



FOREST STEWARDSHIP COUNCIL

International Center

Goerresstr. 15 / II a, 53113 Bonn, Germany
Tel: +49 (228) 367 66 0, Fax: +49 (228) 367 66 30
www.fscoax.org fscoax@fscoax.org

FSC SOCIAL STRATEGY:

BUILDING AND IMPLEMENTING A SOCIAL AGENDA

VERSION 2.1

Version 1 of this document was prepared on 07 June 2002. At the 26th meeting of the FSC Board of Directors, in September 2002 it was endorsed as a document to guide FSC operations and planning.

Version 2 (November 14, 2002) was produced based on feedback received from a consultation process with FSC National Initiatives, members, and representatives of FSC's different stakeholder groups (see Appendix V).

Version 2.1 (February 17, 2003) incorporates minor changes made by members of the FSC Social Strategy Advisory Committee and the documents editors following the 3rd FSC General Assembly. No substantial changes to the activities nor priorities were made.

This is a living document. We welcome your input. To comment on this document please write to: social@fscoax.org or by mail or fax to the above address.

TABLE OF CONTENTS

A. BACKGROUND AND RATIONALE.....	3
A.1. Purpose of this Document.....	3
A.2. The Scope and limitations of FSC Certification.....	3
A.2.1. How FSC certification works.....	3
A.2.2. Forests and sustainable development.....	5
A.2.3. Certification and Sustainable Development.....	6
B. SOCIAL ISSUES WITHIN THE FSC.....	8
B.1. Setting the Social Agenda.....	8
B.2. Social Constituents and their Priorities.....	9
B.3. Social Target Groups: Identifying needs, problems, constraints and priorities.....	10
B.4. Addressing the challenges.....	10
B.5. Common Key Issues for all Constituencies.....	10
C. FSC SOCIAL STRATEGY.....	15
C.1. Mission, Vision, Goal and Values.....	15
C.2. Objectives, Outputs and Activities.....	16
Objective 1. FSC Compliance.....	17
Objective 2. Communication.....	20
Objective 3. Capacity building.....	22
Objective 4. Market benefits.....	24
D. STRATEGY IMPLEMENTATION.....	25
D.1. Producing an operational plan.....	25
D.1.1 Roles and Responsibilities.....	25
D.1.2 Identifying Priorities.....	26
D.1.3 Monitoring and Evaluation.....	26
D.2. Operational Values.....	27
D.3. Partnerships formalized for key activities.....	27
D.4. Stable Funding of Strategy Sought.....	29
Definitions.....	30
References.....	34
Appendix I: FSC Principles.....	37
Appendix II: An evaluation of social constituent priorities.....	38
A: Local Communities.....	38
B: Indigenous Peoples.....	41
C: Forest Workers.....	43
D: Small and Low Intensity Forest Users.....	44
Appendix III: List of Acronyms.....	46
Appendix IV: List of Source Documents.....	47
Appendix V: The Consultation Process on Version 1.....	49
Appendix VI: The challenge of Decentralization.....	50

FOREST STEWARDSHIP COUNCIL
SOCIAL STRATEGY : Building and Implementing a Social Agenda
Version 2.1

A. BACKGROUND AND RATIONALE

A.1. Purpose of this Document

Social concerns constitute a unique set of challenges for FSC and for sustainable forest management in general. A strategy is needed in order to help guide FSC's board, staff and members in meeting these challenges. The development of such a strategy was initially mandated by the FSC members in the 1996 General Assembly; reaffirmed in the 1999 General Assembly, and has been identified as a high priority in FSC's strategic plans.

This document strives to recognize the concerns of FSC's 'social constituencies', to formulate core social values for FSC, and to translate these ideals into specific objectives, outputs and activities that are closely connected with the organization's core business, i.e. standards, accreditation, and labelling.

This strategy draws on ideas and comments expressed over a number of years by a wide range of individuals and organizations, including FSC members, National Initiative (NI) staff, forest workers, indigenous peoples, members of communities who depend on forests, manage forests or live near forests, researchers, and consumers. In particular, it uses the results of a series of meetings in which social issues have been discussed, the most important of which was the second FSC Annual Conference in 2000, where the theme was 'Certification for the People'.¹

FSC will move its social agenda forward by building on lessons learned by FSC stakeholders, and by initiating – through inviting comments on this document – a collaborative strategic-planning process.

A.2. The Scope and Limitations of FSC Certification

A.2.1. How FSC certification works

The mission of FSC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests, by establishing a global framework of recognized and respected Principles of Forest Stewardship, which are adapted to local conditions. Certification is an economic policy instrument with environmental, social, and trade objectives. The FSC Mission Statement is given below in Box 1.

¹ See Annex IV for a full list of documents that were used in the preparation of this strategy.

Box 1. FSC Mission Statement

1. The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.
2. Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest's biodiversity, productivity, and ecological processes.
3. Socially beneficial forest management helps both local people and society at large to enjoy long-term benefits, and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.
4. Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market forest products for their best value.

(Source: Forest Stewardship Council A.C. By-Laws)

FSC functions by encouraging and approving the creation of national forest management standards, and by accrediting certification organizations in order to guarantee the authenticity of forest management claims. This is explained in more detail in Box 2. Forest owners and managers who request the services of an FSC accredited certification organization initiate the process of certification voluntarily. Companies that produce products that originate in FSC-certified forests are permitted to use the FSC logo as a 'seal of approval', which guarantees to the consumer that the product originates from a well-managed forest.

Forest management standards are based on the ten FSC Principles and their Criteria (P&C) for Forest Stewardship (Appendix I). These P&C apply to all types of forests and in all countries. They are designed to ensure consistency between all forests certified within the FSC scheme. FSC encourages and supports the formation of local, national and regional initiatives to ensure that certification is based on realistic and locally defined forest management practices. FSC brings diverse stakeholders together and provides an open, transparent, and inclusive framework for decision-making. FSC also provides training and education materials for its network, and for use by collaborating organizations.

Box 2. The Core Elements of FSC Forest Management Certification

Forest management certification is intended to improve forest management via market-based incentives. It is based on the assessment of the social, environmental and economic aspects of forest management, according to the FSC's Principles and Criteria. Forest certification involves four essential activities and has both globally and locally applicable elements:

- standardization
- accreditation
- certification *per se*, and
- labelling

The **standardization** process is the development of a forest management standard against which forestry operations are assessed. The standard should be locally adapted, and compatible with globally agreed principles. The development of a standard implies translating a general and intangible goal (well managed forests) into measurable elements. This is done by defining:

- principles (essential, globally applicable elements or rules of forest management)
- criteria (means to evaluate whether a principle is fulfilled)
- indicators (locally applicable and objectively measurable parameters in relation to a criterion, and norms (the threshold or reference value given to an indicator)

Accreditation is the process by which an authoritative body (in this case FSC) formally recognizes that a certification body is competent to carry out the specified certification tasks.

Certification of forest management is the process by which an independent third party assesses whether the management practices of a specific forest unit fulfil a set of requirements at the national level – a standard. If the assessment is positive, a certificate is issued

Chain of custody certification involves the verification of a secure channel for forest products from the forest to the end user. This provides a guarantee to the end user or consumer that the product's origin is a well-managed forest.

Products from forests certified under the FSC Principles and Criteria can be **labelled** with the 'tick and tree' logo, and claims about the origin of the product.

(Adapted from Vallejo and Hauselmann 2000)

A.2.2. Forests and sustainable development

Sustainable development is commonly defined as 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs. (Brundtland Commission, WCED, 1987). The Rio process changed the previous economic-centred paradigm of "sustained economic growth" to "sustainable development". Thus it has broadly recognised the dual responsibility of the satisfaction of the present generation's needs, and the protection of the environment and the rights and needs of future generations (Rio Declaration, principles 1 to 4, UNCED 1992a, Forest principles 2b to 2d and 3c, UNCED 1992b).

The post-Rio forest policy debate has been characterized by reflection on the interrelations among forests use, livelihoods and poverty alleviation, and on access to resources, equity,

community participation, governance, globalisation and the role of private sector and national governments. Community managed forestry has been recognized as an important means for improving the quality of life of communities, while at the same time conserving forests and biodiversity (Fisher, 1995). International agencies such as the UN and ILO working in many sectors that impact Indigenous peoples, including forestry, have begun to recognize Indigenous peoples' rights to free and informed consent and to the use, ownership, and control of their lands and territories.²

The state of the world's forests and forest-dependent communities are intimately interlinked. Many argue that strong, healthy communities must be maintained to ensure healthy forests for the future. This means that solutions to the global forest crisis must be found to ensure that the fabric of local communities is not undermined as economies transform (Irvine 2001).

The costs of deforestation and forest degradation are high, especially for communities using and managing forests, for indigenous and tribal peoples, and for forest workers. Some communities face threats of losing their resource base, their livelihoods, and in some cases even their existence.

Forest certification is one of the few policy instruments that directly address the linkages between social issues, equity, and sustainable resource use. Greenpeace and WWF declared that "rigorous certification is an important tool to help preserve the world's remaining forests and to guarantee responsible forest management (WWF, 2001). It has also been described as 'one of the most significant advances in forestry in recent years' (IIED, 2001), and a 'promising tool for combating rampant logging and poor governance' (World Bank, 2002).

A 2.3 Certification and Sustainable Development

Indigenous peoples, local communities and workers look to certification as a way to improve their social situation. This includes improving livelihoods via access to 'ecological markets' access, higher prices, increased market share and other economic benefits. There have already been a number of success stories involving FSC certification's contribution to these groups meeting their goals. However, it is also generally accepted that FSC has not been as effective in responding to social interests as it had hoped. At the same time, it is fair to say that the initial expectations of social constituencies may have been unrealistic. While forest certification is a promising and innovative forest policy tool, it does not replace domestic and international level avenues, nor is it the panacea to solve all the problems related to the current world forest crisis and poverty. In terms of the wider sustainable development goals of society, forest certification is one of numerous tools and policy instruments.

Nonetheless certification in the context of sustainable development has been shown to offer more than market benefits – these are of equal, or in some cases, greater importance. One example is the benefit to workers from improved working conditions. Another is the recognition of

² The Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) advanced specific proposals for action that called for the recognition of, and respect for the customary and traditional rights of indigenous peoples and local communities, including secured land tenure and protection of forest related knowledge. Other crucial developments with regard to setting international standards which seek better integrate the human dimension of conservation policies include the International Tropical Timber Organisation's (ITTO) Guidelines to Natural Forest Management, the World Conservation Union's (IUCN) Protected Area Categories, as well as IUCN (1996), WWF (1996, 1999, 2000) and WCPA/IUCN and WWF (2000) policies, (Colchester 2001).

indigenous peoples land claims. Several studies have signalled a number of benefits to communities who manage their forests and who have achieved FSC certification.³ They include:

- Empowerment, social recognition, prestige, and participation in decision making nationally and internationally.
- Recognition of their roles and responsibilities, land use and tenure rights, and management practices locally, nationally and internationally.
- Guidance in improving their forest management practices.
- Improvement of their social organization, capacity building, and benefit sharing mechanisms.
- Strengthened community-driven monitoring and evaluation.

Strong social standards have been incorporated into the FSC system. The clearest examples being Principles 2, 3,4, and 5:

- **Principle 2: Tenure and Use Rights and Responsibilities**
Long-term tenure and use rights to the land and forest resources shall be clearly defined documented and legally established.
- **Principle 3: Indigenous People's Rights**
The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognised and respected.
- **Principle 4: Well-being of Forest Workers and Local Communities**
Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.
- **Principle 5: Benefits From the Forest**
Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits

(see Appendix I for the full list of FSC Principles)

FSC also requires a balance of members from all chambers (social, economic, and environmental) in decision-making at international and national levels. National Initiatives (the FSC's local working groups and contact persons around the world) must be shown to have incorporated the views of social groups in their standards development processes.

Currently, FSC is breaking new ground, and there have been challenges in the interpretation and application of social standards. Such challenges are not unique to FSC: All individuals and institutions working on social forestry encounter limitations. However, FSC is well placed to draw on strategic partnerships and on the FSC network to work towards overcoming them.

³ See Vallejo, 2001, Robinson, 2001, Irvine, 2001

B. SOCIAL ISSUES WITHIN THE FSC

B.1. Setting the Social Agenda

The need for a special focus on “Social Issues” has a strong and well-established mandate from the FSC membership and other stakeholders. FSC has developed a unique ‘three-chamber’ membership structure, which underpins its commitments to democracy, inclusion, and transparency in its decision-making. According to the FSC Bylaws (Section 12), “*the first chamber shall be made up of social and indigenous organizations and assigned individuals*”. “The second chamber shall be made up of environmental organizations and assigned individuals” and “the third chamber shall be made up of individuals and organizations with an economic interest in the forest products trade”. The basis of the three chambers is to balance the interests of environmental, social, and economic sectors and equally represent northern and southern interests.

The ‘social and indigenous’ chamber was created in 1996, when the ‘social and environmental chamber’ was divided in order to emphasise the equal importance of social issues in forest management as promoted by FSC. Equal weight is given to the votes of each chamber. Table 1 gives a brief chronology of the key events in the strengthening of FSC’s capacity to deliver on social issues, from the formation of the social and indigenous chamber, through to today.

Another important milestone was the November 2000 FSC Annual Conference ‘Certification for the People’ attended by 180 people from 40 different countries. At the heart of the conference were discussions around the relationship between certification and three important groups of stakeholders: workers, community forestry and small enterprises, and indigenous peoples. Some excellent recommendations were generated and important impetus provided to re-focus the FSC on social issues. An FSC board meeting in early 2001 established a Social Strategy Advisory Committee (SSAC) made up of seven board and social chamber members. The Committee’s efforts in prioritising and filtering the outputs from the various conferences and meetings that preceded, have enabled FSC to start developing a strategy document designed to ensure that social issues are firmly addressed within the core areas of FSC’s work, and in the values it promotes.

Table 1: From a Social Chamber toward a Social Strategy

Date	Event	Comment
1996	1 st General Assembly	Social Chamber created, when the ‘social and environmental’ chamber was divided. This emphasised the importance of social issues in forest management to FSC A motion passed to establish a Social Working Group to better address social issues within FSC
1997	Social Working Group meeting, Brazil.	Draft eligibility criteria for social chamber membership Recommendations for action Social email forum established
1999	2 nd General Assembly	Motion passed resolving that the FSC Social Chamber should be strengthened and reaffirming the existence of the social working group.

2000	Annual Conference 'Certification for the People'	180 people from 40 countries discussed the relationship between certification and workers, community forestry and small enterprises, indigenous peoples. Recommendations made to various levels of FSC.
2001	21 st Meeting, FSC Board of Directors	Social Strategy Advisory Committee (SSAC) established to 'oversee the development and implementation of a social strategy for the social constituencies of the FSC, including workers, indigenous peoples and community and small-scale forest users"
2001	FSC's Change Management Team produce a report to the Executive Director (ED)	Recommended strengthening FSC's ability to provide leadership to support socially beneficial forestry. Recommended that the social strategy is approached in a realistic integrated way, so that social issues are fully integrated into FSC programmes.

B.2. Social Constituents and their Priorities

FSC's Change Management Team⁴ emphasised that FSC's efforts to promote socially beneficial forestry should embrace the whole range of forest stakeholders. These include forest owners, forest managers and stewards of the forest, resident forest-dependent people, local communities (rural or otherwise), indigenous peoples, and forest workers from the forest to the mill.

Nonetheless, the FSC's Principles and Criteria make specific mention of Indigenous peoples, workers and local communities, suggesting that they are social constituencies to which particular attention is to be paid. Moreover, in discussions about the social issues of forest management, these same groups, plus 'small forest operations' (whether community-based or not) are repeatedly identified as experiencing particular challenges to participate in the certification process (including standards development), to obtain and retain forest management and chain of custody certification and to realise the benefits of certification and improved forest management. Indeed, in some cases these groups may suffer negative impacts.

These are the most marginalized or disadvantaged groups vis a vis the FSC system or in accessing the benefits of certification. They may be marginalized politically, find it difficult to have a voice at the table, or to access power structures. Or they may be disadvantaged financially or logistically finding it hard to receive information, meet the costs of participation, or find funds to organise technically or politically. Additionally they experience problems in selling their products. For those who seek certification their motivation may not be principally economic. These groups are referred to as 'social constituencies' and they include:

- local community forest users
- Indigenous peoples,
- forest workers, and
- small scale and low intensity forest users

⁴ The Change Management Team was a group of independent consultants commissioned by FSC in 2001 to advise the Executive Director on i) the challenges and opportunities faced by FSC, ii) the desired strategic direction for FSC and iii) key changes that are needed in order to strengthen FSC and enhance its capacity to fulfil its mission. Their report to the FSC executive director lays out a number of priorities for FSC, which includes attention to social issues (CMT, 2001).

Throughout part C of this document they are referred to as 'Target Groups' for the social strategy. The intention is that FSC, as part of the monitoring and evaluation of its delivery on social issues, will re-examine the target groups and re-focus or redefine if necessary.

B.3. Social Target Groups: Identifying needs, problems, constraints and priorities.

The social sector is extremely heterogeneous. This strategy recognises that different approaches may be required to address the needs of the various groups, but proposes that there are enough commonalities for a single overarching strategy to guide the different activities. Appendix II presents the priorities of some of FSC's social constituencies, as expressed in the various fora on social aspects of certification. This information provides a firm foundation from which to identify the challenges and priorities as seen by the different social constituencies.

B.4. Addressing the challenges

The challenges identified in the constituency-based analysis fall into various categories of opportunities for action. In some cases it may not be appropriate for FSC to address them directly, however there may be a role for FSC to be more vocal in taking some of these issues to the discussion table for other organisations to respond to.

The following three categories have been identified from the recommendations and requests made to FSC.

1. Some fall clearly **within the existing mandate** of FSC.
2. Some are best addressed by others, but **FSC could play a role in their promotion** via strategic collaborative partnerships between FSC and other organisations.
3. Some could be addressed by **FSC with a broadened mandate**.

B 5. Common Key Issues for all Constituencies

From a thorough revision of the recommendations made by participants in the various fora and the constituency-based analysis (Appendix II), the core group of editors of this document have identified seven key issues that they believe to be fundamental in addressing many of the problems identified by the target groups. Some have a particularly strong resonance with one of the constituencies; however, in most cases there is a considerable degree of overlap.

1. Improving the implementation and monitoring of those Principles that relate specifically to social issues
2. Respect the rights of people involved in or impacted by forest management
3. Addressing issues of scale and intensity
4. Building local capacity in the FSC system
5. Capacity building and support for community use and management of forests
6. Improving two-way communication between FSC and its social constituencies
7. Addressing market inequities

1. Improving the implementation and monitoring of those Principles which relate specifically to social issues.

Most social constituency analyses highlighted the need for FSC to provide better guidance to Certification Bodies and standards development committees developing national or regional standards on how to deal with social issues and to monitor their performance on these. This includes guidance at the time of assessment of individual P&C, in stakeholder consultations, and in monitoring visits. This was particularly in relation to:

- Forest Workers Rights (P4)
- Indigenous Peoples Rights (P2 and P3)
- The impact on local communities (P4)
- Land tenure issues and the resolution of conflicts around this (P2, P3)

2. Respect for the rights of people involved in or impacted by forest management.

Social constituencies indicated that one of the most pressing social issues facing FSC is how to ensure that the rights of people involved in, or impacted by, forestry activities have their rights respected in forest management. This includes Intellectual Property Rights (IPR), free and prior informed consent, land and resource rights of indigenous peoples and local communities as well as the rights of workers. In many parts of the world it is the lack of respect for such rights that has resulted in the combined impact of forest destruction and the socio-cultural devastation and impoverishment of indigenous people and local communities.

Recommendations made by the social constituencies are:

- Applied research and policy development work is required to determine what rights are applicable in various national jurisdictions..
- FSC should find ways to encourage and facilitate recognition and respect for such rights and to identify and give profile to case examples where this has led to improvement in social conditions and forest management.
- Often, indigenous people and local communities are the most powerless in terms of literacy, access to media and financial resources, so FSC should find ways to empower such people.

3. Addressing issues of scale and intensity.

Social stakeholders requested:

- Support for better interpretation of FSC P&C for a range of different situations with particular regard to varied land tenure systems, scale of operation and complexity of landscape.
- Investigation of options for reducing the cost of certification for operations of smaller scale and/or lower intensity of forest activities.
- Clarification on the minimum requirements for social consultation, especially with regard to very large-scale enterprises.

4. Building local capacity and greater participation by social constituencies with regard to all aspects of the FSC system.

Social stakeholders made the following recommendations:

- That FSC take a more proactive approach to ensure greater and more meaningful participation of social stakeholders. That there is a need for increased participation of local groups and representatives of social constituencies in FSC processes, including standards development, consultation on certification and definition of guidance for CBs. This is especially problematic with regard to certifications in countries with no NI and few FSC members.

- That FSC build national and local capacity in certifying and auditing. Social constituents identify local certifiers as able to provide lower cost certification (through reduced travel costs and national rather than international salaries paid). They are also felt to be more likely to participate in standards development processes and certification promotion activities.
- That local capacity around the FSC P&C and their relationship to government policies and market development is created. Local advocacy (backed up by FSC P&C and systems) can be as effective as international lobbying with regard to improving participation in forest policy, recognising land rights for indigenous peoples and local communities, workers rights, etc. For such local capacity to be created, better access to FSC information for social stakeholders is required.
- Developing local capacity within FSC also means developing better awareness and understanding of local social, cultural and economic circumstances to ensure that certification does not have a negative impact on local peoples.

5. Capacity-building and support for community use and management of forests.

Several social constituency analyses make reference to the lack of support at national and international levels for community-based forest management (whether by indigenous peoples or other local communities) and to the related need for capacity building to address current forest management issues. The situation manifests itself, at local levels, in inadequate financial and management support, and in the lack of availability and training and capacity building. This in turn promotes the continuation of systemic barriers for communities to participate meaningfully in standards setting and impedes their ability to become certified and to obtain the economic benefits of certification.

Recommendations include:

- FSC should find ways of making FSC certification and the long term goal of improved forest management more accessible to social constituencies, which are lacking in capacity, even if training and capacity building for good forest management might not be central to its mandate,
- Find ways to promote capacity building for indigenous people and local communities, which does not disrupt their social and cultural organization.
- In capacity building, FSC should promote partnerships and networking amongst other players involved in FSC including industry and ENGOs.

6. Improving two-way communication between FSC and its social constituencies.

Many of the requests made to the FSC from social constituencies or their supporters refer to enhanced communication and outreach. For local capacity to be created (See #4) better access for social stakeholders is required. Information prepared in relevant languages and via appropriate media is considered to be a gateway to respecting the rights of people involved in or impacted by forest management, and increasing local capacity through the FSC network.

Recommendations include:

- Communication and outreach on FSC systems targeted at indigenous peoples and workers, and their support networks.
- Better information exchange and sharing of experiences among indigenous peoples and local communities.

- The decentralization of information provision and communication to national or regional levels to ensure better responsiveness and appropriate targeting.

7. Addressing market inequities.

Social constituents identified the need for inequities in the current market-based systems to be addressed in order that many of the communities, families and individuals managing the world's forests may benefit from the certification of their forests. This involves addressing:

- The need for more local and regional markets for certified products.
- Problems faced by small scale and low intensity producers to enter large and/or international markets
- The lack of added value for cultural/social aspects of forests-products trade.
- The need for a diversification of FSC certified markets to include more non-timber forest products (NTFPs) and lesser-known species.
- The need for economic benefits that flow to the producers, workers and communities responsible for forest stewardship.

These seven issues are considered to be those, which, if addressed collectively would result in a major strengthening of FSC's capacity to provide leadership on socially beneficial forestry. The following Section (C) takes these issues and develops responses to them via four specific strategic objectives for change within FSC.

FSC SOCIAL STRATEGY: Version 2.1

C. FSC SOCIAL STRATEGY

C.1. Mission, Vision, Goal and Values

FSC's Mission Statement is:

“The Forest Stewardship Council A.C. (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.”

It offers the following definition of ‘socially beneficial’:

“Socially beneficial forest management helps both local people and society at large to enjoy long-term benefits, and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.”⁵

This strategy document proposes a revised definition of socially beneficial forestry.

FSC's Vision of socially beneficial forestry is:

Forest management practices that:

- Enhance forest values, products and services;
- Ensure that current and future generations of forest-resident communities, Indigenous peoples, local people, forest owners, forest workers and society at large enjoy the benefits of well-managed forests
- Recognise, respect and address indigenous land tenure and rights, traditional and customary rights, and the local culture of indigenous peoples and local communities
- Contribute to the enhancement of local livelihoods and well-being.

The overall **Goal of FSC's Social Strategy** is:

FSC social vision incorporated and made operational by FSC board of directors, all FSC Units, Regional Offices and National Initiatives.

FSC shall, while implementing its mission and social vision, maintain the credibility of the FSC system as a whole, and be guided by its **Core Social Values** of:

- **Access:** Strive to make certification equally accessible to all forest owners and managers, regardless of age, gender, ethnicity, faith, cultural background, geographical location, scale or intensity of the operation, or ecosystem in which they operate.
- **Partnerships:** Build long-term partnerships based on transparency, respect, mutual learning and reciprocal accountability.
- **Legal rights:** Support and facilitate the legal and meaningful recognition of indigenous peoples', local communities' and workers' rights, including traditional and customary rights to forest-related knowledge.
- **Equity:** Promote inter-generational equity and the equitable distribution of benefits from the forest to Indigenous peoples and local forest dependant communities.

⁵ Forest Stewardship Council A.C. By-Laws Document 1.1 (Ratified, September 1994; Editorial Revision, August 2000).

- **Cultural identity:** Respect cultural identity and diversity, traditional local governance structures and decision-making processes, and the right to self-determination and self-development.
- **Subsistence forest use:** Recognise and support as fundamental the subsistence use of forests by forest dwellers.
- **Traditional forest stewardship:** Support traditional forms of good forest stewardship and their adaptation to changing social, economic and environmental conditions.

C.2. Objectives, Outputs and Activities

One of the challenges facing the development of this Strategy is to align the priorities of FSC to those of the individual social constituencies, where this falls within the remit of FSC's core business. The aim is to develop an effective Social Strategy that will deliver the social benefits of certification. Achieving this will require the sustained efforts of a wide variety of individuals and partner organisations.

Four major, complementary objectives are presented below, together with their related outputs and activities. Indicators will be developed shortly as part of the monitoring and evaluation plan.

The current order of the objectives, outputs and activities reflects the order of priority suggested by FSC National Initiative social strategy consultation processes and the comments received by organizations and individuals on Version 1 of the Social Strategy. (See Annex V: The Consultation Process on Version 1).

Objective 1: Compliance

By 2006, enhance FSC processes and procedures to ensure:

- **effective compliance with the FSC's 'social' Principles and Criteria (P&Cs,) and**
- **more equitable access to FSC forest certification among all forms of forest users and tenure holders.**

Objective 2: Communication

By 2006, establish a communication system that facilitates the exchange of information, experiences and lessons learned on social issues and forest certification at local, national and international levels.

Objective 3: Capacity building

By 2006, increase capacity within FSC, its social constituents, and in partnership with other key stakeholders, to support marginalized social groups to play an equitable role in FSC certification processes and to achieve their goals in forest use and certification.

Objective 4: Market benefits

By 2006, support systems created and offered to social constituents to promote the equitable distribution of forest benefits to social constituencies and optimise market benefits from forest certification.

Objective 1. FSC Compliance

By 2006, enhance FSC processes and procedures to ensure:

- **effective compliance with the FSC's 'social' Principles and Criteria (P&Cs,) and**
- **more equitable access to FSC forest certification among all forms of forest users and tenure holders.**

In order for social priorities and concerns to be addressed effectively, they should be mainstreamed through adoption and prioritisation within FSC's core activities and business plans. The outputs and activities described below are designed to provide guidance to leaders of FSC Units, Regional Offices and National Initiatives (NIs) in improving their understanding and delivery of the FSC social vision.

Outputs:

- 1.1 Certification standards:** Standards set and guidance provided to Certification Bodies to better identify and assess social issues.
- 1.2 National Initiatives:** National Initiatives supported in achieving meaningful participation of social stakeholders and a balance of social, environmental and economic concerns in standards development.
- 1.3 Policy development:** The positive social impact of FSC strengthened through a process of continuous improvement of its policies, built upon lessons learned and innovative approaches.
- 1.4 Accreditation:** Accreditation programme revised to be responsive to the needs of social constituents.
- 1.5 Research / New Policy Development:** Applied research on key issues, based on bottom-up, participatory and adaptive approaches, is carried out, and lessons learned disseminated.

Outputs and Activities:

Output 1.1. Certification Standards

Standards set and guidance provided to Certification Bodies to better assess social issues.

Activities:

- 1.1.1 Develop comprehensive and transparent protocols on consultation requirements, for working with stakeholders such as indigenous peoples, local communities and other interested parties, including a means for stakeholder analysis and representativity.
- 1.1.2 Produce a toolkit for culturally sensitive and appropriate stakeholder analysis and consultation techniques.
- 1.1.3 Provide guidance for the certification of large-scale or industrial-scale operations, with regard to their obligations, rights and responsibilities to indigenous peoples and local communities.
- 1.1.4 Produce guidelines on conflict resolution in certification assessments.
- 1.1.5 Develop methodologies and mechanisms for measuring and analysing both positive and negative social impacts on key stakeholders.
- 1.1.6 Provide guidance and training to Certification Bodies on applying criteria relating to workers' rights, indigenous peoples' rights and land tenure issues.
- 1.1.7 Develop social performance standards for Chain of Custody certification operations.

- 1.1.8 Create incentives for the development of national and regional forest stewardship standards.

Output 1.2 National Initiatives

National Initiatives supported in achieving meaningful participation of social stakeholders and a balance of social, environmental and economic concerns in standards development.

Activities:

- 1.2.1 Develop culturally and socially appropriate processes and communication tools to engage key stakeholders including: indigenous peoples, local communities, forest workers, and small-scale forest operations to improve their representation in National Initiative processes such as standards development.
- 1.2.2 Establish a social fund for National Initiatives to be used for the meaningful participation of social groups in standards setting processes (Refer to Section D for information on the social fund.).
- 1.2.3 Update the National Initiatives manual to address the requirements for adequate social representation.
- 1.2.4 Produce guidelines to enhance participatory approaches, stakeholder analysis, consultation, and conflict resolution mechanisms in standards setting.
- 1.2.5 Provide guidance to NIs on adapting or interpreting P&Cs during National Standard setting process to address social concerns.

Output 1.3 Policy development

The positive social impact of FSC strengthened through a process of continuous improvement of its policies, built upon lessons learned and innovative approaches.

Activities:

- 1.3.1 Research and formulate recommendations on how to adapt FSC certification processes and procedures (including assessment and interpretation of P&Cs and certification of CoC operations) to different scales and types of forest operation, taking into account current inequities regarding: small vs. large scales, timber harvesting vs. multiple forest use and NTFP use, and subsistence/traditional vs. commercial use. Reduce the cost of certification in keeping with the size and scale of the operation.
- 1.3.2 Organise a geographically and gender balanced Experts Panel for improving the implementation of FSC Principles 2 (Land tenure and use rights) and FSC Principle 3 (Legal and customary rights), with respect to indigenous peoples' and local communities participation in certification, based on a review of international norms, past standards and certification experiences in order to document and analyse lessons learned, and feed back into FSC processes and procedures.
- 1.3.3 Design and implement a social impact assessment (SIA) checklist for new and existing FSC policy and procedures to assess their fit with the core social values and impact on social constituents. Identify and address any negative impacts.
- 1.3.4 Guidance developed for certification bodies on participatory planning and stakeholder consultation requirements.

- 1.3.5 Form partnerships to develop and implement a system to monitor and evaluate FSC's social impacts and incorporate lessons learned from social evaluations into targets for improvement in the FSC core business unit work plans.
- 1.3.6 Develop clear consistent procedures for policy development, with distinct stages for input and consultation and make this available and accessible.
- 1.3.7 Develop a definition of, and mechanisms and guidance for interpreting and assessing 'Free and Informed Consent' in the framework of FSC's work.
- 1.3.8 Streamline certification systems, without compromising the integrity and credibility of the system, so as to facilitate access to certification for indigenous peoples and local communities to make it cost appropriate to the incomes derived from the forest.
- 1.3.9 Develop a plan for implementation of the FSC policy on ILO, as defined in FSC's policy document of May 2002.
- 1.3.10 Create a task force on "social issues and plantations" and implement its recommendations.

Output 1.4 Accreditation

Accreditation programme revised to be responsive to the needs of social constituents.

Activities:

- 1.4.1 Ensure that Certification Bodies' complaints and grievance procedures are clear, accessible to all, applicable to a range of situations, and include mechanisms for full access to and understanding of the procedures.
- 1.4.2 FSC complaints mechanisms made more agile and accessible to all regions.
- 1.4.3 Review accreditation audit procedures to ensure monitoring and measuring of the performance of Certification Bodies in addressing the social aspects of certification, especially stakeholder analysis and consultation requirements, and the inclusion of social expertise in audit team composition.
- 1.4.4 Develop and standardise a consultation procedure for key stakeholders and other interested parties to be included in the accreditation manual, based on best practices of Certification Bodies.
- 1.4.5 Identify and implement means to promote national certification bodies and local certification capacity.
- 1.4.6 Require that Certification Bodies make publicly available lists of upcoming certifications, inform and consult in a timely manner all FSC members in the region where a certification will take place, and maintain a publicly available list of when, how and who was consulted.
- 1.4.7 Establish a system of quality control and monitoring for the accreditation of National Initiatives and Forest Management Standards.

Output 1.5 Research / New Policy Development

Applied research on key issues, based on bottom-up, participatory and adaptive approaches, is carried out, and lessons disseminated.

Activities:

- 1.5.1 Review the impact of certification on social groups in environmental, social and economic terms.
- 1.5.2 Carry out a feasibility study for the inclusion of labour issues in Chain of Custody certification, to include potential social impacts, particularly on small and community

- operations in developing countries, and the impact on the flow of certified goods, particularly to local markets.
- 1.5.3 Conduct research to identify ways in which FSC certification systems can be applied to the certification needs of traditional resource management practices, and integrated land uses as practiced by indigenous peoples and local communities.
 - 1.5.4 Investigate the various management arrangements (e.g. joint / collaborative / co-management) used by communities in their efforts to restore and protect forest lands. Determine the ways in which FSC certification can support these efforts.
 - 1.5.5 Research the mechanisms of relevant international processes for the meaningful recognition of rights of indigenous and local communities to collective ownership of territories, to exercise customary laws according to local and cultural practices, to self-representation through traditional institutions, and to protect and nurture their own knowledge, as they pertain to forests and FSC activities.
 - 1.5.6 Conduct research on the potential relationship between forest restoration and forest certification, taking into account different geographical scales

Objective 2. Communication

By 2006, establish a communication system that facilitates the exchange of information, experiences and lessons learned on social issues and forest certification at local, national and international levels.

Outputs:

- 2.1 Two-way communication.** Methodologies developed and alliances built to facilitate and support two-way communication between social constituency groups and the FSC.
- 2.2 External Audience Communication.** The message of FSC's core activities with regard to social issues is communicated strategically and proactively to the external audience.
- 2.3 Lessons learned.** Lessons learned on social issues in certification disseminated to FSC network (including: NIs, Regional Offices, key social NGOs, and FSC International Centre).

Outputs and Activities:

Output 2.1 Communication between target groups and FSC.

Methodologies developed and alliances built to facilitate and support two-way communication between social target groups and the FSC

Activities:

- 2.1.1 Establish clear communication channels between constituencies within the FSC network to discuss FSC systems, policy and practice.
- 2.1.2 Develop and make accessible a list of ongoing research regarding social aspects of certification to facilitate networking among researchers and to improve the applicability of the results.
- 2.1.3 Produce and disseminate summary material of FSC P&C, policies and practices targeted at the key social constituents.
- 2.1.4 Produce communication material on the complaints and disputes mechanisms targeted at social constituencies using appropriate language and media.
- 2.1.5 Establish a regularly updated list of forthcoming or ongoing certification evaluations to facilitate stakeholder participation.
- 2.1.6 Build strong partnerships with other organizations to facilitate effective two-way communication between social constituencies and FSC, at national and international levels.

Output 2.2 External Audience Communication

The message of FSC's core activities with regard to social issues is communicated strategically and proactively to the external audience.

Activities:

- 2.2.1 Produce and disseminate success stories, which relate to social constituencies.
- 2.2.2 Improve the FSC international website with regard to the quality and quantity of information on social issues, the social chamber, social constituents and the status of implementation of the social strategy
- 2.2.3 Develop communication material that explains the non-market benefits of certification targeted at donors, governments, intergovernmental organisations and mass media.

Output 2.3 Lessons learned

Lessons learned on social issues in certification disseminated to FSC network, NIs, Regional Offices and the FSC International Centre.

Activities:

- 2.3.1 Establish communication agreements with partner organisations working directly with social constituencies and monitoring social impacts of certification, to share lessons learned on certification activities.
- 2.3.2 Develop communication material for disseminating lessons learned (successes and failures) on social issues within the FSC network.

Objective 3. Capacity building

By 2006, using partnerships with other key stakeholders increase capacity within FSC and its social target groups to better enable marginalized social groups to achieve their goals in forest use and certification.

Outputs:

- 3.1 **Generating Understanding:** Understanding of FSC certification systems improved for social constituencies.
- 3.2 **Capacity building on social issues:** Capacity built within the FSC, National Initiatives, Certification Bodies, forest owners, and forest managers to better deal with social issues.
- 3.3 **Community-based forest management:** Mechanisms identified to support community-based forest management.

Outputs and Activities:

Output 3.1 Generating Understanding

Improve understanding of FSC certification systems for social constituencies.

Activities:

- 3.1.1 Support exchanges of experiences among social constituencies, and support networking among them to share lessons within and among regions.
- 3.1.2 Build partnerships to ensure the establishment of a systematic capacity building programme for key stakeholders such as indigenous peoples, local communities, government officials, foresters, policy makers, and NGOs to enable them to participate equitably in forest certification.
- 3.1.3 Train social constituency groups in FSC P&C, stakeholder consultation mechanisms, and standards development.
- 3.1.4 Support the incorporation of certification information into education curricula for forestry, rural development, public policy and natural resource management.

Output 3.2 Capacity building on social issues

Capacity built within FSC, National Initiatives, Certification Bodies, forest owners, and forest managers to better deal with social issues.

Activities:

- 3.2.1 Establish a permanent training programme for national initiatives to allow constant updating on FSC policies and changes in the global and regional institutional environment relating to social issues.
- 3.2.2 Train FSC staff in adaptive management and learning, participatory research techniques, and the use of tools to evaluate the impact of policy and standards.
- 3.2.3 Train National Initiatives on facilitation, conflict resolution, participatory decision making, and methods of improving social representation.
- 3.2.4 Develop innovative mechanisms to increase membership in the social chamber.
- 3.2.5 Promote initiatives that build local auditing capacity.
- 3.2.6 Support National Initiatives to produce a list of professionally trained local auditors as a resource for Certification Bodies.
- 3.2.7 Support National Initiatives in articulating the FSC P&C within national forest management policy debates .

Output 3.3: Community Forestry

Mechanisms to support community-based forest management identified.

Activities:

- 3.3.1 Establish pilot projects in key countries or regions where community forestry certification is already operating, to facilitate dialogue between government agencies and community forestry actors at local and national level, with a view to addressing legal and land tenure issues. Disseminate lessons learned.
- 3.3.2 Establish partnerships to encourage financial support for community forestry management and organization and on taking steps toward certification.

Objective 4. Market benefits

By 2006, support systems created and offered to social constituents to promote the equitable distribution of forest benefits to social constituencies and optimise market benefits from forest certification⁶.

Output 4.1 Partnerships

Partnerships and strategic alliances developed to better address market issues of social constituents.

Activities:

- 4.1.1 Local/regional actors supported through appropriate partnerships in defining strategies to open and develop local and international markets for certified community products
- 4.1.2 Establish pilot projects in areas where community forest certification is established, and in support of developing markets for certified, small-scale forest operations (processed wood products, carvings, etc.).
- 4.1.3 Develop entrepreneurial negotiation and marketing tools that are specific, appropriate, and culturally sensitive for the realities of the social constituencies.
- 4.1.4 Develop and diversify certified markets to promote lesser known species and NTFPs.
- 4.1.5 In support of smaller producers, develop comprehensive and up-to-date information systems on certified product availability, and make this widely available.
- 4.1.6 Implement mechanisms for better integration of forest certification and Fair Trade mechanisms⁷. Propose mechanisms for realising this integration within the Global Forest and Trade Networks (GFTNs), particularly for community products.
- 4.1.7 Research the possibility of developing an social label or claim for FSC, to more visibly identify products with certain social values, and make recommendations.
- 4.1.8 Organize trade fairs of FSC products for “Fair Trade”⁸ consumers.

⁶ The proposed activities are outside the current scope of FSC as an accreditation body, but could usefully be carry out by partners in support of FSC’s mission.

⁷ ‘Fair trade’ recognises that most international trade excludes the poorest and most disadvantaged in the developing world. It works with these groups, developing their capacity to enter the international market and earn income that will allow them to improve their lives and their countries to earn foreign exchange. (Traidcraft web site). IFAT (International Federation for Alternative Trade) developed a working definition of Fair Trade in 1999 “*Fair Trade is an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development for excluded and disadvantaged producers. It seeks to do this by providing better trading conditions, by awareness raising and by campaigning*”.

⁸ See footnote 7.

D. STRATEGY IMPLEMENTATION

The essential elements for implementing the social strategy include:

- | | | |
|---|---|-------------------------|
| ➤ The identification of roles and responsibilities. | } | |
| ➤ Identification of priorities. | } | In a single operational |
| ➤ A plan for monitoring and evaluation. | } | work plan |
| ➤ A firm funding base. | | |
| ➤ Operational values for guidance. | | |
| ➤ A commitment to partnership building. | | |

More detail is given on these below.

It should be noted that the effective delivery of the goal of this social strategy will depend on large part to the ability of FSC to communicate with all stakeholders, and to facilitate work programmes with national initiatives. This will be facilitated by the ongoing process of decentralization within FSC, to create three principal operational levels within its global network: an International Centre, 4 Regional Offices, and a network of National Initiatives. More detail is provided in Appendix VI.

D.1. Producing an operational plan

To operationalise the social strategy, FSC will develop an inclusive operational plan, which brings together :

- the roles and responsibilities for implementation
- the priority activities
- the monitoring and evaluation plan

Regular updates will be provided on progress made.

D.1.1 Roles and Responsibilities

The Social Strategy in no way intends to isolate social standards and social responsibilities within the FSC. On the contrary the goal is to ensure FSC's delivery on its mission statement, by incorporating safeguards, setting priorities and implementing monitoring systems into the key FSC business units and organizational structures. Hence, Regional Offices and all business units will be required to discuss and ratify the social strategy, and incorporate the relevant aspects into their business plans and budget for their implementation accordingly. Defining roles and responsibilities for the implementation of the social strategy should include the establishment of permanent units within FSC's core operations to oversee delivery – in the International Centre, in Regional Offices and National Initiatives. Unit leaders' performances will be measured, in part, on their successful delivery.

Responsibilities for incorporating the Social Strategy into FSC and making it operational lie with a number of groups. These responsibilities will be worked into a table, which indicates clear responsibilities, and presents qualitative and quantitative indicators.

FSC Board of Directors: The Social Strategy is as much about process and procedure as it is products. The board of directors can play a determining role in guiding the organization in the way they work and the degree of participation and transparency they promote. They need to ratify and adopt the vision of socially beneficial forestry and the core values and use the objectives and outputs to guide their decision making over priorities for FSC. The social strategy needs to feed into the determination of the FSC Global Strategy.

FSC Senior Management and Units: The bulk of the responsibility for implementing the activities related to compliance and communication fall to the FSC's network, to be overseen by the international centre. Activities relating to capacity building and marketing will best be carried out by forming partnerships. The initiative to build partnerships and alliances will come from the FSC units, Regional Offices and National Initiatives.

The decentralization proposals (Appendix VI) give a clearer idea of the role of **National Initiatives** and **Regional Offices**

D.1.2 Identifying Priorities

A considerable amount of prioritisation has already taken place, as part of the process of joint formulation of the Social Strategy with members and partners.

Phase 1: Priorities were established in Version 1 based on the outputs of previous meetings and surveys (see Appendix IV) and on early prioritisation carried out by the FSC Social Strategy Advisory Committee.

Phase 2: Priorities were established in Version 2 based on the ranking given to objectives, outputs and activities by those who took part in the consultation process on Version 1 (June to September 2002).

Phase 3: Further prioritisation will take place between the FSC secretariat and the Social Strategy Advisory Committee, in order to design fundraising strategies and begin implementation in 2003. Priority will be given to those elements that relate to core functions. Priority will also be determined by a review of the motions passed at the 3rd FSC General Assembly in November 2002. A number of motions were passed by the FSC membership which give added weight to some of the actions defined in the Social Strategy. Decision trees may be used to determine which actions set the stage for others.

D.1.3 Monitoring and Evaluation

In addition to the tasks of monitoring the impact of certification on social target groups, FSC will design and implement a monitoring and evaluation plan with respect to its social strategy. This will take the priority activities as a starting point and be presented as part of the table of roles and responsibilities.

The delivery of FSC's social agenda will be monitored against its core values, implementation of activities and achievement of goals and regularly adapted accordingly.

D.2. Operational Values

Operationalising the core values of FSC’s social strategy will involve ensuring that:

- Bottom-up and participatory approaches are integrated into all areas of FSC’s work.
- Innovation is promoted and internalised, and policies adapted in light of lessons learned on social issues.
- The membership and effective participation of social constituencies in FSC systems is promoted and facilitated.
- A balance between working with social constituencies in the ‘South’ and in the ‘North’ is ensured.

D.3. Partnerships formalized for key activities

Recognizing that some of the activities identified in this strategy may be fundamental to the success of FSC in realizing its mission, but in some cases best implemented by, or in collaboration with other organizations, FSC needs to build strategic alliances. FSC will seek to sign Memoranda of Understanding (MoUs) for partnership and formal contractual agreements. These will ensure the delivery of the agreed elements and set the rules of collaboration, financing and communication.

Some ideas for the type of partnerships to be promoted by FSC are given in Table 2.

Table 2: Suggested partnerships for FSC

Type of partnership organization	Aim	Particularly important in (but not limited to):
<p>Social target groups and representative organizations</p> <p>Alliances of indigenous peoples Workers organizations Community forestry organizations and producer groups Small-scale forest cooperatives.</p>	<p>To voice their opinions, propose alternatives, express their needs.</p>	<p>Policy development Research National Initiatives Certification Standards Two-way communication Lessons learned Generating Understanding Capacity Building Community Forestry</p>
<p>Universities and research centres</p> <p>Universities Regional Research centres International research centres</p>	<p>Development of indicators, dissemination of knowledge through conferences and meetings, monitoring of impacts of certification, development of guidelines for interpretation of criteria, development of toolkits. Involving social target groups in research and policy development. Technical and market research into new markets for existing products and/or markets for new products.</p>	<p>Research Monitoring of the social strategy Policy Development Market benefits</p>

Type of partnership organization	Aim	Particularly important in (but not limited to):
Public Sector partnerships Local and national government. Ministries of environment, forestry, sustainable development Inter-governmental organizations	Enforcing responsive regulatory framework, promoting incentives, eliminating barriers. Building forest stewardship capacity at a national level. Supporting local and national market development. Supporting production for international markets	Capacity building Market benefits
Business / Economic sector	Investment in better forest management, market opportunities for small-scale production, fair trade support, social responsibility in business. Offering technical services.	Policy development Research Market benefits Capacity building
Lenders and donors	Enforcing the relationship between poverty reduction, livelihoods autonomy and better environmental management. Integrating forest and certification in economic development, supporting the potential of forests to reduce poverty, removal of perverse investments etc.	All activities, through financial support to FSC, but additionally: National Initiatives Research Policy Development Capacity building Two-way communication
Certification Bodies	Collaboration, information exchange, expert consultation, proposing alternatives, identifying policy bottlenecks and communication deficiencies.	Research Policy Development Two-way communication
National Initiatives and Regional Offices	Identifying problems, suggesting alternatives, local implementation, advocacy	All activities, but especially: National Initiatives Policy Development Research Two-way communication Communication to external audience Lessons learned Generating understanding Capacity building Community forestry Market benefits
National and Regional NGOs	Collaboration, information exchange, expert consultation, financial partnerships, technical services support, advocacy	Research Policy development Generating understanding Two-way communication Community forestry Capacity Building Market benefits
International NGOs International cooperation organizations and projects	Collaboration, Information exchange, expert consultation, financial partnerships, advocacy.	Capacity building Generating understanding Communication to external audience; Market benefits Community forestry Lessons learned

D.4. Stable Funding of Strategy Sought

In order for the priority activities outlined in section C to be implemented, FSC proposes to establish a Social Development Fund as part of the current Global Fund. Donors whose main focus is social development, rural livelihood enhancement, poverty alleviation, human rights, workers rights and Indigenous Peoples' rights will be invited to support this fund.

By internalising much of the social strategy as part of its core activities the costs of delivering most of the activities relating to compliance and communication will be included within the budget planning exercises of unit heads. FSC will be actively seeking support from its alliances with national and international organizations to promote the funding of the various elements of the social strategy.

Definitions

Accreditation

Procedure by which an authoritative body gives formal recognition that a body or person is competent to carry out specific tasks (ISO/IEC 1991).

Biological diversity values

The intrinsic, ecological, genetic, social, economic, scientific, educational, cultural, recreational and aesthetic values of biological diversity and its components. (see Convention on Biological Diversity 1992)

Certification

Procedure by which a third party gives written assurance that a product, process or service conforms to specified requirements (ISO/IEC 1991)

Chain of custody (CoC)

The channel through which products are distributed from their origin in the forest to their end-use (Forest Stewardship Council Accreditation Manual 2002).

Constituencies

(see social constituencies)

Criterion (pl. Criteria)

A means of judging whether or not a Principle (of forest stewardship) has been fulfilled. It describes the desired state of the forest or of the social system (Forest Stewardship Council Accreditation Manual 2002).

Customary rights

Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit (Forest Stewardship Council Accreditation Manual 2002).

Fair Trade

Fair trade provides export opportunities for groups that would otherwise find it extremely difficult to engage in international trade – the requirements of mainstream northern importers, in terms of quantity and quality of goods, timing of deliveries, etc. would be too demanding for such groups to meet without assistance. Building the capacity of producer groups is central to this objective. This enables them to trade more effectively with fair trade organisations, and in the case of some groups, to begin to export to mainstream northern buyers.

There is no single definition of 'fair trade' that is agreed by all fair trade organizations.

Nonetheless, the principles followed by all fair trade organisations are very similar.

- Producers receive a fair price for their goods and advances on orders
- Fair Trade organizations work with producers to provide quality products
- Purchase and marketing of producers' goods are conducted according to high ethical standards; continuity of orders is important
- Sources, production and workplaces do not exploit people or the environment

- Products have meaning above their tangible attributes; consumers are informed about the people who make the products they purchase, increasing their loyalty and understanding that their purchasing power makes a difference
- Cultural exchanges between people in the South and people in the North are encouraged.

Forest management/manager

The people responsible for the operational management of the forest resource and of the enterprise, as well as the management system and structure, and the planning and field operations (Forest Stewardship Council Accreditation Manual 2002).

Indicator

A quantitative or qualitative variable which can be measured or described and which when observed periodically demonstrates trends (Forest Stewardship Council Accreditation Manual 2002).

Indigenous lands and territories

The total environment of the lands, air, water, sea, sea-ice, flora and fauna, and other resources which indigenous peoples have traditionally owned or otherwise occupied or used. (United Nations Draft Declaration of the Rights of Indigenous Peoples: Part VI).

Indigenous peoples

Colchester (2001) comments that “there is no internationally agreed definition of indigenous peoples. In practice at the international level, the term includes a very wide variety of human societies including the ‘native’ and ‘aboriginal’ peoples of the Americas and the Pacific, the ‘tribal peoples’ and ‘minority nationalities’ of Asia and many non-dominant and discriminated ethnic groups in Africa. Indigenous peoples themselves insist on the principle of self-identification and see efforts to impose definitions on them as an affront to their right to self-determination. The principle of self-determination has been accepted by the International Labour Organisation (ILO 169 Article 1 (2)) and by the United Nations Draft Declaration on the Rights of Indigenous Peoples” .

None the less many international bodies have working definitions of Indigenous peoples. Such as this one from the ILO: ‘Peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions’ (ILO Convention 169).

Intellectual Property Rights

Intellectual property rights are the rights given to persons over the creations of their minds. They usually give the creator an exclusive right over the use of his/her creation for a certain period of time. These can include artistic copyrights, industrial property trademarks and patents (WTO Agreement on Trade-related aspects of Intellectual Property Rights 1995).

National Initiatives

An individual (‘contact person’) or group (‘working group’) endorsed by FSC to carry out certain activities on behalf of FSC in a country or region.

Non-timber forest products (NTFP)

Goods of biological origin other than wood, derived from forests, other wooded land and trees outside forests. They may be gathered in the wild, produced in plantations, or harvested from agroforestry schemes. (FAO 2002)

Principle

An essential, globally applicable rule or element; in FSC's case, of forest stewardship (Forest Stewardship Council Principles and Criteria 2000).

Social Constituencies

Term used in this document to refer to those groups of people who are the most marginalized or disadvantaged vis a vis the FSC system or in accessing the benefits of certification. These are also referred to as 'target groups' for the social strategy. They include, but are not restricted to: local community forest users, indigenous peoples, forest workers, small scale and low-intensity forest users. The target groups will be re-examined as part of the monitoring and evaluation of FSC's delivery on social issues, and re-focused if necessary.

Stakeholders (when used in the context of certification evaluations and monitoring)

Individuals and organisations with a legitimate interest in the goods and services provided by a forest management unit (FMU), and those with an interest in the environmental and social effects of a FMU. (FSC Accreditation Manual 1988 and July 2002)

Standard

Document, established by consensus and approved by a recognised body, that provides rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context (ISO/IEC 1991).

Traditional Ecological Knowledge (TEK)

Cumulative body of knowledge, practice, and belief, evolving by adaptive processes and handed down through generations by cultural transmission, about the relationships of living beings with one another and with their environment" (Berkes 1999: 8). The term "traditional", as used in this context, should not be taken to refer to something static and homogeneous. Rather, "tradition" should be understood as "a filter through which innovation occurs" (Posey in press), a "tradition of invention and innovation" (Pereira and Gupta 1993). Traditional knowledge also varies according to age, gender, and a host of other variables.
(<http://www.terralingua.org/Definitions/DTek.html>)

Tenure

Socially defined agreements held by individuals or groups, recognized by legal statutes or customary practice, regarding the "bundle of rights and duties" of ownership, holding, access and/or usage of a particular land unit or the associated resources there within (such as individual trees, plant species, water, minerals, etc) (FSC Principles and Criteria 2000).

Tribal peoples

Tribal peoples in independent countries whose social, cultural, and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations (ILO Convention 169).

Use rights

Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques (FSC Accreditation Manual 2002).

References

- CMT. 2001. Change Management Team Report. FSC Board Meeting Document. BM-22-5a. May 2001.
- Colchester, M. 2001. Forest Industries, Indigenous Peoples and Human Rights. Thematic Paper prepared for a workshop on 'Indigenous peoples, private sector natural resource, energy and mining companies and human rights' Organised by the Sub-Commission on the Promotion and Protection of Human Rights in collaboration with UNCTAD, ILO and WTO: Geneva.
- Elliott, C. 1999. Forest certification: Analysis from a Policy Network Perspective. PhD thesis, Ecole polytechnique fédérale de Lausanne, Switzerland.
- Forests, Trees, and People. 2000. Newsletter No. 43. November.
- FAO. 2001. State of the World's Forest. Rome.
- Food and Agriculture Organization, 2002, web page.
<http://www.fao.org/forestry/FOP/FOPW/NWFP/what-e.stm>. Accessed February 4, 2002.
- FSC. Forest Stewardship Council A.C. By-Laws (Ratified, September 1994; Editorial Revision, October 1996; Revised February 1999, August 2000).
- Harrison, S., J. Herbohn and A. Niskanen. 2002. Non-Industrial, Smallholder, Small-scale and Family Forestry: What's in a Name? *Small-scale Forest Economics, Management and Policy*. 1(1): 1-11
- Irvine, D. 2001. Sustaining forests and forest livelihoods: Can a global forest certification system promote equity-sustainability links? Stanford Univ., California. 16pp.
- Irvine, D. 2000. Certification and community forestry. Current trends, challenges and potential. Forest Trees and People Newsletter, Issue 43, November 2000.
- ITTO, 1992. *Guidelines for Sustainable Management of Natural Tropical Forest*. Yokohama.
- Nahwegahbow, D.C. 2000. Notes for summary presentation from workshops on indigenous issues. FSC 2nd Annual Conference, Oaxaca.
- Robinson, D. 2000. Certification in communally managed forests. Perspective from Mexico. Forest Trees and People Newsletter. Issue 43, November 2000.
- Schlemmer, G. 2000. Presentation of results from workers' rights workshop. FSC 2nd Annual Conference, Oaxaca.
- Skole & Tucker. 1993. REF (see Elliott 1999).

UNCED 1992a. *The Rio Declaration on Environment and Development*. Report of the United Nations Conference on Environment and Development. Rio de Janeiro, 3-14 June.

UNCED 1992b. *Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests*. Report of the United Nations Conference on Environment and Development. Rio de Janeiro, 3-14 June.

Vallejo, N. 2001. Certification of community forest management. Conference on the Social and Political Dimensions of Forest Certification, Freiburg. 17pp.

Vallejo, N. and Hauselmann, P. 2000. Institutional requirements for forest certification. GTZ Forest Certification Project, Working Paper 2. 31pp.

World Commission on Environment and Development – WCED. 1987. *Our Common Future* Oxford university Press, Oxford.

WWF. 2001. Environmental NGOs call for credible forest certification and reject IFIR mutual recognition proposal. Press Release. February 19 2001. Rome.
http://www.panda.org/forests4life/news/pr_rome.cfm

World Wide Fund for Nature. 1996. *Statement of principles: indigenous peoples and Conservation*, Gland.

World Wide Fund for Nature. 1999. *Indigenous and Tribal Peoples, Biocultural Diversity, and WWF's Ecoregion conservation*. Report of the people and conservation workshop, Gland.

World Wide Fund for Nature. 2000. *Indigenous and Traditional Peoples of the World and Ecoregion Conservation*. An Integrated Approach to Conserving the World's Biological and Cultural Diversity, Gland.

WCPA/IUCN and WWF. 2000. *Principles and Guidelines on Indigenous and Traditional Peoples and Protected Areas*. Gland.

APPENDICES

Appendix I: FSC Principles

Note: This is the list of FSC Principles only. For the full list of Criteria which apply to each Principle, see the FSC web page (www.fscoax.org).

1. Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.
2. Long-term tenure and use rights to the land and forest resources shall be clearly defined documented and legally established.
3. The legal and customary rights of indigenous peoples to own use and manage their lands, territories, and resources shall be recognized and respected.
4. Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.
5. Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.
6. Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.
7. A management plan -- appropriate to the scale and intensity of the operations -- shall be written, implemented, and kept up to date. The long-term objectives of management, and the means of achieving them, shall be clearly stated.
8. Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.
9. Management activities in high conservation value forests shall maintain or enhance the attributes, which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.
10. Plantations shall be planned and managed in accordance with Principles and Criteria 1 - 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

Source: FSC Principles and Criteria. Doc. 1.2. Revised February 2000

Appendix II: An evaluation of social constituent priorities

(A list of documents used in the compilation of this appendix is given in Appendix IV).

A: Local Communities

Forest-based communities around the world differ greatly in the ways they depend on the forest, and yet some common patterns emerge.

A1. Local Communities involved in commercial and non-commercial harvesting of forest products.

Many communities extract economic benefits through the sale of forest products derived from relatively low-impact harvesting. Communities commonly depend on the forest for subsistence, often combined with traditional agricultural practices. Relatively few communities worldwide are organized for commercial timber extraction. Nevertheless, organized timber extraction by communities is more common in some regions than in others, and such extraction on a commercial basis is on the increase. As the need to reconcile forest conservation and sustainable use with improving local livelihoods is more widely accepted, international support for community forestry has multiplied and the legal recognition of their rights to harvest is on the increase. Nonetheless, for most communities NTFP and subsistence use of the forest is more common.

The existing FSC certification system was originally designed for individuals and groups who manage their forests for commercial production. Thus, the vast majority of the world's forest communities were not directly addressed. Important challenges now for FSC include the development of strategies to embrace a broader array of forest products and services, to support non-market benefits, and to help foster resource protection and the provision of instruments for others to recognize these forest stewards.

Some of the challenges to community forestry certification involve limiting factors within the community context; others involve external limitations. Internal limitations may include:

- lack of capacity to meet requirements of the demand (quality / quantity) and to maintain market share of certified markets.
- lack of business and marketing capacity
- limited administrative structures
- difficulty meeting the cost of certification
- difficulty meeting the cost of improving forest management and its associated documentation to meet and maintain the standard
- lack of management plans.
- Lack of legally recognized land titles or usufruct rights.

In addition, external limitations may include:

- lack of understanding of social responsibility in forestry, resulting in poor co-operation and support from the private sector, retailers, and intermediaries
- poor access to information and promotion of certification
- initial emphasis from the certified markets on timber products
- lack of favourable political environment, and governmental support for community forestry including acknowledgement of the role it plays in resource management.
- lack of research, training and technology transfer targeted at communities.
- Limited availability of ecology and management information for many Lesser Known (Timber) Species and Non Timber Forest Products.
- certification requirements, procedures and documents that are not well adapted to the realities of community forest management.

In response to these many challenges, the actions required in support of the community use and management of forest resources can be summarised as follows:

1. Better information and experience sharing about community forestry (at all levels: community to community, among National Initiatives, Certification Bodies, etc.);
2. Adaptation and/or interpretation of certification standards to match community forestry realities;
3. Improved participation of community forestry representatives in national standards setting processes and National Initiatives generally;
4. NTFP certification supported and promoted by FSC.
5. Support for the development of local markets for certified forest products
6. The incorporation of 'Fair Trade' concepts into the FSC system.
7. Diversification of FSC markets to include more products from lesser known species and NTFPs
8. Access to funding support

In addition, FSC has been called upon by some proponents of community-based forest management to become a more visible player in the decision-making arena on government policies related to forests, since public policies are essential to determine the success of a wider range of models of forest use and management. Community forest management, whether by indigenous peoples, and local communities, or newer settlers is often poorly understood and inadequately supported by governments.

A2. Local communities affected by forest operations

Rural communities living near to forests may not necessarily depend on forest products for a financial income nor does it represent their main source of subsistence, nonetheless the forest resource may provide services important for their well being. These include:

- Spiritual spaces
- Microclimate control
- Water production
- Occasional products (firewood, construction materials)

These groups face the following challenges in relationship to FSC certification:

- Lack of understanding about FSC and the process of certification.
- Lack of awareness about how to participate and resources to do so.
- Limited access to technical support to help explain their dependence on the forests
- Perceived low status by government offices, private companies and foresters.
- Lack of legally recognised usufruct rights (despite potentially long-term, traditional use of the resource).
- Insufficient participation in certification decisions. Easily overlooked by Certification Bodies

The actions recommended to support this group of forest users include:

1. Improved consultation processes to ensure that their voices are heard.
2. Improved communication and capacity building about FSC, certification and ways to participate.
3. Support for the recognition and respect for forest users' rights and to identify and give profile to case examples where this has led to improvement in social conditions and forest management.
4. Greater consideration by standards development groups.

B: Indigenous Peoples

Many of the issues mentioned above in reference to community forestry are also highly pertinent to those indigenous and traditional communities who use and manage their own forest resources. However, there are also a number of issues that are of unique interest to them.

One major issue for indigenous peoples is the recognition of land tenure. Many other communities share this concern⁹. In cases where there is conflict over land tenure, certification systems have the potential to help resolve conflicts. Cases exist where FSC national standards have helped to support indigenous tenure or resource use rights (e.g., Sweden and Brazil), or where certification of indigenous forest management has strengthened indigenous tenure claims. However, the potential also exists to undermine indigenous land tenure, and vigilance is required to avoid this. Land tenure is one of the most significant issues affecting indigenous peoples. FSC is acknowledged to embrace principles that strongly support indigenous peoples' land tenure rights (Colchester, 2001). Nonetheless, practical implementation and assessment of these principles presents challenges. This is especially true with regard to identifying how free and informed consent is defined and obtained, how customary tenure is identified, how stakeholder consultation is carried out and which conflict resolution mechanisms are appropriate.

Other major issues are how to deal with traditional ecological knowledge (TEK), access and benefit sharing in forestry operations where forestry is carried out by others on indigenous peoples' land. Also of concern is the question of how Intellectual Property Rights (IPR) are respected with regard to indigenous use of forest species, as well as free and informed consent.

Indigenous peoples' representatives consider it important that certification, consultations and standards, as well as management, take account of the potential cultural, social and organizational impacts of forestry operations; not just the economic impacts of such operations on indigenous peoples' lands, or where indigenous peoples share the resource. Experience of finding suitable parameters and indicators of such impacts has been slow in developing.

Many of these issues would be better addressed with greater participation of indigenous peoples within FSC. Reasons for the low levels of indigenous participation include uncertainty on the part of indigenous peoples about the actual and potential benefits of certification for them, the lack of information about certification for indigenous peoples (in appropriate format and language), insufficient support and guidance for effective participation at all levels of FSC, and the imbalances of power in many processes.

Indigenous peoples' representatives comment that within many of the FSC structures and partners, including NIs, CBs and standards setters, there is little experience or training about how to effectively interact with indigenous peoples.

⁹ Community-managed forests are widespread, and yet the policy and legal environment for supporting community management is still weak in many parts of the world. The recognition of the negative impacts of open access ("tragedy of the commons") has highlighted the importance of secure tenure rights as a condition for effective management. This security can be based on either *de jure* or *de facto* rights – those that are legally recognized or customarily enforced, depending on the context. FSC's definition of tenure recognizes both *de jure* and *de facto* rights, and it is understood that tenure systems are complex, variable, and context-driven.

The opportunity costs and risks of investing in certification poses understandable difficulties for many marginalized communities, even though certification may offer social benefits for disadvantaged groups (e.g., empowerment, recognition, improved social organization, etc.).

The priorities identified by indigenous and traditional peoples are:

1. Improved participation of indigenous peoples in national standard setting.
2. Better information exchange and experience sharing among indigenous peoples and forestry bodies at all levels (indigenous peoples to indigenous peoples, among National Initiatives, Certification Bodies, etc.).
3. Better communication and outreach on certification to indigenous communities.
4. Building capacity of indigenous peoples to participate in FSC – and of FSC, National Initiatives and Certification Bodies with regard to supporting the participation of indigenous peoples.
5. Clear guidelines on how to deal with certification in areas of conflict over land tenure.
6. Fair and consistent interpretation of Principle 3 (the FSC principal dealing with indigenous peoples rights. See Appendix I) by certification bodies.
7. Strong leadership by National Initiatives and Working Groups to ensure the prominence of social issues in the standards and certification processes.
8. The development of effective dispute resolution processes.
9. Development of a definition for FSC purposes and guidelines on implementing a policy on the respect and protection of 'free informed consent' and indigenous intellectual property rights.

C: Forest Workers

Through the standards related to workers' rights and working conditions for forest workers, FSC is able to make a direct impact on the livelihoods of workers and their families around the world. However, to have the desired impact, certification systems need to take into account the full array of forest workers, including part-time and seasonal workers, those who work for contractors, and those whose labour is not remunerated.

Many workers do not have access to FSC mechanisms. In some regions organized representation for forest workers or forest product workers is weak or non-existent. In other regions, organized labour has resisted participation in FSC processes (in part because of its identification with environmental causes). The FSC system has not yet developed mechanisms to address these issues. Possible mechanisms include improving communication and providing guidance on participation.

Although the FSC Principles & Criteria support strong core labour standards, they may be poorly implemented if assessment teams do not have sufficient expertise on labour issues. The requirements relating to contractors and temporary/seasonal workers are unclear and therefore poorly enforced. ILO conventions are not always respected, and in some situations the government is not empowered to effectively address labour issues in forestry and forest concessions. There are also large discrepancies in working conditions in different regions and under different types of management. Guidance to certification bodies and to groups working on standards is required to help them to maintain high standards without setting levels that are unachievable under current circumstances.

Woodworker unions have asked FSC to consider the social aspects of the Chain of Custody (CoC). (i.e. the social conditions of workers in the processing sector). Unionists and some national initiatives feel that verifying the working conditions of wood processing workers should be an element of the CoC assessment so that certification and the demand for certified products will promote improved livelihoods for forest product workers.

The priorities identified by forest workers are:

1. All forest workers, whether in the forest industry or the wood-processing industry are accorded the same rights.
2. ILO convention requirements incorporated into FSC standards, and the adaptation of these requirements to special situations of community, small-scale and family forests.
3. Increased participation of workers and workers' representatives in national standards development processes and National Initiatives generally
4. Training provided to certification bodies on the assessment of labour issues.
5. Fair and consistent implementation of P4 by CBs.

D: Small and Low Intensity Forest Users¹⁰

FSC strives to ensure that certification and the benefits of certification are accessible to all forest owners and managers. However, economies of scale are such that managers of larger forest units are required to make a lower investment per hectare (of time and money) to obtain and maintain certification, than managers of smaller forest units, due to the number of fixed costs of certification or of making the management certifiable. Globally, the number of people involved in small forest and community-managed operations is substantial¹¹. Hence, the collective impact of supporting small forest and low intensity forest operations to achieve certification can have a considerable impact on the livelihoods of many thousands of communities around the world.

This category of constituents also embraces low-intensity forest use, such as that carried out by collectors of some NTFPs and by those operations for whom extraction of forest products is a minor aspect of their management systems. In this respect it is cross-cutting in nature, since it may include some local communities, peasant farmers and indigenous peoples.

Some of the control mechanisms put in place to ensure the integrity of the FSC system for application in large-scale and industrial operations create unintentional barriers for other scales and intensities of operation. Certification bodies and NIs are seeking guidance on how to overcome this.

Many NIs and CBs working with small or community projects have found that they are dealing with non-traditional forested landscapes, for example areas made up of degraded land which is being reforested, or of small plantation plots in an agricultural landscape. Difficulties have been experienced in interpreting the P&C in these circumstances.

The priorities identified by those concerned about the participation of small-scale operations in FSC are:

1. FSC policies, National Initiatives and regional standards are adapted to become scale sensitive and more appropriate for smaller producers.
2. Clarification is given to Certification Bodies on the interpretation of P&C relative to size and scale
3. Guidance given on how the P&C apply to non-traditional forested landscapes.
4. Assessment and monitoring requirements are revised to take account of small forest enterprise realities.
5. Alternative mechanisms are developed to allow small enterprises, such as artisans, to use the FSC logo.
6. Support given to the creation of national markets, as international markets may be inappropriate for the volumes offered.
7. A system for establishing equitable certification costs is needed for rural communities. small-scale forest owners and low-intensity forest enterprises.

¹⁰ There is no single definition of 'small'. This title refers to those operations, which, *relative to others in their region* manage smaller areas of forest land. They are unable to benefit from economies of scale when seeking certification evaluations, making management changes, extracting and marketing their products. This includes many community operations and many family farm-forest units. Often forestry does not represent a major source of income for the family or community.

¹¹ For example of the 7 million non-industrial private forest landowners in the USA, 6.4 million have holdings less than 40 ha (Harrison et al, 2002).

8. With regard to documentation in certification assessments, there is a need to develop alternatives to the required management plans that are more appropriate for small-scale and community forest users.
9. The establishment of local certifiers is promoted.

Appendix III: List of Acronyms

CB	Certification Bodies
CFC	Community Forest Certification
CoC	Chain of Custody
CP	Contact Person of a National Initiative
FAO	UN Food and Agriculture Organization
FMU	Forest Management Unit
FSC	Forest Stewardship Council
FTN	Forest and Trade Network
GFTN	Global Forest and Trade Network
IEC	International Electrotechnical Commission
ILO	International Labour Organisation
IPR	Intellectual Property Rights
ISO	International Organization for Standardisation
NGO	Non-Governmental Organization
NI	National Initiative
NTFPs	Non-Timber Forest Products
OECD	Organization for Economic Co-operation and Development
P&C	Principles and Criteria
SWG	Social Working Group
TEK	Traditional Environmental Knowledge
WG	Working Group

Appendix IV: List of Source Documents

The following documents formed the basis of the social constituency descriptions as given in Appendix II, and for the bulk of the activities proposed in this strategy.

A. Principal Sources Of Written Input From FSC Members And Social Constituencies, On Social Issues In FSC Certification

1. Summaries of the meeting of the Social Working Group, April 25-26 1997 in Brazil
 - i) Minutes by Eleanor Schmidt,
 - ii) Notes by Nickie Irvine
 - iii) Notes by Marcus Colchester
2. "Strategy Document for Social Chamber Strengthening" Draft Outline October 2000. 40 pages. Prepared for and distributed at the pre-conference meeting of the Social Chamber, November 2000. Contains overview of 3 key constituencies, description of advances regarding recommendations from Brazil 1997 meeting, list of motions regarding 'social issues' from previous GA s, a definition of membership of the social chamber and comments.
3. Summary of the II Annual Conference "Certification for the People" Oaxaca, November 2000 + 3 Appendices
 - 6.a) Labour Workshops
 - 6.b) Community Forestry Workshops
 - 6.c) Indigenous Peoples Workshops
4. Notes from the Social Chamber Working Meeting, Oaxaca, September 2000
5. Summary tables produced by the Pre-conference meeting of members of the Social Chamber, November 2000
 - i) Recommendations from discussion group on Forest Workers
 - ii) Recommendations from discussion group on Community Forestry
 - iii) Recommendations from discussion group on Indigenous Peoples
 - 4.a) Workshop Summary Report (G. Schlemmer)
 - 4.b) Workshop Summary Indigenous Peoples (D. Nahwegahbow)
 - 4.c) Community Forestry (S Faillace)
6. Notes from a meeting of social working group members held Nov 12, 2000 (annual conference side meeting), Oaxaca.
7. "Strategy Document for Social Chamber Strengthening Draft" January 2001 An evolution of the document prepared in October (No. 3) but incorporating the recommendations from the II annual conference. These are included in a table in the document.
8. "FSC Social Strategy: An Overview Document" April 2001 Dawn Robinson. A paper prepared for the first meeting of the FSC Social Strategy Advisory Committee, April 2001, Miami.

9. Change Management Team Report. Presented to the FSC Board, document BM 22.5a. 8 May 2001.
10. FSC Social Strategy Working Draft Background notes begun by David Nahwegahbow May 2001.
11. Social Strategy, Program of Action draft. Produced by Marion Karmann and Dawn Robinson, September 2001.

B. Other Documents Used:

Donovan, Richard. 2000. Observations on Equity After Ten Years of SmartWood Certification. An input to the FSC Annual Conference, November 2000, Oaxaca, Mexico.

WWF/GTZ. 2002. Hacia Políticas de Manejo Forestal Comunitario y la Certificación en America latina'. Propuestas Surgidas en el taller en Santa Cruz. Enero 2001.

Stoian, D. y Carrera, F. 2001. La Certificación Forestal en la Encrucijada. Entre panacea y un callejón sin salida. Revista Forestal Centroamericana no. 34.

Forest Trees and People. 2000. Newsletter no. 43. November. FAO.

Appendix V: The Consultation Process on Version 1

Version 1 of this document was produced in June 2002 and made available in Spanish and English. It was distributed to FSC members, FSC National Initiatives, FSC accredited certification bodies and members of the FSC Social email forum. It was also announced widely via international networks, and copies were sent out in response to over 100 requests. The document was sent to a number of major international donors, social development and environmental NGOs, and inter-governmental organizations.

FSC was able to offer limited funding to National Initiatives in ‘southern’ countries to carry out consultation processes in the regions. 10 National Initiatives took up this offer, and held workshops, informal meetings and email discussions regarding the social strategy. Other organizations also held consultations with their stakeholder groups: these included *campesino* organizations and forest management foundations. Several individuals including FSC staff and board members, certification body employees World Bank employees sent in written responses.

Most respondents used the standard feedback format, which asked for comment on a number of issues. This format greatly facilitated the incorporation of their reactions and suggestions. Respondents were asked to structure their comments according to the following list:

- Social Constituencies
- Vision
- Core Values
- Objectives (priority ranking requested)
- Outputs (priority ranking requested)
- Activities (priority ranking requested)
- Additional Comments
- Partnerships
- Decentralization

All the responses received were compiled into a summary table (available on request from FSC). From this, two of the original editors of version 1 incorporated as many comments as possible into a new revised version. Members of FSC’s Social Strategy Advisory Committee (SSAC) were sent the summary table and Version 2 for comment, prior to the 3rd FSC General Assembly in November 2002.

In September 2002 (while the consultation period remained open) the SSAC endorsed Version 1 of the Social Strategy as a framework document to guide FSC operations and planning, subject to further revision as a result of the consolidation process, which is scheduled to be concluded by early 2003. The Board of Directors at their meeting on 20th September further endorsed this decision. This important step has allowed preliminary work to be done on incorporating the goals, vision and values of the Social Strategy into the wider FSC strategic planning processes, and the objectives and activities into FSC unit workplans. They are now required to incorporate the changes made in version 2, and prioritise the actions accordingly.

The Social Strategy is considered a living document. Further comment and input is actively encouraged. Depending on the responses received following the FSC General Assembly, a third version may be produced early in 2003.

Appendix VI: The Challenge of Decentralization

This appendix presents the current thinking on the decentralization of FSC services. The operational plan for the implementation of the social strategy must be designed in the context of an evolving decentralization process.

FSC's decentralization process has recently been instigated. It has the potential to better involve members and stakeholders in the FSC system and to encourage their participation in discussions on systems and policy. It can clearly contribute to the effective implementation of the proposed social strategy and therefore the delivery of FSC's mission.

The FSC Board took the decision to decentralize the organization at the 24th board meeting in March 2002. Decentralization in the context of FSC means:

1. Developing levels within the organization and delegating decision-making to the appropriate level.
2. Installing Regional Offices in different geographical locations.
3. Empowering National Initiatives to promote FSC in their countries.

Decentralization is seen as a tool to improve the efficiency and effectiveness of FSC's delivery of its mission. It will also facilitate the changes proposed in this draft social strategy by helping to empower those closest to FSC's social constituencies.

The three main levels of organization and decision-making are with:

- a. National Initiatives
- b. Regional Offices
- c. The International Centre

The keys to the success of decentralization and the social strategy are coordination and capacity building. FSC's ability to communicate with the stakeholders and facilitate working programmes with NI will be crucial.

a. Empowering National Initiatives

National Initiatives are FSC's gateway to the members and stakeholders. They are among FSC's principal ambassadors, lobbyists and spokespersons.

The decentralized structure that is envisaged proposes a client-service relationship between the NIs and FSC regional offices and central office (International Centre). The National Initiatives will serve the stakeholders in their country with information, support and services.

In the context of the social strategy NIs will be those best placed to communicate with social target groups and facilitate their participation in FSC policy development. They will also be supported by Regional Offices in increasing the participation of social stakeholders in standards development processes.

National initiatives have indicated that FSC should strengthen the National Initiatives before starting the decentralization process. Some National Initiatives have weaknesses in approaching some of the challenges identified in the social strategy. FSC has begun

discussions with National Initiatives on the responsibilities and authority that NIs would like to develop in a decentralized FSC. Once defined these will be crucial in determining the roles for implementation of the social strategy at national level.

b. Creating Regional Offices

Regional Offices will permit FSC to better understand regional perspectives, to develop regionally-appropriate policies and tools, to address regional imbalances and to support the dissemination of FSC's mission and vision into new areas.

This is part of the recognition of the different priorities found in each region. Regionalization will allow FSC to adapt its policies in a more responsive manner, identify needs and deliver accordingly. Crucially Regional Offices will be able to offer support to certification processes in countries that do not yet have national capacity.

FSC intends to install four Regional Offices within approximately two years. These will be in Europe (which is already operational), Africa, Asia and The Americas. Regional Offices will function as service centres for NIs, offering support and training on fundraising, communications, trademark use and FSC policy. FSC has begun discussions with National Initiatives and regional stakeholders as to how Regional Offices can best be designed as service centres for the NIs, members and other stakeholders.

c. Strengthening the International Centre

FSC's International Centre, to be located in Bonn, Germany will be the guiding centre for quality management. It will provide frameworks for the delivery on communication, trademark, policy and standards development for the network. It will also offer training on technical policy issues to build capacity at the regional and national levels.

The International centre will guarantee the consistency of the FSC message and policies throughout the network and respond to international players and organizations where appropriate. It will be responsible for coordinating the delivery of the social strategy and the implementation of those outputs that relate to systems changes within the organization.

FSC will also be determining clear roles for membership at all levels (international, national, local) and reviewing the decentralization of membership services.