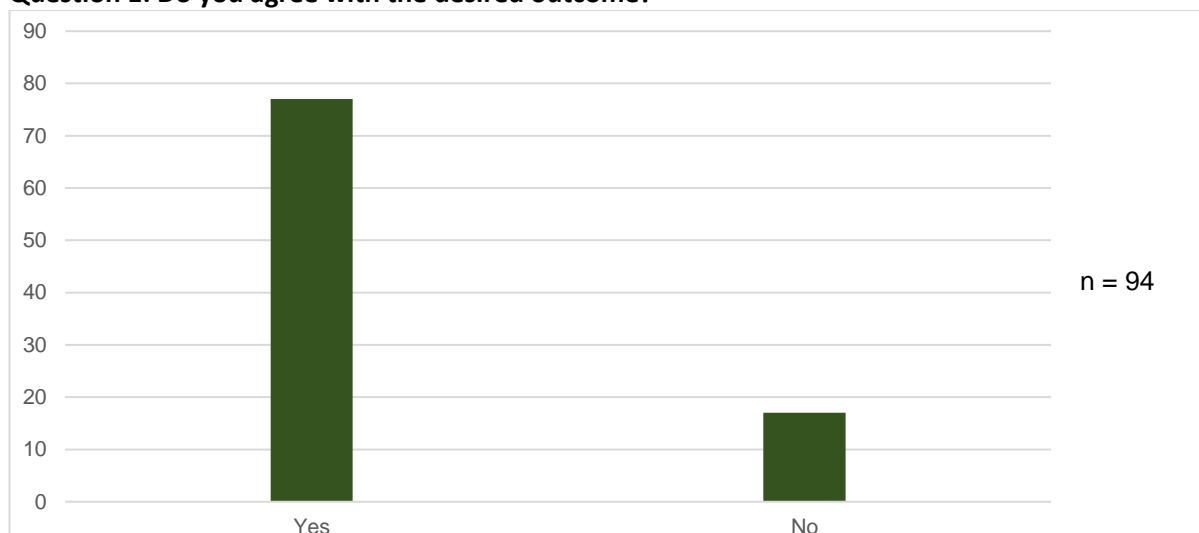
Additional comments

- Subsidies for certification costs are not sustainable
- Standard setting processes are not adequate for this group, focus should be on relevance, outcome and tangible benefits through certification
- saw mills and pulp mills should find solutions (group certification, consultancy)
- FSC should analyse barriers to small forest certification and try to overcome them
- improve understanding of who small holders are.

Analysis: additional comments re-iterate the statements given under this section. Standard setting should better take account of small holders and tailored solutions should best be developed by processors of certified timber.

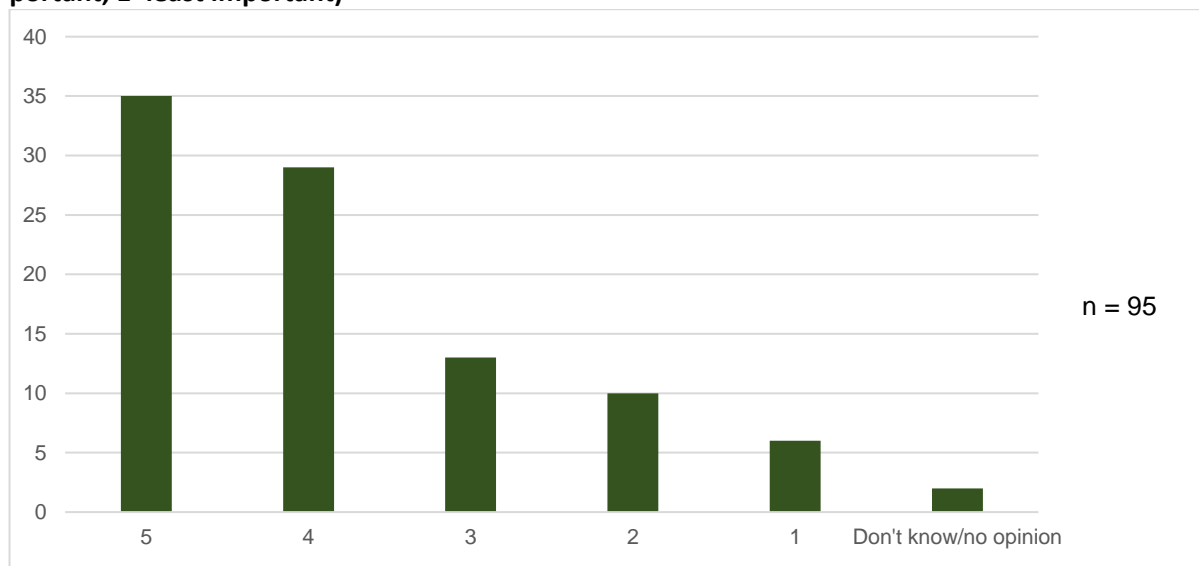
Desired outcome 4: Continuous improvement in forest management practices

Question 1: Do you agree with the desired outcome?



Results: despite the wording of the question who normally everyone agrees to there is not unanimous support for continuous improvement. There are some respondents who favour a more cautious approach.

Question 2: How important is this outcome to achieving FSC's global strategic goals? (5=most important, 1=least important)



Results: answers mirror the results made to the first question in this chapter. A majority of respondents see the outcome as important. There is however a minority of respondents who do not see continuous improvement as an important outcome for achieving FSC's goals.

Question 3: What metric is best for measuring this outcome?

- Number of CW certificates which achieved full certification, number of certificates (4)
- total or percentage of certified area
- amount of FSC Mix volume produced
- impact assessment at forest level
- risk analysis (5) (number of control measures, changes to low risk over time)
- Improvement in conditions for communities
- reduced impact on threatened species
- reduced forest conversion rates
- CI is not relevant for FSC
- e.g. water quality, wildlife habitat but also financial aspects
- Integrated management practices, e.g. appraisal of environmental services, cascade use of timber products, efficient connection with the market
- volume of bribes between FSC companies and their 'controlled suppliers'
- no impact from CW on non-certified owners, FSC should focus on full FM certification
- ECOSEFFECT – methodological framework <http://www.centreforeconics.org/publications-and-products/ecoseffect-method/>
- no continuous improvement possible under CW as benchmark is already missing
- survey of all new FM certificate holders asking three key drivers for their certification
- in some regions CI is an unnecessary burden for forest owners
- metrics may differ by region, issue and methodology (e.g stakeholder consultation, HCV impact evaluation)

Analysis: answers to this question are very broad and do not yield a consistent concept for measuring CI. This is certainly due to the vague issue as such as it is not clear what CI is, from what level it should be measured and if at all there is a need for CI.

Most respondents argue for easy to measure indicators as e.g forest area, forest area change or changes from specified risk areas to low risk areas.

Measurement of such broad and therefore vague aspects should be based on some kind of methodology which can hardly be developed or proposed in the context of a questionnaire to stakeholders who are normally not familiar with the underlying concepts.

Question 4: Other than mixing and the risk-based approach, what are other ways that lead to improvement of forest management in uncertified forests?

- simplify the certification process
- create higher market demand and price premium (3)
- modular approach
- it is sufficient to adhere to best management practices and require logger training



- no potential for improvement of FM from CW, low risk areas generally accepted, specified risk areas will be avoided.
- FSC should only strive to bring uncertified forests into certification, idea is misguided, FSC cannot impact on uncertified forests (3)
- a combination of independent advice and self-certification might have some effect.
- Civil society improvement to block corruption, activate and increase responsibility of government; agencies, harden legislation against illegal and unsustainable logging practices, integrate FSC requirements into legislation (4).
- recognise traditional and customary systems
- modular approach (2)
- Decrease in the number of criteria and indicators that have to be met by smallholders.
- recognition of other certification schemes and existing efforts of good FM outside the FSC system
- improve standards to make them more practical, cost effective and achievable for the uncertified forests.
- strong NGO market campaigns (2)
- change name to 'permitted' material as FSC cannot actually control the provenance of this material.
- certification of contractors
- using CW as information system for better knowledge of FM practices and their impact.

Analysis: there seems to be at least some confusion with the question as FSC's impact on un-certified forest owners is unclear to some respondents. There are also no far reaching proposals made to supplement or replace the current system. Most proposals turn around the ones made in previous sections namely certification of contractors, changing FM standards to make FM certification achievable, promotion and market campaigns. Better integrating FSC requirements into the legal context of different countries was also repeatedly proposed but it remains unclear from the responses how this should be achieved.

Additional comments

- there is no price premium for certified products
- FSC should better integrate existing 'best practices' into its standards.
- the objective of mixing is not CI but increase in certified material and then increase in certified area
- large areas are certified to other systems because FSC is unattractive to these land owners
- this outcome should not be given much emphasis
- a risk based approach cannot deliver CI
- focus should be on non-certified forests

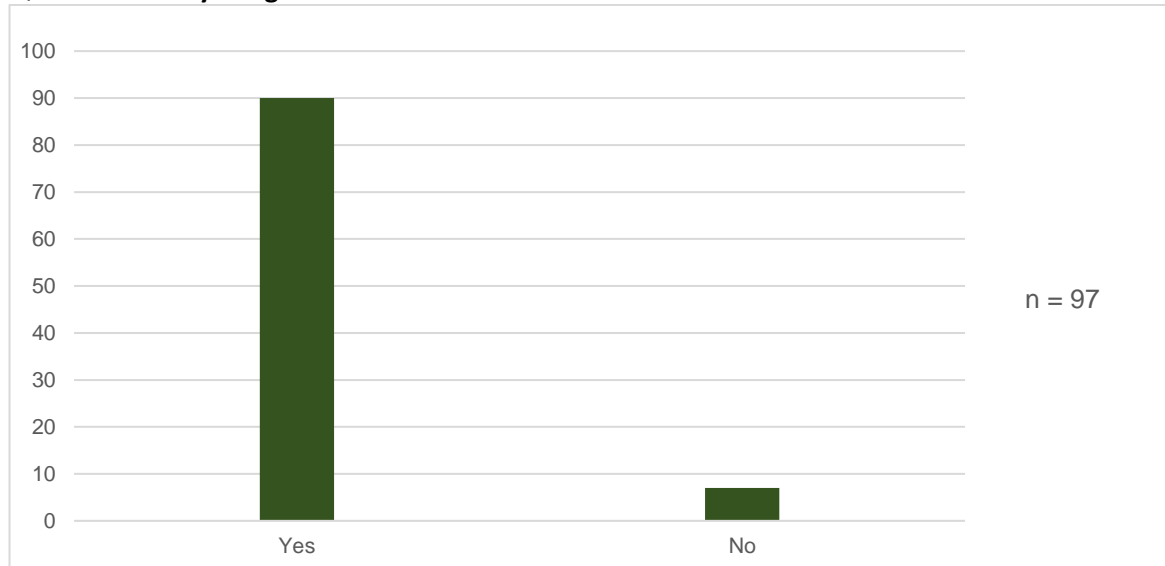
Analysis: there is some concern from persons who responded in this section that key aspects may be overlooked. It is generally argued that the FSC system is not in a position to achieve CI in areas outside its scope unless it brings more area under certification. Comments show that uncertified owners may not be interested due to lack of benefits, the complexity of the system, and the fact that many are already certified under other schemes which may better accommodate their needs.



Forest Stewardship Council®

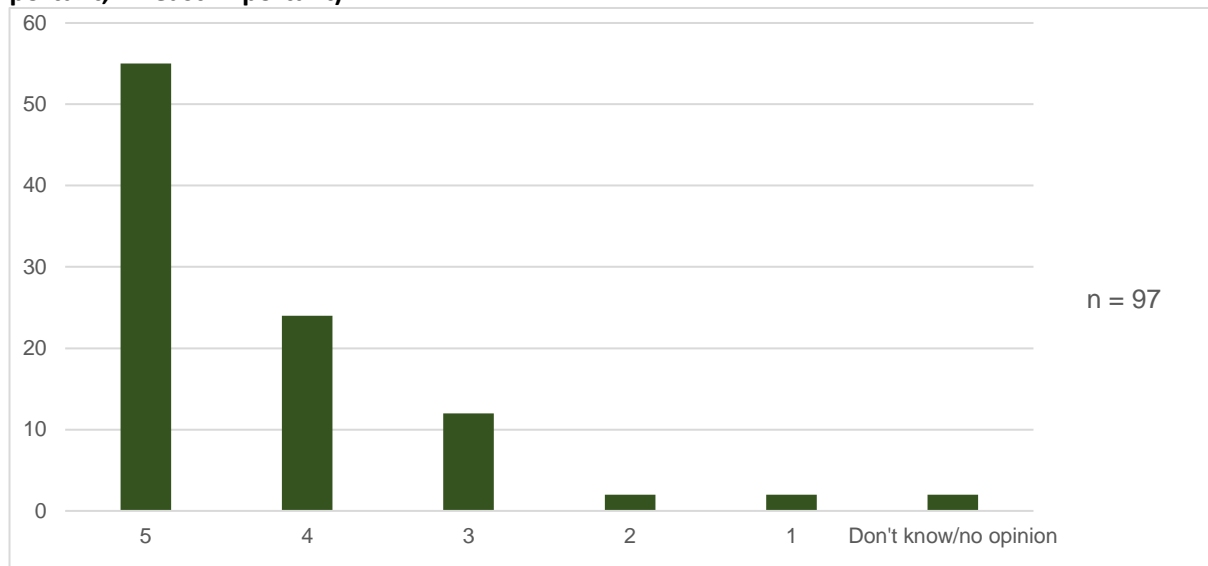
Desired outcome 5: Shared understanding about the future of the FSC system and its impact among various groups of stakeholders.

Question 1: Do you agree with the desired outcome?



Results: there is nearly unanimous support for this statement.

Question 2: How important is this outcome to achieving FSC's global strategic goals? (5=most important, 1=least important)



Results: again, there is the prevailing opinion that this outcome is important for FSC's strategic goals.



Question 3: What metric is best for measuring this outcome?

Note: a number of comments are not related to the question and are therefore discarded.

- Improved consensus on system changes (2)
- absence of motions related to CW at GA (2)
- this a waste of effort
- surveys or stakeholder consultations (4)
- implementation plan against which progress can be measured
- result in terms of ha FM and number of CoC certificates (2)
- numbers of companies per business sector actively promoting FSC, number of Fortune 100 companies promoting FSC

Analysis: there are few specific proposals how this outcome can be measured. In general, it is difficult to develop tools which measure perceptions and opinions. A quantitative indicator proposed is the number of motions on CW in the GA. However, this is probably more expresses frustration about continuing disputes rather than being a reliable indicator for consensus. Other respondents point to surveys and ongoing stakeholder consultation whereas still other see general market success measured in certified area, number of certificates or business engagement as possible indicators.

Additional comments

Analysis: additional comments express widespread concern and disagreement as to the future role of CW. While some respondents see the need to better consider the needs of certificate holders other argue for a stricter approach were CW is going to be phased out or at least significantly reformed. Answers also advocate the need to deliver a clearer message as FSC is considered to be everywhere but not really focused.



Additional overall comments

- The discussion paper and its statements are very positive;
- FSC Label/claim of 'Mix' is sometimes confusing. Very simple label/claims would be better from communication perspectives.
- FSC should establish education/training center with a basic one year diploma course
- Disappointment over postponement of August meeting
- Only FSC risk assessments should be allowed
- FSC needs to create more value for forest owners through e.g. better marketing, tax incentives in co-operation with governments
- FSC should oppose and denounce creating "value" by satisfying extortion of campaigners.
- No questions on supply and demand, questions were sometimes unclear
- The Mix label is very successful and should be better communicated through a better message
- A phasing out of the FSC Mix system could create huge cost
- Make the system less bureaucratic and complex, keep complex systems like FPIC, IFL, ICL, HCV out of the controlled wood standard
- System stability in CW is important, important supply chain links are driven out of the system
- There is disagreement between stakeholders who want the CW system to continue and those who want to phase it out. The latter is not sufficiently addressed in the questions.
- The focus is on the paper industry, and auditors do not adequately address the 5 categories