



Forest Stewardship Council®



## New Approaches for Smallholders and Communities Certification project 2019 Annual Report

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## INTRODUCTION

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Under the banner of the New Approaches for Smallholders and Communities (New Approaches) project, FSC seeks to improve access to, and uptake of, the FSC system by small forest owners and communities. Through coordinated project streams, initiatives and activities, FSC implemented a work area to test, evaluate, and scale up successful solutions for smallholders and communities. In turn, these efforts are exploring the flexibility of the FSC system, improving relevant forest management standards, and developing new solutions. FSC seeks to increase the accessibility of the FSC system by understanding and eliminating certification and market barriers for smallholders and communities to actively participate in FSC.

In 2019, the New Approaches project deployed locally relevant solutions for smallholders and communities in key regions, aligned with FSC's global priorities and geographies. These efforts resulted in a range of new proposals and tools for responsible forest management for smallholders and communities. The New Approaches project achieved the following outcomes in 2019: 1) improved accessibility to the FSC system through policy and technical innovation; 2) enhanced market access and business development solutions; and 3) increased involvement on the FSC system. The below outlines the key activities to accomplish these outcomes with a year at a glance that summarizes the activities over the course of 2019.

## KEY ACTIVITIES

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### Improved Accessibility to the FSC System through Policy & Technical Innovation

The New Approaches project is exploring the flexibility of the FSC system, improving relevant standards, and developing new solutions. Activities are grounded in international, regional, national and local contexts to meet the needs of smallholders and communities. Project streams are structured in two main areas traditional and innovative normative efforts. Key initiatives include:

- **Group Standard:** The New Approaches project is leading the full revision of the FSC-STD-30-005 *FSC Standard for Group Entities in Forest Management Groups*, known as the "Group Standard". The revision process is incorporating several innovative elements to make the standard more accessible to smallholders and communities, specifically incorporating risk-based approaches and simplifying the language. In 2019, the Technical Working Group held two in-person meetings, to focus on the main areas of the standard that need clarification and improvement, and develop the first draft, which was submitted to public consultation towards the end of the year.
- **Asia Pacific Regional Forest Stewardship Standards (RFSS) for smallholders:** The New Approaches project is working in partnership with Asia Pacific Regional Office to explore a simplified forest management standard to increase smallholder engagement in the FSC system. Efforts focused in four countries, including: Thailand, India, Indonesia, and Vietnam. In 2019, the project recruited and established Technical Advisory Group from FSC's environmental, social, and economic chambers; launched a targeted consultation and an open call for a regional Consultative Forum to gather additional feedback prior to on-the-ground testing; and completed four field tests.
- **Chinese Forest Stewardship Standard (6.5.5) Pilot Test:** The New Approaches project is supporting FSC China to assess alternative arrangements for smallholders to conform with the 10 per cent rule for setting aside conservation areas. In 2019, the project compared the implications of these alternative scenarios, thought desk studies and in site audits and provided a progress update to the FSC Policy and Standards

Committee. This initiative is part of a broader project that is also implementing the Risk Based Approach procedure and preparing the revision of the current NFSS.

- **Forestry Contractors:** The New Approaches project seeks to reduce costs of forest management certification by allowing the division of responsibilities among forest owners, group entities, and forestry contractors. In 2019, the project published a final proposal from the international working group and opened for public consultation; presented the results to both the FSC Policy and Standards Committee and to FSC Board of Directors; and gained approval to move the project forward.
- **Continuous Improvement:** The New Approaches project worked in Latin America and Eastern Africa to create a phased-in avenue for FSC certification. This process is known as 'continuous improvement'. In 2019, the project published and invited public international consultation of the results obtained in these regions; received approval for the development of a new international procedure by the FSC Policy and Standards Committee and FSC Board of Directors; and launched a call for Technical Working Group members to develop such procedure.
- **Smallholders Access Program (SAP) Pilot Test:** The New Approaches project is working in partnership with the Rainforest Alliance, as part of their Appalachian Woodland Alliance project, to test a simplified standard that will facilitate obtaining FSC certified material for smallholders in the United States. In 2019, the SAP developed the Standard Operating Procedure for the pilot test, selected the group certificate holders participating in the pilot, implemented initial desk audits to test conformance with the SAP standard, started recruiting harvest units to participate in the pilot and implemented the first field visit to assess the on-the-ground feasibility of this new tool. A progress update was presented to FSC Policy and Standards Committee in December.
- **Free, Prior and Informed Consent (FPIC):** As the scope of New Approaches project has been broadened to incorporating the Social Policy work area, its initiatives have been also integrated. To highlight the revision of FPIC guidelines, FSC-GUI-30-003, that aims to provide necessary information to certificate holders, affected rights holders, Standard Development Groups and Certification Bodies, on the best way forward to implement a legitimate FPIC process under the transferred IGIs in new National Forest Stewardship Standards. In 2019, the public consultation of draft V1.0 was executed and one in person meeting was held in Wendake, Canada.
- **Cross-commodity study:** Under the scope of an existing FAO project, FSC Ecuador undertook a short-term study, in partnership with the KALLARI Association, to assess whether their production of cocoa and organic chocolate -already BCS certified- was consistent with the FSC forest management requirements. The preliminary conclusions show that the initial idea of establishing a multi-standard approach is does not make sense in the area, since the 'chakra' agro-system (diversified cultivation) does not necessarily include forest remnants. However, it was also concluded that FSC certification can be of interest to the local government, as well as potential funders e.g. FAO, as a tool for the implementation of their public policies to achieve sustainable management and conservation of natural resources in the Napo province.

### Enhanced Market Access and Business Development Solutions

The New Approaches project advanced its market development activities, specifically focused on developing local supply and value chains for smallholders and communities. The goals of these efforts are to improve FSC's market intelligence, increase their market access, and to design business models and additional strategies and tools that enable smallholders and communities to reach certification. In 2019, the New Approaches project completed the following activities:

- Developed a business intelligence system to overcome the current data limitations on assessing progress.
- Adapted a 'Collective Impact' model of participatory engagement to empower smallholders and communities. The effort is designed to find a set of solutions to address identified barriers to market access and business development. The model was articulated in a discussion paper and is aligned with the current FSC global value chain development strategy, specifically the Wood and Innovation (NTFP) Value Chain Action Plan and it will be tested on the ground with the support of FSC National Offices, in this phase in Latin America.
- Started the compilation of business case studies to explore economic incentives models that will encourage smallholders and communities to join multi-national company supply chain.

### Increased Involvement on the FSC System

FSC is a unique multi-stakeholder dialogue platform that brings diverse groups together to find solutions that lead to positive, locally relevant impacts for forests and people. The New Approaches project seeks active stakeholder involvement from smallholders, communities and Indigenous Peoples to drive the design, innovation, and implementation of new concepts, pilot testing, and solutions. In 2019, the New Approaches project develop additional efforts to ensure active participation from those constituents, or their representatives, on the on-going policy initiatives and partnered with FSC regional and national offices to facilitate stakeholder engagement events globally.

Complementary, the New Approaches project provided regular updates, using different channels, to smallholders and communities, certification bodies, key accounts and donors, FSC international members, FSC staff and Network Directors. In 2019, the New Approaches project published 'fact sheets' for each initiative on the newly revised FSC website, outlining project activities and accomplishments. Fact sheets will be updated annually and complemented by process pages published on the FSC website. Additionally, the New Approaches project drafted regional impact stories to illustrate the unique journey of smallholders and communities as they increase access to FSC certification.

## YEAR AT A GLANCE

Month	Activity
<b>January</b>	<ul style="list-style-type: none"> <li>• New Approaches project present in ISEAL Living Income workshop in Bonn</li> <li>• FSC China Standard Development Group meeting occurred to guide Chinese NFSS (6.5.5.) pilot tests</li> <li>• Standard Operating Procedure for SAP pilot test approved</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>• In-person meeting of New Approaches team was held in Sweden</li> <li>• Group Standard Technical Working Group convened in Sweden</li> <li>• Results of Forestry Contractors field test published and open for public consultation</li> <li>• Continuous improvement final consultation workshop held in Uganda, bringing together the New Approaches team, the FSC Eastern Africa technical working group for a continuous improvement concept, and Forests of the World representatives</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>• New Approaches project participated in an event for sustainable secondary forest management held in Guatemala, organized by the Forestry and Climate Change Fund (FCCF) and the Fundación Naturaleza para la Vida de Guatemala (FNPV)</li> </ul>

Month	Activity
	<ul style="list-style-type: none"> <li>• New Approaches project participated in New Generation Plantation field shop in Vietnam</li> <li>• Presentation of a brief overview of the project in FSC Portugal general assembly for national and international members</li> <li>• Attendance of FSC CB annual meeting, presenting an update of recent developments on the different initiatives</li> <li>• Launch of public consultation of Draft V1.0 of FPIC guidelines (60 days)</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>• Two workshops were held at Global Staff Meeting, seeking feedback of FSC Network on value proposition for small forest owners and communities</li> <li>• Five sites selected for Chinese NFSS (6.5.5.) pilot tests</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>• Two reports with the results of Continuous Improvement initiatives in Latin America and Eastern Africa were open public consultation</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>• In-person meeting of New Approaches team in Portugal</li> <li>• Group Standard Technical Working Group meeting in Portugal</li> <li>• FPIC Working Group meeting in Canada</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• Presentation of New Approaches project to PIPC, with a special focus on how Community certification tool results and learnings have been integrated</li> <li>• Attendance of Soil Association Global Forestry Team meeting in Bristol presenting an overview of the project</li> <li>• SAP pilot test participants chosen, and process launched in North America</li> <li>• SAP pilot desk audits implemented by certification body in all participating group certificate holders</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• Brief update on New Approaches project presented to FSC Board of Directors in Vietnam</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Proposals for Forestry Contractors certification and for Continuous Improvement concept submitted to FSC Policy and Standards Committee</li> <li>• Participation on Latin America Members meeting and FSC 25<sup>th</sup> anniversary in Mexico</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Participation on European Members meeting in Prague</li> <li>• Field tests began in India, Indonesia, Thailand, and Vietnam for Asia Pacific Regional Forest Management standard for smallholders</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• In-person meeting of New Approaches team in Germany</li> <li>• Collective Impact model for market development concept paper discussed and endorsed with MCU</li> <li>• Field evaluation implemented in one of the group certificate holders participating in the SAP pilot test</li> <li>• Proposals for i) extending and expanding Forestry Contractors certification pilot test for one year and ii) for the development of a new Continuous Improvement international procedure approved by FSC Board of Directors</li> <li>• Participation of New Approaches team on Forest Network meeting, main topic on smallholders' certification</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• First draft of the revised Group standard published for public consultation</li> <li>• Webinars supporting the Group standard first draft consultation held for the different regions and stakeholders</li> <li>• Progress updates on Chinese NFSS (6.5) and SAP (AWA) pilot tests presented to FSC Policy and Standards Committee</li> </ul>



Month	Activity
	<ul style="list-style-type: none"> <li>• Terms of Reference for Technical Working Group to develop Continuous Improvement procedure approved, and call for applications to join this group launched</li> </ul>

## CONCLUSION

As the New Approaches project continues its activities in 2020, the following will be accomplished across each project work stream:

- **Group Standard Revision:** Second public consultation will be launch in Q2 2020, with an anticipated completion by the 2020 General Assembly.  
**Team:** Rosario Galán ([r.galan@fsc.org](mailto:r.galan@fsc.org)) and Lauri Ilola ([l.ilola@fi.fsc.org](mailto:l.ilola@fi.fsc.org))
- **Free, Prior and Informed Consent (FPIC):** The revision of the guidelines FSC-GUI-30-003 is envisioned to be finalized by September 2020.  
**Team:** Joachim Meier-Dörnberg ([j.meier-doernberg@fsc.org](mailto:j.meier-doernberg@fsc.org))
- **Simplified Regional Forest Stewardship Standard:** Asia Pacific simplified forest management standard will move toward public consultation in 2020, with submission to the policy and standards committee aimed for mid-2020.  
**Team:** Loy Jones ([l.jones@fsc.org](mailto:l.jones@fsc.org))
- **Chinese NFSS (6.5.5.) Pilot Test:** In 2020, the project will inform wider implementation across the FSC network, including regional applications in Asia Pacific and with other smallholders and communities throughout the world.  
**Team:** Ma Lichao ([ma.lichao@fsc.org](mailto:ma.lichao@fsc.org)) and Wang Yanyan ([wang.yanyan@fsc.org](mailto:wang.yanyan@fsc.org))
- **Forestry Contractors:** The concept of recognizing existing contractors' certification schemes, as well as developing an FSC standard, has been integrated on Group Model Type III pilot test, that has been extended one more year.  
**Team:** Lauri Ilola ([l.ilola@fi.fsc.org](mailto:l.ilola@fi.fsc.org)) and Aidas Pivoriunas ([A.Pivoriunas@lt.fsc.org](mailto:A.Pivoriunas@lt.fsc.org))
- **Continuous Improvement:** The technical working group will work online and meet in Q3 to develop the first draft of the Continuous Improvement procedure. A public consultation of this draft will be launched before the end of the year.  
**Team:** Rosario Galán ([r.galan@fsc.org](mailto:r.galan@fsc.org)), Janja Eke ([j.eke@fsc.org](mailto:j.eke@fsc.org)) and Annah Agasha ([a.agasha@fsc.org](mailto:a.agasha@fsc.org))
- **Smallholder Access Program:** The project is undergoing an evaluation in mid-2020 to analyse the results from the first year of implementation and incorporate any changes into the second year of the pilot test.  
**Team:** Rosario Galán ([r.galan@fsc.org](mailto:r.galan@fsc.org)) and Amy Clark Eagle ([a.eagle@us.fsc.org](mailto:a.eagle@us.fsc.org))
- **Collective Impact model (phase 0):** The project will launch three preparatory initiatives based on the methodology 'Collective Impact' aiming to empower smallholders and communities to find the set of solutions for the barriers identified in terms of market access and business development. The case studies will be developed together with FSC National Offices and integrate a variety of settings small forest owner, communities and Indigenous Peoples; plantation and natural forest, supply and value chain development, and wood and NTFP.  
**Team:** Janja Eke ([j.eke@fsc.org](mailto:j.eke@fsc.org))

- Natural rubber project (phase 1):** This project is one of the most recent market initiatives launched by New Approaches and is part of the overall strategic approach the Market and Communication Unit has within their global value chain approach. Promoting certified natural rubber latex for the tyre industry, seems to be one of the most promising areas for business expansion within smallholders setting.

**Team:** Joachim Meier-Dörnberg ([j.meier-doernberg@fsc.org](mailto:j.meier-doernberg@fsc.org)), Loy Jones ([l.jones@fsc.org](mailto:l.jones@fsc.org)) and Anushree Shukla ([a.shukla@fsc.org](mailto:a.shukla@fsc.org))
- Monitoring & Evaluation:** In 2020, FSC will enhance its monitoring and evaluation framework, working in close collaboration with Data analytics, Evaluation and Learning program, to better reflect FSC positioning within the next 5-year period (2021-2026).

**Team:** Janja Eke ([j.eke@fsc.org](mailto:j.eke@fsc.org))
- Enablers:** The New Approaches project will continue to update smallholders and communities, certification bodies, key accounts and donors, FSC international members, FSC staff and Network Directors of its activities through complementary tactics – factsheets of all of the current year initiative will be published in Q1, linked to process pages that will show progress throughout the year; a quarterly update will be distributed via Branching Out, News&Views and Members newsletter; a session will be held at the next CB annual meeting; and regional webinars have been offered to Motions Coordinators to present the work being done. In addition, at the 2020 General Assembly, the New Approaches project will present updates on its key activities and outcomes of the project over the past three years, in a joint side event with other Performance and Standards Unit program.

**Team:** Rosario Galán ([r.galan@fsc.org](mailto:r.galan@fsc.org))

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