

FSC SMALLHOLDER UPDATE

Q2 2013

LETTER FROM THE EDITOR

Dear Readers,

This is my last letter from the Editor. Next month I will leave FSC to move closer to family in Vancouver, Canada. It has been a great experience to work for FSC as Smallholder Support Manager, a position I have held since the Smallholder Support Program started in May 2011. Over the past two years, it has grown from an idea with much potential to a program of two people- with strategy, direction, and exciting new tools:

- The Small and Community Label Option, set to launch this month, is a marketing and market access tool that will help producers tell their story alongside the marketing of their products from their forests.
- The Smallholder Fund, launched at the end of May, is a new opportunity for smallholders to access project grant funds for key efforts in gaining and maintaining their certification.
- The Train the Trainers Program is a global model for capacitating the network and FSC's partners to bring appropriate, local-level training to smallholders on certification, market access, and business development; including pro-poor approaches and enterprise development. Currently, it is implemented in Asia and is planned for the Amazon this year.
- The Regional Portfolios Project is a set of generic materials that the network can use to do outreach in various parts of the world. The materials are designed to help smallholders understand the benefits of FSC certification.
- The FSC and Fairtrade Dual-labelling Project is building towards a new phase, with fresh energy and ideas on how to bring Fairtrade premiums to FSC certified small and community forest owners in the Global South.
- The MAP Smallholder Plan uses the Modular Approach Program as a framework for delivering all of our support programs to non-certified smallholders committed to becoming FSC certified in a stepwise process.

Finally, a Plan of Action has been submitted that outlines how the FSC Network can work together towards a long-

term strategy to increase supply from smallholders and increase the value of certification for these producers. This strategy will drive the direction of Smallholder Support within FSC over the next 5 years and is the legacy of two years of intense planning, research, and project implementation.

I wish my colleagues and project partners all the best. FSC has a lot of talented, innovative, hard-working staff in Bonn and across the globe. It's been my pleasure to work alongside them.

Best regards,

Angeline Gough
Smallholder Support Manager

Project Updates

Regional Portfolios adapted for India

Last summer, the FSC Smallholder Support Program launched the Regional Portfolios Project. The Regional Portfolios Project is a set of generic materials that the FSC Offices and Representatives can use to do outreach in their countries to help smallholders realize the potential of getting FSC certified. The materials were created in regional versions for Africa, Asia-Pacific, Europe/North America/Russia and Latin America, and the materials can then be adapted at the national or sub-national level. FSC now wants to adapt these to some selected countries and is at the moment creating a version for India. Illustrations will be adapted for India and the text will be translated into 2-3 Indian languages.

FSC and Fairtrade Dual-Labelling

The Dual-Labelling Project has been on hiatus as we review the outcomes of Phase 1 (pilot) and plan for a second phase. We learned a lot about how dual-labelling can work and how it can benefit small and community producers. We also learned that the market is positive on dual-labelled products but that a more secure program is needed to draw interest from retailers. Phase 2 focuses on scaling up the pilot to a full program and creating more efficiency in how the two standard setting organizations work together and support smallholders on the ground. We are currently fundraising for Phase 2.

Charcoal production: linking conservation and livelihood improvement for small-scale farmers in Eastern Africa

By Marie-Christine Fléchar, African Certification Program Manager, Soil Association Woodmark

Wild Living Resource Conservancy (SA-FM/COC-002141)-WLRC achieved FSC certification in March 2009 as a Group Scheme certificate. The company is located in Kilifi, along the Indian Ocean coast in Kenya. WLRC is partnering with small farmers (i.e. their group members) to sustainably and ethically produce natural products from their land, providing an economic incentive for increased husbandry, conservation and management of the natural environment. WLRC Group Scheme currently includes 42 members with an average certified area of 11.9 ha each. This area or mashamba (i.e. family or individually owned piece of land essentially used for subsistence farming and occasionally for "crop-farming") is mainly composed of low intensity grazing, subsistence crops and a mixture of shrubs and small trees with larger trees emerging through the thicket.

Charcoal production: setting the rules to ensure conservation of the natural resources

In attempting to address deforestation in the area and further clearance of the land for cultivation, WLRC has engaged with the farmers for the production of charcoal bits. Farmers collect and harvest twigs and small branches (maximum 1.5 cm diameter), which are used to produce the carbonised material. A threshold of 50 kg per month of delivered charcoal is imposed on each outgrower with farms of 5 to 10 acres. This threshold is raised to 100 kg for outgrowers with farms over 10 acres but only once the farm has been in production for at least 6 months, has good harvesting and production records and has under-



gone an annual internal audit and training with WLRC. The carbonised material is then transported to the WLRC conservancy site and is further processed to produce the final charcoal briquettes or MakaaZingira (In Swahili Zingira means environment and Makaa means charcoal). This is done by adding a mixture of cassava and coir to the carbonised material and by putting this mixture through a briquetting press.

The Conservancy: A training and demonstration centre

The conservancy site where the briquettes are produced is comprised of 150 acres and is used as a site to demonstrate how the sustainable use and conservation of natural resources can provide secure, tangible, and improved livelihoods to people. Farmers are trained through practical demonstration on the site and then provided with extension support to become suppliers of sustainably produced raw natural products. The FSC certified briquettes are sold through the WLRC shop (adjacent to their office in Kilifi) and in various retailer shops across the country. The organisation has also recently secured a market contract with Nakoumat, one of the main Kenyan supermarket chains.

Looking ahead to new development areas and markets

Beyond the production of FSC certified MakaaZingira, WLRC is also involved with its members in harvesting and processing other naturally sourced products such as baobab powder and oil, aloe gum, coconut oil, neem oil and wild mushrooms. Those are currently not certified but the organisation has managed to develop a market for those products and is currently looking at examining the prospect of FSC and organic certification.

Furthermore, WLRC is currently in contact with community based organisations in the Tana Delta region of Kenya where it is hoping to expand its activity in the future and replicate its successful natural resource management model.



One giant leap for stepwise certification

By Vanessa Linforth, Social Policy Manager at FSC IC

FSC's Modular Approach Program (MAP) is an emerging initiative aimed at providing a structured path to achieve FSC certification by verifying defined steps, starting from the legal right to harvest to full FSC certification.

So far, FSC has drafted MAP standards (forest management, chain-of-custody, and accreditation requirements) and a number of supportive templates (a readiness self-assessment, baseline assessment, certification action plan, progress report), developed a performance and impact monitoring & evaluation system, and planned the integration of smallholder support services. The Standards will be available for public consultation in July 2013, and for the rest of the year the Social Policy Program will be field-testing the various components of MAP as part of a 'controlled' launch.

Last month saw the launch of the official field-testing phase. Thanks to ISEAL funding, FSC has been able to develop a sophisticated monitoring & evaluation system (called MAPME) to record the changes to forest management practice, revenue & livelihoods along the pathway to full certification. Data collection is embedded into the structure of the supportive templates. Both the proposed indicators and templates were discussed and refined with three FM smallholder group schemes –two in Kenya, & one in Uganda– to ensure that they are both operational and meaningful. The groups were chosen to reflect different realities of the certification experience -one stable and expanding, one suspended & one just establishing itself.

The experience was very enriching, bringing a valuable dose of ground-truthing to the draft MAP systems and greatly increas-



ing their future applicability and usefulness to Participants. MAP was met with over-whelming interest and input from all who were involved, cementing the belief that MAP indeed has the potential to make environmentally & socially beneficial forest management a reality for those who have most struggled to reap the rewards that FSC can bring.

For more information please contact Vanessa Linforth, Social Policy Manager: v.linforth@fsc.org

Small and Community Label Option

The purpose of the SCLO is to distinguish FSC certified small and community producers in the marketplace. The term 'Label option' refers to the new option on the FSC technical label for products from small and community producers. Instead of saying 'from well-managed forests', products that carry the label option have the tag line 'from well-managed forests of small or community producers'.

FSC certified products are eligible for the label option when they come 100% from producers that are small in terms of the size of their forest area and/or small in terms of the volume of trees they harvest and/or traditional or indigenous communities. When a producer uses the label option, they must keep their small and community supply separate from other sources of wood. This must be indicated on the invoice as the wood travels along the supply chain to the end product.

When a retailer sources these products, they will be able to access the SCLO Online Marketing Toolkit that will help them tell a story about small and community producers that will inspire a sense of connection between these producers and the end consumer.





The tool kit includes downloadable campaign assets, including graphics, taglines, infographics and animation that can be arranged to create touch points for in-store and online marketing.

The toolkit is designed to enable traders and retailers to create campaigns that promote their commitment to the FSC, build awareness of the importance of small and community producers, and convert this awareness into sales that increase the visibility and demand for small and community products.

The SCLO Campaign launches to smallholders, traders, retailers, network partners, and certification bodies in June. It has been delayed by 6 weeks due to a longer than expected creative process. A more high profile promotion of the campaign will roll out in November, when early adopters have started to take up the label and the campaign and SCLO labelled products are starting to appear in stores.

Smallholder Fund launched

By Joachim Meier-Dörnberg, Smallholder Support Project Manager at FSC International

On May 16th the Smallholder Fund was launched, and it is now open for applications for first-time proposals. The Smallholder Fund holds €420,000 for the year 2013. Each region of the world has a quota of €70,000. Project proposals will be supported by grants between €5,000 – €30,000.

What do we fund?

Fundable items are linked to:

- Preparation for certification (e.g. technical assistance, trainings on FSC certification, or development of SLIMF group procedures)
- Covering compliance costs (e.g. inclusion of new management plans, resolution of non-compliances, or the process of establishing and managing High Conservation Values)
- Investments in production (e.g. equipment or trainings)
- Marketing and sales strategies

The fund does not support direct audit costs, salaries, rents, payment of debts or taxes, or the acquisition of vehicles or office materials.

Eligibility

Eligible to apply are FSC certified producers that qualify as small and low intensity (including SLIMF groups), and FSC certified communities which communally own and manage their forest, or permit a third party to manage it on their behalf. Non-certified small and community producers are also eligible, although there are some restrictions and eligibility needs to be analyzed case by case. In general as a baseline for eligibility, a formalized commitment through a contract with a Certification Body is a pre-requisite.

Application and selection

The funds will be distributed through an application and selection process where the best project proposals in each region of the world are identified.

The first round for application for pre-selection has already started and will close by July 19th. Projects will be selected and the applicants will be informed by August 31st for the second round, where they have to submit a dossier of legal documents and business information. The final selection will be realized until September 30th. By the end of October 2013, successful applicants will be informed and funds transferred.

All detailed information on how to apply and submit project proposals is described on the Smallholder Portal at FSC International's webpage at <https://ic.fsc.org/smallholder-fund.542.htm> in English and Spanish. All content, guidelines and templates are also available in Portuguese, Japanese, French and Russian on each respective National Office homepage.

Links from FSC International and other FSC office's homepages to the corresponding website will be placed online to lead the interested public to find the right language.

E.g. interested smallholders from Belgium or Cameroon can use the French website to find all necessary information and forms for application, the same way as applicants from Chile or Ecuador would use the link to the FSC International website in Spanish.

For further information, please get in touch with your National Office, or the FSC representative in your country. You can also contact Joachim Meier-Dörnberg, Smallholder Support Project Manager, j.meier-doernberg@fsc.org.

MORE INFORMATION

For more information on the projects, check out the Smallholders Portal on www.fsc.org/smallholders.

And stay tuned for more updates. The next issue will be published in October 2013.

CONTACT

If you have any comments and/or feedback on the Smallholder Update, please contact:

Joachim Meier-Dörnberg at j.meier-doernberg@fsc.org