



HOW TO COMBINE FAIR TRADE AND FOREST MANAGEMENT CERTIFICATION

A SHORT GUIDE FOR COMMUNITY FORESTS AND TRADERS TO LINK FAIR TRADE
PRACTICES WITH FOREST MANAGEMENT CERTIFICATION

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INTRODUCTION

This guide aims to present existing ways to combine Fair Trade with sustainable forest management certification. It provides examples from successful community forests and Fair Trade Organizations which have applied fair trade and Forest Stewardship Council (FSC) certification at the forest and processing level or have fairly traded FSC certified community forest products.

The Program for Endorsement of Forest Certification (PEFC) also provides regional certification which could lower the cost for certification and allow smallholder to benefits from joining a Fair Trade scheme, although no examples currently exist.

What is fair trade?

Fair trade is an organized social movement and market-based approach that aims to improve trading conditions for producers in developing countries and promote the payment of a higher price to exporters as well as higher social and environmental standards. It does so through labeling, certification, and committed Fair Trade Organizations which help to connect the southern producer with the northern consumer.

There are three main Fair Trade Initiatives:

- World Fair Trade Organization: www.wfto.org
- Fairtrade Labelling Organization: www.fairtrade.net
- Fair Trade USA: <http://www.fairtradeusa.org/>

What is Sustainable Forest Management Certification?

Sustainable forest management certification confirms that a specific area of forest is being managed in line with economic, environmental and social sustainability principles such as those defined from Forest Europe:

- a) Maintenance and appropriate enhancement of forest resources and their contribution to global carbon cycles;
- b) Maintenance of forest ecosystem health and vitality;
- c) Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems;
- d) Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water);
- e) Maintenance and encouragement of productive functions of forests (wood and non-wood)

Every certification system defines its specific set of principles and criteria such those promoted by the [Forest Stewardship Council](http://www.fsc.org).

ARE YOU A COMMUNITY FOREST? OR A GROUP OF FOREST SMALLHOLDERS?

Getting your community or group of small forest owners certified can be quite challenging due both to the cost of certification and the many principles and criteria to be addressed.

There are some certification bodies that have created a step-by-step approach to sustainable forest management certification (See Figure 1 and Box 1). These schemes allow community forests and smallholders operations to gain access to potential markets already, whilst on their way to achieving full certification – mainly by linking companies which enter the program to companies looking for a source of legal and controlled wood.

What are step-by-step programs?

Following a step-by-step approach, an initial assessment is carried out to assure the basic requirements of legality are met. Then with the help of a gap analysis and an action plan with clearly defined targets the community forest can measure its progress toward meeting the targets and obtaining the “controlled wood certification” an intermediate step in between legality and the full forest management certification. While the first step is about ensuring compliance with national legislation the controlled wood standard enhance the requirements to avoid the following management practices:

- Illegally harvested wood;
- Wood harvested in violation of traditional or civil rights;
- Wood harvested from forests in which high conservation values are threatened by management activities;
- Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses; and
- Wood from forests in which genetically modified trees are planted.

Box 1: Step-by-step technical support programmes

[The Global Forest & Trade Network \(GFTN\)](#) is a WWF initiative designed to eliminate illegal logging and encourage responsible forest management.

[The Forest Trust \(TFT\)](#) is a global non-profit organisation that helps companies and communities deliver responsible products.

[Rainforest Alliance's SmartStep](#). A phased approach to FSC certification

[The Tropical Forest Foundation \(TFF\)](#) The Tropical Forest Foundation's Reduced Impact Logging (RIL) programme is a set of practices that support a more responsible, sustainably managed forest by harvesting in a way that minimises damage.

[Timber Trade Action Plan \(TTAP\)](#) is a project funded by the European Union that aims to reduce the trade in illegal wood products and contribute to sustainable forest management.

Box 2: FSC's step-by-step approach to certification

FSC is developing a step-by-step approach to certification, currently called MAP- the Modular Approach Program that, among other things, will provide a new mechanism for small and community producers to gain FSC certification. It is still undergoing review, but in its current state, it has 3 stages: Legality, Controlled Wood and finally FSC certification, with the ability to use the FSC 100% label, and possibly make other claims related to the Modular Approach.

While the other step-by-step certification programs are launched by individual certification bodies, FSC MAP will allow setting standards for step-by-step models for all entities accredited for FSC certification. More information and useful tools at: <http://ic.fsc.org/outreach-materials.394.htm>

Ultimately, from controlled wood if all the remaining principles and criteria of sustainable forest management are met, the community will achieve full FSC certification.

The ten FSC Principles require the forest owner or manager to do the following:

Principle 1: Compliance with laws and FSC Principles – to comply with all laws, regulations, treaties, conventions and agreements, together with all FSC Principles and Criteria.

Principle 2: Tenure and use rights and responsibilities – to define, document and legally establish long-term tenure and use rights.

Principle 3: Indigenous peoples' rights – to identify and uphold indigenous peoples' rights of ownership and use of land and resources.

Principle 4: Community relations and worker's rights – to maintain or enhance forest workers' and local communities' social and economic well-being.

Principle 5: Benefits from the forest – to maintain or enhance long term economic, social and environmental benefits from the forest.

Principle 6: Environmental impact – to maintain or restore the ecosystem, its biodiversity, resources and landscapes.

Principle 7: Management plan – to have a management plan, implemented, monitored and documented.

Principle 8: Monitoring and assessment – to demonstrate progress towards management objectives.

Principle 9: Maintenance of high conservation value forests – to maintain or enhance the attributes which define such forests.

Principle 10: Plantations – to plan and manage plantations in accordance with FSC Principles and Criteria.

HOW TO COMBINE A STEP-BY-STEP APPROACH WITH FAIR TRADE PRINCIPLES?

In addition to these approaches some communities and timber processors have joined Fair Trade schemes in order to obtain better market access, premium prices and to add a capacity building dimension that help the process toward full sustainable forest management certification (

Figure 1). The process of getting certified can require considerable economic resources, internal staff skills and organizational procedures. A lack of market access and very low timber prices often mean that forest managers and small timber processors cannot afford the cost and time required for full forest management certification. Once a community forest has gained certification it may also have difficulty in competing with large scale companies. In several international commodities such as coffee, cocoa, banana, Fair Trade has demonstrate the positive effects it can have on small producers, through providing them with better prices, capacity building and training. In the timber sector Fair Trade is a relatively new concept but some examples already exist, and are presented in the next section.

Figure 1: Smartwood step-by-step approach combined with fair trade principles



OPERATIONAL STEPS:

1. Check if any of the FSC [smallholders guidelines](#) may be of help.
2. Contact one of the step-by-step approach programs listed in box 1, or, if you are already sure you meet all FSC requirements contact one of the [accredited certification bodies](#).
3. Contact a [Fair Trade Organization in your country](#) and ask for training and trading support or contact direct the World Fair Trade Organization and [apply to the membership program](#).
4. If you are already FSC certified you might be interested to know that there are ongoing pilot projects on obtaining [dual FSC and Fairtrade labeling](#)

Dual FSC and Fairtrade labeling pilot project

Fairtrade Labelling Organizations International (FLO) and Forest Stewardship Council (FSC) International Center have launched a joint pilot project to help community-based and small-scale timber producers gain market access while also ensuring they get a fair price for their products. The project aims to test dual labelling (FSC and FLO) as a means of bring fair prices and new market opportunities to smallholder enterprises. FLO has developed a new Fairtrade standard for timber¹, which is designed to complement the FSC Principles and Criteria for Forest Management for small and/or community based forestry operations.

If you already are in a step-by-step program, such as FSC MAP or those stated in Box 1, most of your internal management and quality procedures will satisfy the Fair Trade management requirements. You just need to work on getting your trading practices in line with Fair Trade pricing, long term contracting, capacity building and training for your group members and your producers.

The following section presents a series of case studies and different practices in combining forest management certification and Fair Trade.

THE CASE STUDY: FORCERT

FORCERT is a Papua New Guinean based, not-for-profit company that promotes sustainable forest management through providing certification and marketing services of forests and products through Fair Trade for local small-scale producers and timber yards.

FORCERT uses Forest Stewardship Council (FSC) **group certification** as a management, marketing and networking tool. It links community forest enterprises to central timber yards, and combines the output of these yards to service overseas markets. FORCERT adopts a step-by-step approach to certification. **To join the group the first requirements are legality and fair trade principles.** Then within a scheduled time plan the new communities are pushed to move toward [controlled wood](#) and finally to fulfill FSC forest management certification.

FORCERT believes in a fair and transparent independently certified forest product trade that recognizes the important role of local landowners and ensures the different values of their forests are appreciated and maintained.

Thus FORCERT is an FSC certified forest operation and a Fair Trade Organization verified by WFTO, the [World Fair Trade Organization](#). This means that the timber pricing and sales arrangements of the FORCERT have been recognized as meeting [Fair Trade standards](#).

For more information: www.forcert.org.pg

FSC community label option

The FSC has developed new label text for use in the FSC 100% and MIX labels to indicate when product content is from small or community producers. As small and community producers frequently face similar disadvantages in the market, especially small volumes which make it difficult to attract buyers and negotiate good prices, the FSC made both community and small producers eligible to use the new label text. The goal is that consumers who value the opportunity to support small or community producers will choose products made of raw material from these producers and/or pay more for them. This could provide new and/or improved marketing opportunities to small or community producers, as well as large companies who purchase forest products from these producers. More information at: <http://ic.fsc.org/policy-for-labeling-community-and-slimf-products.316.htm>



THE CASE STUDY: COATLAHL

The Regional Agroforestry Cooperative 'Colón, Atlántida, Honduras' Ltda (COATLAHL) first obtained FSC certification in 1996. The cooperative holds a group FSC certificate on behalf of 14 small community based timber-producing groups, who manage 19,500 ha of natural broadleaf forests. Coatlahl provides marketing and sales services and has a furniture workshop with a certified supply chain. Their main products are sawn timber and solid wood furniture. The community benefits from a [group certification](#) which also follow the streamlined procedures for [Small and Low Intensive Managed Forests](#) (SLIMFs). These procedures require fewer criteria to be met for those forest operation that are considered small and or with low intensive extraction volume according to FSC standards.

To increase benefits for forest community families and forest workers within a [pilot project between FSC and FLO](#) (Fairtrade Labelling International), COATLAHL decided to obtain Fairtrade certification. Gaining greater market access and higher timber prices and responding to market demand were the main reasons for applying for Fairtrade certification.

For COATLAHL, which was already FSC certified, the Fairtrade certification was a tool to strengthen its commitment towards socially and environmentally responsible forest management.

Thanks to the help of some NGOs, such as Bosque del Mundo, or the Fair Trade importer, some of the timber processed by COATLAHL is being sold in Europe (Spain and Denmark).

For more information: www.coatlahl.com

FSC and FLO dual certification pilot project

Fairtrade Labelling Organizations International (FLO) and Forest Stewardship Council (FSC) International Center have launched a joint pilot project to help community-based and small-scale timber producers gain market access while also ensuring they get a fair price for their products. The project aims to test dual labelling (FSC and FLO) as a means of bring fair prices and new market opportunities to smallholder enterprises.



THE CASE STUDY: FORESCOM

In 2003, the *Empresa Comunitaria de Servicios del Bosque FORESCOM*, was founded as a result of the effort of eleven community forest concessions of the Maya Biosphere Reserve in Petén, Guatemala. These forest concessions were established within the framework of government policy for the sustainable management of natural resources.

Together, they created FORESCOM as their business platform in order to consolidate the region's timber supply, to add value to their raw materials and to sell to domestic and international markets.

All products sold by FORESCOM are made with wood certified by the Forest Stewardship Council FSC®.

The industrial plant processing and industrialization of timber is certified to specific standards for Chain of Custody FSC Forest Stewardship Council.

Fundacion COPADE, a Fair Trade Organization, is working with FORESCOM since 2010 and it has established a Fair Trade program for outdoor and garden furniture which are exported to the Spanish Market.

FORESCOM is a leading example of very well organized community forest that provide both responsible and fair forest products and an economically efficient way. In the beginning of 2013 FORESCOM, with the support of COPADE, will start to sell its products on the Spanish Market through big retailers.



More information at: <http://www.forescom.com.gt/>

ARE YOU A FAIR TRADE ORGANIZATION?

Fair Trade Organizations may be interested in trading forest products that come from responsible sources. This might be a way to enhance your sustainability image and to respond to consumer demand for both strong social and environmental performance in fair trade products. This will also support community forest which are committed to forest sustainability and that face very unfair market conditions.

Many Fair Trade Organizations works with timber and non-timber forest products (NTPFs) coming from tropical regions but no assurances on legality and environmental sustainability in forestry operations are given.

On the other hand many community forests, including some that are FSC certified, produce too small an annual volume of wood to meet the demand of big retailers. Fair Trade Organizations in contrast work with small volumes and often trade NTFPs – often the most valuable tropical forest commodities, especially for communities.

Would you like to trade responsible forest products?

1. Check the [FSC database](#) to identify communities and which products they are offering.
2. Cross check with the FSC National Office in your country and ask for market research help or look into the [smallholder support program](#).
3. Once you have identified a community forest start to trade according to Fair Trade principles. This will help the communities to maintain their responsible forestry practices.
4. If you would like to trade and sell these community forest products as FSC certified, with the proper label you must undergo the [Chain of Custody certification process](#).

There are already some examples of Fair Trade Organizations with a chain of custody certification trading FSC community certified forest products: [Fairtradecenter Breisgau gmbh](#), [Fair Deal Trading gmbh](#), [COPADE Arte Latino](#).



About Sustainable Timber Action



Sustainable Timber Action (STA) aims to increase public awareness in Europe about the human and environmental issues caused by deforestation and forest degradation in developing countries (mainly Latin America and Africa), and about the impact of unsustainable consumption and production of forest products (such as timber) on climate change, biodiversity and people dependent on forests. STA addresses how public authorities, particularly local authorities in Europe, purchase and consume forest products for their cities or administrations.

Partners

ICLEI – Local Governments for Sustainability



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Miskolc City Council



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