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LINKING FOREST MANAGEMENT AND FAIR TRADE CERTIFICATION

**Standards Comparison & Market Analysis for Dual Certified Forest
Products**

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*"L'economia ha senso, allora,
solo se è parte di un progetto umanistico.
Ogni popolo, a qualsiasi livello evolutivo,
è in grado di corrispondere a questa verità
se immette nella storia comune di una società globalizzata
le più belle risorse umane e culturali della propria terra.
Così.... sarà la bellezza a salvare il mondo."*

- G. Mazzocolin - Fattoria di Felsina - (SI) - Terra e libertà/Critical Wine -

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Abbreviations and acronyms

ATOs	Alternative Trade Organizations
CFPs	Community Forest Products
CFs	Community forests
CoC	Chain of Custody
COPADE	<i>Comercio Para el Desarrollo</i>
CSR	Corporate Social Responsibility
FLO	Fairtrade Labelling Organization
FM	Forest Management
FSC	Forest Stewardship Council
Ft	Fairtrade
FT	Fair Trade
FPs	Forest Products
FTOs	Fair Trade Organizations
IIED	International Institute for Environmental Development
ILO	International Labour Organization
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
MDGs	Millennium Development Goals
NGO	Non governmental Organization
SFTMS	Sustainable Fair Trade Management System
SLIMF	Slow and Low Intensive Managed Forest
SMFEs	Small Medium Forest Enterprises
WFTO	World Fair Trade Organization

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Summary

Since almost a quarter of the global forest area is owned or managed by communities, especially in the Southern countries, increasing the access to certification for communities and small-medium forest enterprises should be a priority in the international agenda. Recent researches and initiatives suggest the chance to link FSC certification with Fair Trade (FT) principles to differentiate community forest products on the market in order to bring more benefits to forest dependent people.

Hence, the present study aims to give a practical contribution to improve the knowledge around the possible links between FSC and FT certification.

Particularly, the main goal is to investigate whether and how the link between FSC and FT certification systems might work as a market based tool to promote and distinguish community forest products. In doing so, the study explores which are the more viable scenarios and standards integration processes that may be used to obtain FT (with a special attention to Sustainable Fair Trade Management System (SFTMS) of the World Fair Trade Organization (WFTO)) and FSC Dual Certified Forest Products.

The study then investigates if there is any room on the market for dual certified FSC/FT forest products and which are the main driving forces from the demand side. Besides, the research is also enriched by reporting a single case study based on the author's field work.

As regards the standard analysis, the findings suggest that an already FSC certified community forest or workshop does not have to do additional management efforts to obtain the FT certification according to the new SFTMS of the WFTO.

On the demand side, the findings suggest that Alternative Trade Organization (ATOs) and private companies can represent a potential market for dual certified forest products.

In order to activate such demand, strong and joint promotional activities are needed by building partnerships between FT and FSC respective networks. In so doing, private companies will play as active actors just if the promotional activities will be structured as a Corporate Social Responsibility instrument for their businesses.

Give that, a kick off promotional activity and campaigning is related to the possibility that FSC and ATOs may work together at national basis; the mutual trust of such involved organization it is of a primary importance.

1 - INTRODUCTION

Sustainable forest management is still considered one of the most important issues in the forest sector. The need for a better use of the world's forest resources has been stated in the main international treaties since the nineties (Helsinki, 1990; UNCED, 1992; Montreal, 1993; CBD, 1993; Tarapoto, 1995; UNCCD, 1996; Lisbon, 1998;).

Nevertheless, deforestation and forest degradation proceeding from illegal logging and other unfair forest management operations dramatically affect not only forest ecosystems, but also local communities and social networks, as well as local and international economy (FAO, 2006). Since the international dialogue on forests is moving from command and control approach toward voluntary instruments, forest certification is one of the most recognized market based instruments to promote sound forest management (Rametsteiner, 2003). It shall be noticed, however, that the unequal distribution of power among the commodity network of Certified Forest Products (CFPs) has undermined the original scope of forest certification (Klooster, 2005 and 2006). In fact, if we consider the geographical distribution of certified forests and forest certification schemes, despite of the great diffusion in Western countries, most of the tropics are lacking any kind of national or international third-party forest certification scheme (Atyi, 2002; UNECE/FAO, 2008).

Since almost a quarter of the global forest area is owned or managed by communities, especially in the Southern countries, increasing the access to certification for communities and small-medium forest enterprises should be a priority in the international agenda (White, 2002; Donovan, 2006; Kozak, 2007; Macqueen, 2008).

Yet, so far, forest certification has been relegated to large scale industries, mainly in North America and Europe, while social and environmental issues concerning the world's forests raise up mainly in the tropics, especially with indigenous and workers rights (Rametsteiner, 2003; Tikina, 2008 UNECE/FAO 2008).

Despite of some efforts, all around the world Community Forests (CFs) and Small Medium Forest Enterprises (SMFEs) are facing several problems for being certified due to high cost of certification, lack of market channels, lack of premium prices, supply scale, quality issues etc. (Higman, 2002; Taylor, 2005/a; Taylor, 2005/b; Macqueen, 2008/b).

In the forest sector, the Forest Stewardship Council (FSC), an independent, non-governmental, not for profit organization established to promote the responsible management of the world's forests by means of third-party certification, is trying to

adapt its certification system to facilitate small holders' access to certification and seems to be the only forest certification standard setting organization proceeding toward increasing access to small scale forestry in tropics at the moment (Taylor, 2005/a; Taylor, 2005/b; Macqueen, 2008). Despite the great efforts still there are not "pro poor" forest certification schemes (Mayers, 2006). Attempting to develop additional schemes or standards when, internationally speaking, there are a multitude of them, seems to be not recommendable.

On the other side, in the agriculture sector, Fair Trade (FT) schemes try to respond to the needs of small farmers' organizations. Premium prices, long term contracts, attention to workers rights and gender equity are some of the opportunities offered by fair trade for economically disadvantaged producers in less developed countries. At the same time, in Western countries, responsible consumers demand for products with high social and environmental performances (Loureiro, 2005; Doran, 2008).

Although FT is facing governance changes due to the power relations within FT network and mainstream market, it seems to be the only certification system that systematically guarantees a premium price for producers' efforts (Renard, 2003; Renard, 2005; Macqueen, 2006). Meanwhile, some forest products are already commercialized under FT certification but still there are not specific standards for FT timber or Non Wood Forest Products (NWFPs).

Recent researches and initiatives (see for details paragraph 2.6) suggest the chance to link FSC certification with FT principles to differentiate community produced forest products in the market in order to bring more benefits to Community Forests and Small Medium Forest Enterprises. Consequently, the present research aims to contribute to improve the knowledge around the possible links between FSC and FT certification, as explained in the following problem statement:

to investigate whether and how a dual FSC and FT certification system might be considered as a market based instruments to promote and distinguish responsible community based forest products.

This link is seen as an opportunity to deal with some of the problems that affect forest-dependent people. In fact, CFs and SMFEs, especially in Southern countries, are facing dramatic poverty and marginalization. They are facing not only the effects deriving from environmental degradation but also the absence of decent working conditions and violation of community and indigenous rights. For all the abovementioned reasons, to provide CFs and SMFEs with fair prices for forest

products as it happens with agriculture commodities is an issue that needs to be better investigated.

In order to respond to the problem statement, in the next paragraph the research objectives and questions are formulated and presented.

1.1 - Objectives and research questions

As already mentioned, the study mainly intends to explore the link between forest certification and fair trade in the forest sector. In particular, the thesis aims to conduct a feasibility analysis with reference to the different possible scenarios in order to obtain Dual Certified Timber-based Products which might be commercialized through the fair trade channels, according to the existing FT and FSC Forest Management certification schemes. More in detail, the analysis explores three main steps for developing the process of Dual certified FT/FSC Forest products:

- identification and selection of applicable certification schemes;
- standards analysis;
- market analysis.

Firstly, on the basis of the literature review an analysis of the state of the art on the subject was carried out. Subsequently, applicable certification schemes have been identified and an analysis has been conducted in order to clarify which are the more viable scenarios to suggest an integration between FSC and FT certification.

Secondly, a detailed comparison procedure between different selected certification schemes clarified what are the similarities and the differences between the selected standards. The goal is to define a bridge standard based on standards' comparison and on the most viable scenario.

Finally, qualitative data collected through direct interview to already involved stakeholders on the promotional/market side are presented. Quantitative data have also been collected by an online questionnaire. In order to promote a bridge standard or the development of dual certified timber products it is indispensable to know if there is a likely demand for such a kind of goods. With this respect, the thesis might also provide a first set of guidelines for practitioners working in development cooperation projects in rural areas of less developed countries, where a dual FT and FSC certification and certified products marketing can try and provide alternative/integrative sources of income to community-based villages and householders.

Regarding the objectives the specific research questions are:

- Which are the more feasible scenarios for standards integration that may apply to obtain FT (with a special attention to SFTMS of the WFTO) and FSC Dual Certified Forest Products?
- Is there a market demand for dual certified FSC and FT forest products and which are the most important driving forces from the demand side?

The target audiences of this study are:

- COPADE¹ and all interested ATOs which will benefit from the practical analysis and integration between the two considered standards; the market demand analysis will also help to give some market information about the potentials of such products;
- both FSC and WFTO, while seeking a mutual agreement on dual certification, will benefit from the study by having a practical report both on demand side and standard analysis which will help in the decision making process;
- certification bodies and auditors who, in the case there will be a dual certification agreement between WFTO and FSC, will find a practical guide to develop and evaluate a dual certification model to carry out auditing activities.

The investigated topic is a new one, so that there is still lack of studies and reports in this field. The topic seems to have a real potential to be developed in the near future, in fact, as be explained in chapter 2, there are many initiatives in this field about to begin.

Apart from the scientific and market interests, a primary relevance is played by the needs of forest communities and indigenous people that are facing the dramatic consequences of climate change, excessive use of natural resources, threats to biodiversity and increasing poverty. They are recognized as one of the most vulnerable social groups and unsustainable consumption practices, mainly due to the Northern consumers, are fuelling their problems, making them harsher and harsher.

1 COPADE-Arte Latino S.L.U. in Spain is certified according to FSC standards for chain of custody certification (SW-COC-002763). Moreover, 5 companies in Honduras, linked to COPADE, are certified (SW-COC-002734).

1.2 - Structure of the thesis

In order to allow the reader to understand better the logical framework of the thesis this paragraph intends to briefly explain how the document itself is structured.

Chapter 1 sets out the research problems based on the background information that arises from most of literature covering the considered topic. The research objectives and questions are then stated in the same section as a response to the problem statement.

Chapter 2 introduces the relevant theories used within the study, including information about Fair Trade, Forest certification, their respective schemes and historical evolutions. Special attention is paid to report how these organizations are facing the conventional market and how they attempt to face poverty reduction in forestry. A theoretical background on CFs, SMFEs and SMFEs associations is given in order to present a picture of the final beneficiaries of the thesis proposal. Finally an exhaustive collection of all current initiatives on FT and FSC is reported.

Chapter 3 describes the research methodology. After a brief description of the research approach, the step-wise approach followed during the study is presented. First of all, a general comparison between the 3 main governance schemes in forest and FT sector (FLO, FSC, WFTO) is done. Then a part tailored to screen different options for a partnership between FT and FSC leads to a proposal to integrate a FT standard with FSC ones. After a more centred desk-work, a methodology is presented in order to explain how the quantitative (on line survey) and qualitative analysis (direct interviews) were conducted. Furthermore, the reliability of the tool to measure the market demand for FT/FSC dual certified forest products is explained. Hence, the samples used in this study are described and then the techniques used in the statistical analysis are explained.

Chapter 4 presents and describes, by means of several graphs and tables and using descriptive statistic, results from governance comparison, standard integration, qualitative and quantitative interviews.

Finally, conclusions drawn from the results of the work experiences and statistical analysis can be found in Chapter 5.

2 - THEORETICAL BACKGROUND

This chapter introduces the relevant theories used within the study, including information about Fair Trade, Forest certification, their respective schemes and historical evolutions. Special attention is paid to the commodity chain by reporting how these organizations are facing the conventional market and how they attempt to face poverty reduction in forestry. A theoretical background on CFs, SMFEs and SMFEs associations is given in order to present a picture of the final beneficiaries of the thesis proposal. Finally an exhaustive collection of all current initiatives on FT and FSC is reported.

2.1 - Definitions

Standard

According to International Organization for Standardization (ISO) a standard is a published: "specification that establishes a common language, and contains a technical specification or other precise criteria and is designed to be used consistently, as a rule, a guideline, or a definition" (ISO 2008).

ISEAL defines a standard as a "Document that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method" (ISEAL 2006).

Accreditation

Accreditation is the procedure by which an authoritative body gives formal recognition that a body or person is competent to carry out specific tasks. Accreditation by an IAF MLA member assures users that the accredited body is independent and competent, and delivers its services in the most time and cost effective way.

Accreditation bodies are established in many countries, often by government or with the encouragement of government, with the primary purpose of ensuring that certification/registration bodies in the country are subject to oversight by an authoritative body. Accreditation reduces risk for government, business and customers

by ensuring, through regular surveillance, that certification/registration bodies are both independent and competent.

Users of certification/registration are protected from poor services when they are satisfied that the certification/registration body they use is accredited by an accreditation body which is an IAF or IAF MLA member. Accreditation bodies visit certification/registration bodies regularly, and witness their staff conducting audits, to ensure that both the body and its staff remain competent to undertake operations. Accreditation bodies require the bodies they accredit to be free of conflicts of interest or undue influence from interests that may benefit from a certification decision.

Users of certification / registration can have confidence in the credibility of the certification / registration body they use if it has submitted itself to scrutiny by an IAF accreditation body and has been assessed as competent. (IAF, 2009)

Fair Trade and Fairtrade²

First of all, Fairness in trade is a concept that have a long history (see box 2.1 for details). Fairtrade is used to denote the product certification scheme operated by Fairtrade Labelling Organizations International (FLO).

Fair Trade Organizations are organizations of which Fair Trade is part of their mission and constitutes the core of their objectives and activities. They are actively engaged in supporting producers, raising awareness for FT and in campaigning for changes in the rules and practices of ordinary international trade. WFTO is the global network of Fair Trade Organizations (FTOs) that are following the principles stated in box 2.2 in the next page. The currently accepted definition, agreed between FLO and WFTO, of Fair Trade is as follows: *"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the right of, marginalized producers and workers - especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade"*.

2 In this research the acronym FT is used to indicate the common definition of Fair Trade. In order to distinguish the two concept of FT, the respective organizations' acronym such as FLO and WFTO are reported.

The integrated supply chain route whereby products are imported and/or distributed by organizations that have FT at the core of their mission and activities, using it as development tools to support disadvantaged producers and to reduce poverty, and combine their marketing with awareness-raising and campaigning.

The product certification route whereby products complying with international standards are certified indicating that they have been produced, traded processed and packaged in accordance with the specific requirements of those international standards. (WFTO, FLO 2009).

Box 2.1: Brief History of the Fair Trade Movement

Fair Trade movement begun in 1946 on behalf of Ten Thousand Villages not for profit handicraft sales in the USA. Later on in Europe Oxfam GB started to sell crafts made by Chinese refugees in Oxfam shops. In 1964 it created the first Fair Trade Organization. Worldshops (or Fair Trade shops) have played a crucial role in the Fair Trade movement. They constitute not only points of sales but are also very active in campaigning and awareness-raising. During the 1960s and 1970s too, Non-Governmental Organizations (NGOs) and socially motivated individuals in many countries in Asia, Africa and Latin America perceived the need for fair marketing organizations which would provide advice, assistance and support to disadvantaged producers. Many such Southern Fair Trade Organizations were established and links were made with the new Fair Trade organizations in the North. These relationships were based on partnership, dialogue, transparency and respect. The goal was greater equity in international trade. Organizations were set up to import goods from countries in the South that were both politically and economically marginalised. At the beginning, Fair Trade Organizations traded mostly with hand crafts producers, mainly because of their contacts with missionaries. In 1973, Fair Trade Organization in the Netherlands, imported the first “fairly traded” coffee from cooperatives of small farmers in Guatemala. After coffee, the food range was expanded and it now includes products like tea, cocoa, sugar, tea, wine, fruit juices, nuts, spices, rice, etc. Food products enable Fair Trade Organizations to open new market channels, such as institutional market, supermarkets, bio shops.

In the 1980s, a new way of reaching the broad public was developed. Products bought, traded and sold respecting Fair Trade conditions would qualify for a label that would make them stand out among ordinary products on store shelves, and would allow any company to get involved in Fair Trade. In 1988, the “Max Havelaar” label was established in The Netherlands. In 1997, the worldwide association, Fairtrade Labelling International, was created. FLO is now responsible for setting international Fairtrade standards, for certifying production and auditing trade according to these standards and for the labelling of products. The range of labelled products, which now counts seven, will soon be expanded. Fair Trade labelling indeed has helped Fair Trade to go into mainstream business. Currently, over two-thirds of Fair Trade products, are sold by mainstream catering and retailing.

Parallel to the development of the labelling for products, International Federation of Alternative Trade (IFAT) has developed a monitoring system for Fair Trade Organizations, which should strengthen the credibility of these organizations towards political decision-makers, mainstream business and consumers. The IFAT Fair Trade Organization Mark was launched in January 2004. It is available to IFAT members that meet the requirements of the IFAT standards and monitoring system and identifies them as registered Fair Trade Organizations. In 2009 IFAT has changed its name in World Fair Trade Organization (WFTO), and it is currently developing a third-party certified product label for Fair Trade Organizations.

From the beginning, the Fair Trade movement aimed at raising awareness of consumers on the problems, caused by conventional trade and at introducing changes to its rules. The sale of products always went alongside with information on the production, producers and their conditions of living. It has become the role of World / Fair Trade Shops to mobilise consumers to participate in campaigning activities for more global justice. During its history of over 50 years, Fair Trade has developed into a widespread movement with recognition on a political and mainstream business level. But there are still a lot of challenges ahead of us, which we need to take up together. (WFTO, 2003 and 2009).

Box 2.2: WFTO Principles

WFTO prescribes 10 Principles that Fair Trade Organizations must follow in their day-to-day work and carries out monitoring to ensure these principles are upheld:

- **Creating opportunities for economically disadvantaged producers.**
Fair Trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalized by the conventional trading system.
- **Transparency and accountability.**
Fair Trade involves transparent management and commercial relations to deal fairly and respectfully with trading partners.
- **Capacity building.**
Fair Trade is a means to develop producers' independence. Fair Trade relationships provide continuity, during which producers and their marketing organizations can improve their management skills and their access to new markets.
- **Promoting Fair Trade.**
Fair Trade Organizations raise awareness of Fair Trade and the possibility of greater justice in world trade. They provide their customers with information about the organization, the products, and in what conditions they are made. They use honest advertising and marketing techniques and aim for the highest standards in product quality and packing.
- **Payment of a fair price.**
A fair price in the regional or local context is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fair Traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.
- **Gender Equity.**
Fair Trade means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organizations.
- **Working conditions.**
Fair Trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context.
- **Child Labour.**
Fair Trade Organizations respect the UN Convention on the Rights of the Child, as well as local laws and social norms in order to ensure that the participation of children in production processes of fairly traded articles (if any) does not adversely affect their well-being, security, educational requirements and need for play. Organizations working directly with informally organised producers disclose the involvement of children in production.
- **The environment.**
Fair Trade actively encourages better environmental practices and the application of responsible methods of production.
- **Trade Relations.**
Fair Trade Organizations trade with concern for the social, economic and environmental well-being of marginalized small producers and do not maximise profit at their expense. They maintain long-term relationships based on solidarity, trust and mutual respect that contribute to the promotion and growth of Fair Trade. An interest free pre payment of at least 50% is made if requested (WFTO, 2009).

2.2 - Commodity chain versus Network

It may be said that it is worth to clarify the mechanisms under which timber is produced and traded because it is commercialized within the international market. The following paragraph intends to build a theoretical framework on the concept of governance within the *global commodity chain* (GCC) approach to international trade. This particular approach to global economy is to create a background in order to better understand the specific features of timber commodities. Moreover, it helps to introduce the next paragraphs which discuss the evolution of certification movements, the consumers-producers link and the so called forest-poverty link.

2.2.1 - Governance in the global commodity network

A commodity chain refers to “*sets of inter organizational networks clustered around one commodity or product, linking households, enterprises, and states to one another in the world-economy*” (Hopkins, 1986; Gereffi, 1995). More recently, some authors have complemented the concept of GCC by using the *global value chain* approach that is applied to industrial manufacturing. Global value chain research tries to understand the nature of the relationships between economic actors and their implications for development (Humphrey, 2001; Gereffi, 2005).

To better explain flows and power relationships, authors refer to “*Chain Governance*” that is a pattern of distribution of the power along the chain. The control is about a set of parameters which define: what, how, when, where and how much a certain product is to be produced. It's worth to consider that control is exercised also over the price formation. Consequently, the powerful actors decide who stays in the market and who don't (Gereffi, 1995; Humphrey, 2001; Gereffi, 2005). Other analysts, like Ponte, stress the point around “functional division of labour” along the chain, resulting in specific allocations of resources and distributions of gains. Marginalization/exclusion and upgrading/participation are the results of the (re)distributional processes (Ponte, 2005). This assumption recognizes that trade in goods and services along a chain is often more than a series of “arm's-length market-based transactions”(Gereffi, 1995 and 2001; Klooster, 2006). Chain governance has been classified into *buyer-driven* versus *producers-driven*. Agrarian/forestry commodities - particularly timber - are mainly examples of buyer-driven chains: they are dominated by large retailers, brands and large corporations which organize the typical network between Southern exporters countries and Northern importers (Ponte,

S. 2002; Taylor, 2005/b). However, beyond this dual classification, a significant variety among drivers and driving forces within GCC governance highlights the role of government and civil society - especially NGOs - in influencing GCCs (Gereffi 1995 and 2001). In fact, despite of some definitions of governance as "non-market phenomenon" (Humphrey, 2001), we follow the approach used by Taylor which argues that *"all market activity, conventional or traditional, is structured by forms of governance regulating market entry, links among participating actors and the distribution of benefits"* (Taylor, 2005/a).

Furthermore the concept of *"embeddedness"* of economic action describes how the market activities do not operate in social and political isolation (Granovetter, 1985). Thus we want to introduce the *global commodity network* analysis that is a broad approach to GCC and GVC approaches. Network indicates the relations between those social, economic and political actors involved not only in the mere production process. The network metaphor deal with the influences between, civil society, NGOs, ethical and environmental production-standards or between similar commodity chains, such as fashion designers and furniture manufacturers (Klooster, 2006; Selly, 2009).

Yet, some theories explain how the trend of global capitalism is to "disembed" the economy from the society and its environment (Altvater and Mahnkopf, 1997, in Taylor, 2005/a). Indeed, certification movements like FT, organic agriculture and forest certification were born with the final purpose to use the market to bring social and environmental values into the production process (Raynolds, 2000; Renard, 2003). But, as we will see below they are facing several contradictions due to the powerful relationship within the commodity network. Yet the success of these alternatives also makes them an inviting target for corporate participation (Jaffee, 2009; Mueller, 2009).

In the following part we will see how the forest certification movement was lead out from the original scope by large retailers.

2.1.2 - The evolution of certification movements: the case of the Forest Stewardship Council

While, FT originally operated against the mainstream market trying to modify the conventional trade relations, FSC was born mainly to improve forest management world wide and specifically against tropical deforestation. Both movements in their history have gained high success within the conventional market (Raynolds, 2002; Rametsteiner, 2003; Renard, 2005; Taylor, 2005/a). Despite of the clear differences between the original scope of Fair Trade and FSC both movements are facing several contradictions to be "in the market but not of it" (Taylor, 2005/a).

Box 2.3: About FSC

FSC is an independent, non-governmental, not-for-profit organization established to promote the responsible management of the world's forests.

Established in 1993 as a response to concerns over global deforestation, FSC is widely regarded as one of the most important initiatives of the last decade to promote responsible forest management worldwide.

FSC is a certification system that provides internationally recognized standard-setting,

trademark assurance and accreditation services to companies, organizations, and communities interested in responsible forestry.

The FSC label provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment as well as providing ongoing business value.

FSC is nationally represented in more than 50 countries around the world (FSC, 2009).

Box 2.4: FSC Principles and Criteria

Principle 1.

Compliance with all applicable laws and international treaties

Principle 2.

Demonstrated and uncontested, clearly defined, long-term land tenure and use rights

Principle 3.

Recognition and respect of indigenous peoples' rights

Principle 4.

Maintenance or enhancement of long-term social and economic well-being of forest workers and local communities and respect of worker's rights in compliance with International Labour Organisation (ILO) conventions

Principle 5.

Equitable use and sharing of benefits derived from the forest

Principle 6.

Reduction of environmental impact of logging activities and maintenance of the ecological functions and integrity of the forest

Principle 7.

Appropriate and continuously updated management plan

Principle 8.

Appropriate monitoring and assessment activities to assess the condition of the forest, management activities and their social and environmental impacts

Principle 9.

Maintenance of High Conservation Value Forests (HCVFs) defined as environmental and social values that are considered to be of outstanding significance or critical importance

Principle 10.

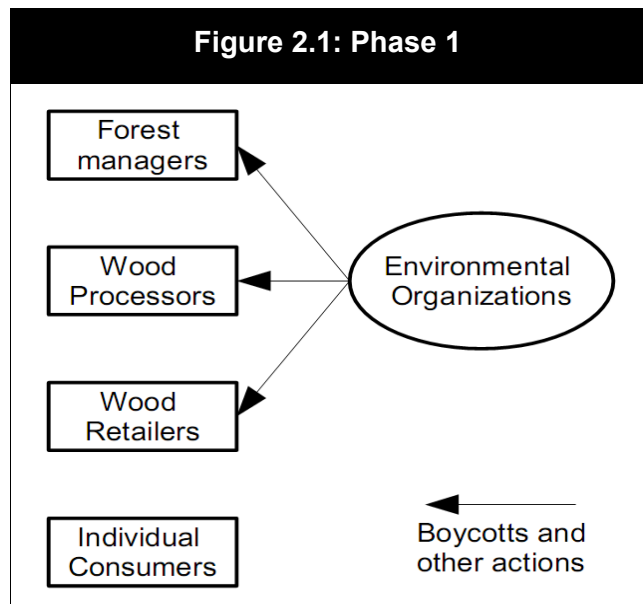
In addition to compliance with all of the above, plantations must contribute to reduce the pressures on and promote the restoration and conservation of natural forests (FSC, 2002/a)

According to Klooster (2005), as these movements got into the mainstream market, however, they also seem to become increasingly compromised by commercial market values and the interests of other most powerful market actors. The evolution of certification in the forest sector is mainly divided in four phases which clarify the different NGOs approaches to modify trade relation within the global commodity network³.

3 This part of the chapter is mostly drawn from: Klooster, D. 2005. Environmental certification of forests: the evolution of environmental governance in a commodity network. J. Rural Stud. 21: 403.

Phase I: governance through threat of boycott.

The history of certification movements started in the early 1970. Tropical deforestation,

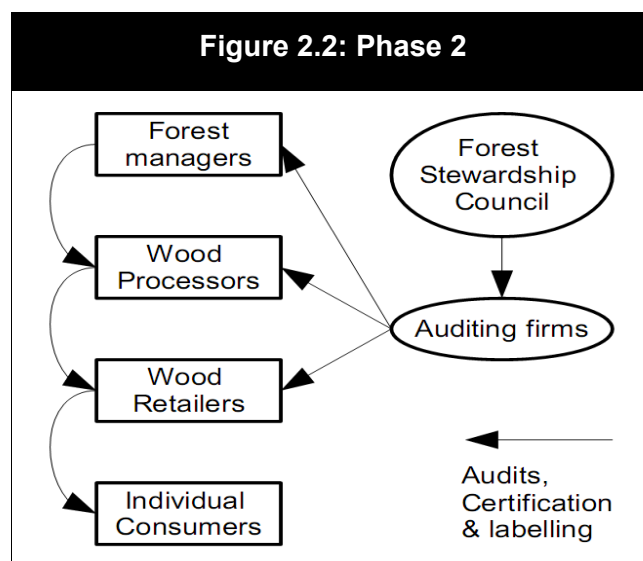


Source: Klooster, 2006, Modified

clear cutting and loss of biodiversity were the most evident processes to fuel ENGOs. This phase was mainly characterized by the attempt of ENGOs to influence the GCC related to forest products through boycotts, threats, public demonstration against logging companies, large wood processors and retailers. The main boycotts campaigns' message was against tropical timber procurement (figure 2.1).

Phase II: governance through environmental certification.

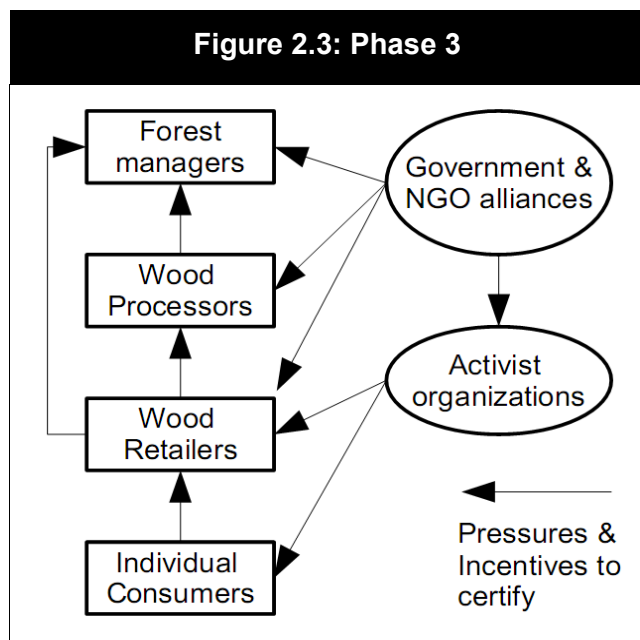
In the wake of the UN Conference on Sustainable Development in 1992 (Rio Summit), concerned business representatives, social groups and ENGOs got together and established the Forest Stewardship Council. FSC brings people together to promote responsible forest management and to find solutions to the problems created by bad forestry practices. FSC does so in providing standard setting, trademark



Source: Klooster, 2006, Modified

assurance and accreditation services and market access for companies and organizations interested in responsible forestry. Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet the social, economic and ecological needs of present and future generations (FSC, 2009) (figure 2.2).

Phase III: the expansion of certification amidst retailer dominance.



Source: Klooster, 2006, Modified

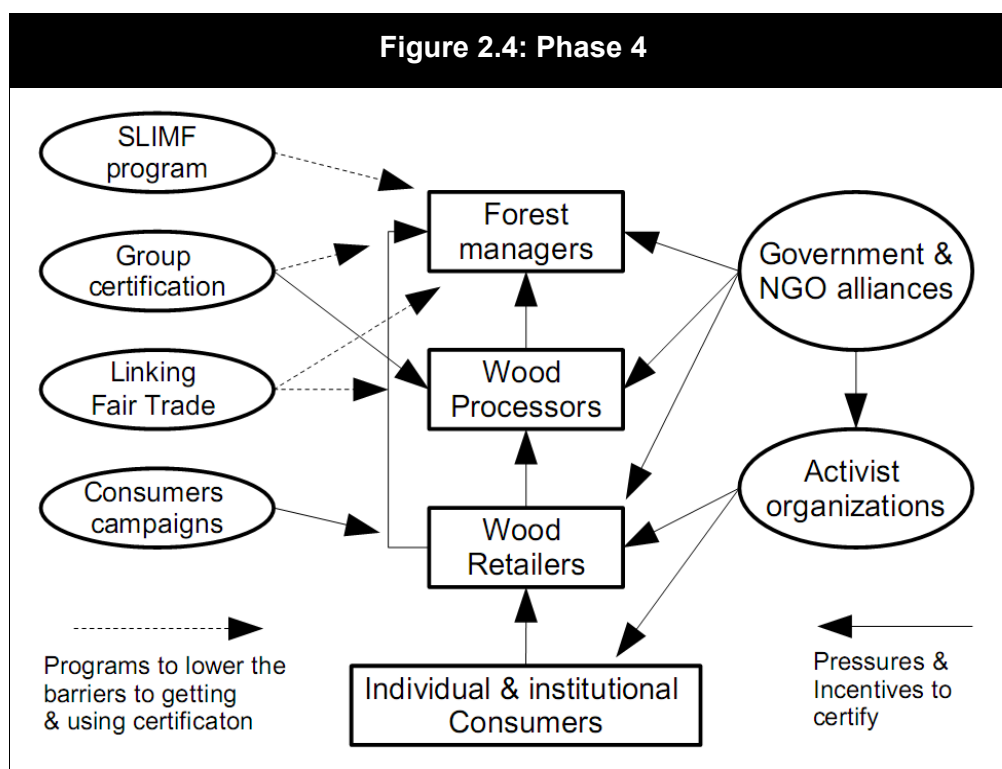
In this phase ENGOs such as Greenpeace and WWF aggressively promoted FSC certification with large retailers, processors and consumers, driving the commodity network. The governments also had their importance by distributing financial incentives to forest managers and wood processors. In a few time the market for certified products rapidly increased.

Certification has been seen as a useful instruments to:

- be part of the certification movement and to be able to influence it;
- provide a unique global standard for global corporations;
- get a credible and third party external certification system;
- provide companies with a useful instrument to exercise "control at distance" over their suppliers and removing cost for monitoring them;
- get a label system to promote a CSR strategy for corporate marketing.
- After the first phase of expansion of the certified timber products market FSC and the environmental movements had to draw some considerations:
 - the geographical distribution of certified forest does not reflect the initial scope of the certification movements. In fact, approximately 80 % of the world's certified forest is located in the Northern hemisphere (UNECE/FAO 2008);
 - forest certification has rarely achieved clear benefits for certified forest producers; no premium prices, increasing cost for managing forests; technical and physical barrier to enter in the market have excluded most of the SMFEs and CFs to get their forests certified (Rametsteiner, 2003; Taylor, 2005/a and 2005/b) (figure 2.3).

Phase IV: corrective measures.

All FSC chambers recognized many of these problems and outlined a social strategy to reverse from retailers focus mainstreaming strategy. Since 1998, FSC group certification allows a group of forest owners to join together and share certification costs among the group members.



Source: Klooster, 2006, Modified

This dramatically reduces the cost for each owners of the group (FSC, 2009). Furthermore, the problems of indigenous and CFs were recognised and FSC in 2001 began work on a Small Medium Intensity Managed Forests (SLIMF) initiatives to reduce certification costs for small forest operations (see paragraph 2.4 for detailed information) (figure 2.4)

Since 2003, the FSC social strategy suggests that FT might play a role for some of the SMFEs and CFs seeking certification. For this reason, alliances with FTOs is needed. This alliance is seen as a pro poor certification initiative. This point will be discussed in details in the next paragraphs, taking into consideration different perspectives.

2.3 - The forest - poverty link

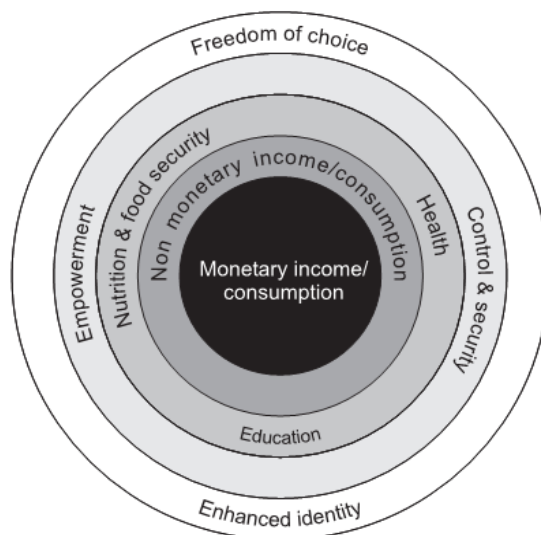
This section intends to report the main publications on the link between forests and poverty and *viceversa*. The core question is: "why timber does not benefit at the expected level forest people?". Of course it is not our purpose to provide here any key-solution about poverty reduction through better forestry. The geographical conditions and different social and cultural contexts do not allow a generalisation around the specific link between forests and poverty. The link changes depending on the meaning of the words poverty and forestry according to different groups and cultures. For a definition of forest, the official FAO definition is taken into consideration, while about a definition of poverty (and an explanation of the definition itself) is given below. This paragraph aims to set the general features of poverty related to forestry sector with particular regard to timber.

2.3.1 - Defining Poverty

The concept of poverty has evolved along the history. The traditional definition of poverty was based on income and wealth levels. Recently, it has been extended to include not only material dimensions but also social and cultural aspects. The evolution of the concept passed through the indicators used to measure welfare. The most used indicator is the Human Development Index (HDI) which refers to the third layer in figure 2.5. Besides this, in the last decades the institutional dimension and empowerment were included in measuring poverty.

An example of the widely used holistic approach is the Sustainable Livelihood Approach that refers to the so called "five capital approach".

Figure 2.5: The Poverty - Well - Being Interface



Source: Angelsen, 2003.

The following definition is the one given by the United Nations:

“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and cloth a family, not having a school or clinic to go to, not having the land on which to grow one’s food or a job to earn one’s living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation”.

Recently poverty has been defined as a "capability of deprivation". According to the concept of "Development as freedom", poverty that contrasts development is seen as a process reducing freedom of choice and precluding alternative option of development (Angelsen and Wunder, 2003).

The following are characteristics of poverty⁴:

- **Multidimensional.** It does not cope just with the material sphere but also with social aspects such as education, information and having alternative livelihood options;
- **Complex and dynamic.** It refers to the cycle of collective poverty and the transmission to the forthcoming generations. It highlights the typical downward spiral of interconnected factors producing poverty;
- **Avoidable.** It means that measures can be taken to prevent it. It also implies that, from a charitable point of view, poor people need help from non-poor people to overcome poverty;
- **Collective responsibility.** Society has a collective responsibility to rapidly change the unfair social, political and economical relationships between poor and non-poor people. This pass also through certification schemes that enable people to recognize Southern small producers and to help them to get out of poverty;
- **Contextually defined.** Poverty is subjective and relative depending on geographical, social, cultural and economical point of view.

4 This classification is based mostly on (FAO, 2006).

2.3.2 - Forests and poverty reduction⁵

More than a quarter of the world's people rely on forest resources for their livelihoods, and the majority of them live in extreme poverty (FAO, 2006). These people, mostly living in rural areas or forest surrounding, lack the basic needs that are stated in the official poverty definition quoted above.

In the section dedicated to the Millennium Development Goals (MDGs) United Nations say: *"More than halfway to the 2015 deadline to achieve the Millennium Development Goals, major advances in the fight against poverty and hunger have begun to slow or even reverse as a result of the global economic and food crises, a progress report by the United Nations has found. The assessment, launched by UN Secretary-General Ban Ki-moon in Geneva, warns that, despite many successes, overall progress has been too slow for most of the targets to be met by 2015"* (UN, 2009).

This trend is likely to continue especially as regards the goals of eradicating "extreme poverty and hunger" (MDG1) and ensuring "environmental sustainability" (MDG7). But what's the role played by forests in the MDGs agenda? Despite of their importance in reducing poverty, there is no specific mention of them in the eight goals, nor in the 18 targets. The lack of direct consideration and room for forests in the MDGs agenda is the result of low communication between the forest professionals that have not made enough effort to understand and influence economists and political strategists (Mayers, 2007).

If we consider the data about forest-dependent-people we can not speak about poverty reduction without taking into account the forest sector. At the same time, environmental sustainability can not be achieved without a clear consideration of the role of forests in delivering environmental services such as providing clean water, reducing climate change and increasing ecosystems resilience. Forests can assure significant contributions in dealing with poverty because many of the poorest people in the world live in and around forested areas and therefore depend on these resources for subsistence and livelihoods. Forests form part of physical, material, economic and spiritual dimension of forest dependent people. Forests provide poor people of a "safety net", providing them of environmental services, material outputs of subsistence or commercial value (Byron, 1999; Wunder, 2001).

Forests have both potentials and limitations for poverty alleviations. We use the

5 In this section it was voluntary avoided to include the relations between poverty and forest degradation / deforestation and vice versa; it is a complex topic which need a deepen analysis which would not fit within the theoretical background.

term *poverty reduction* to describe a situation where people are becoming measurably better off over time, in absolute or relative time, by enhancing quality of life (table 2.1). The different dimensions of the contribution of forest to poverty reduction are well described in table 2.1 below. *Poverty prevention* refers to the role of forests in helping people to maintain a minimum standard of living and helping them to survive. A sort of mitigation effect that does not take people away from the poverty line. With the expression *poverty alleviation*, authors refer to the summarized effect of both type of poverty prevention and reduction (Angelsen and Wunder, 2003).

Table 2.1: Potential contributions of forests to poverty reduction,		
Categories of 'value' contributing to QUALITY OF LIFE	Categories of 'deprivation of value' contributing to POVERTY	Potential CONTRIBUTION OF FORESTS TO POVERTY REDUCTION
1. Personal identity, faith and culture	1. Personal meaningless, lack of belonging, inability to express culture	Forest stewardship values contribute to our identity, cultural diversity and spirituality
2. Aesthetic and recreational appreciation of the environment	2. Limited capacity to study, enjoy or preserve the environment	Forest landscapes provide a learning environment, intellectual stimulation and leisure opportunities
3. Social relationships and networks	3. Isolation within or exclusion from society	Forest ownership and access rules foster local relationships built on social and environmental justice
4. Creativity and fulfilment of endeavour	4. Drudgery, exhaustion, helplessness, low self-confidence	Forest management provides various opportunities for creative endeavour
5. Security and freedom from oppression	5. Vulnerability, insecurity, fear and oppression	Forest policies ensure social, economic and environmental stability based on sustainable use and conservation
6. Subsistence for all life according to its needs	6. Hunger, illness, lack of shelter, pain, low life expectancy	Forest products and services sustain humans and interdependent living organisms/ ecosystems

Source: Macqueen, 2008/b.

The topic suffers from confused terminology about what forest dependent people are. There are different people that rely on forests and they differ from each other depending on the type of forest relationship. There are 3 main categories of forest dependent people: (a) populations living within forests; (b) farming communities drawing upon the forest; (c) livelihoods based on commercial forest products activities. The last category, is the one that is mainly taken into consideration by this document, because of its potential within small scale commercial forestry. The category (c) is subdivided in (Byron, 1999): (i) artisans, traders, and enterprises; (ii) employees in

forest industries. It should be noticed that there are no clearly defined boundaries between these categories.

For many researchers people's dependence on forests is a function of their poverty, because they lack better alternatives. Forest outputs are used because people have no other options, helping them to cope with daily life, but usually providing little opportunity to get out of poverty (Byron, 1999; Wunder, 2001). Therefore forestry aid needs to increase income through forestry related businesses rather than encouraging forms of forest dependence that could cage the very poor into continued poverty (Arnold, 2001; Oberndorf, 2006). Particularly, commercial forestry seems to have the potential to address all aspects of poverty, perhaps better than any other sector. But if commercial forestry wants to deal with poverty it also has to deal with social, environmental and economic aspects. As it was observed before, referring to poverty definition, moving out of poverty does not only mean increasing income (Mayers, 2006).

2.3.3 - Why timber does not benefit at the expected level forest-dependent-people?

It is important to analyse the reasons why forestry/timber sector does not benefit at the expected level. In fact, so far timber has been most for the rich than for the poor (Mayers, 2006). Understanding better which are the timber feature that do not allow SMFEs and CFs to gain benefits from the forests will help us to explain how forest certification can serve for improving small scale business related to timber trade.

The following are some fundamental characteristics of timber planting, harvesting and processing that prove to be "anti-poor"(Mayers, 2006). They are features directly dealing timber but they can be mostly related with the governance surrounding forestry sector.

(1) *Long time horizon*: forest planting has often been considered high risk investment because the rotation times are too long, and/or because of their insecure land rights. It suffers of price fluctuations, tenure and natural hazards.

(2) *High capital, technological and skill intensity*: the costs of entry are typically very high. There are high economies of scale in roundwood, sawn timber, panel boards and pulp operations. Harvesting, transportation and processing activities are highly mechanised and they require large capital investments that are beyond the capacity of the poor people. This does not mean that it is impossible for poor people to be involved in timber harvesting, nevertheless these small operators can hardly get much more

than the value of their labour. Skills and technology are needed to a level that is often beyond the capabilities and possibilities of poor people (Angelsen and Wunder, 2003; Mayers, 2006).

(3) *Economies of scale*: related to point (1) and (2) business only become competitive above a certain minimum production level. Indeed, poor producers usually are small scale ones and only few of them are sufficiently self organized into larger cooperatives.

(4) *Large scale and politically-connected operators*: the political economy of forest exploitation favours large-scale, politically-connected operators. The state usually prefers to deal with fewer large-scale operators than with a large number of small-scale operators simply because it is easier to administer and easier to capture revenues through concession payments and taxes (Belcher, 2005). Good quality forests have high economic rents – with a lot of value standing on-the-stump. The timber processing industry is often closely tied to the political *elite* and benefits from artificially low log prices and subsidised credit. The distribution of benefits deriving from forests is often not so clear, since it includes political gains on a patronage basis it's used to generate private wealth, can enter corruption systems and provide financial sources for arm trafficking (UN Security Council 2002; Angelsen and Wunder, 2003; Mayers, 2006).

(5) *Ownership*: forests have generally been claimed by the state, and the rights to exploit them have been assigned to large companies. Whilst there is a trend toward devolving rights and responsibilities (White, 2002), tenure remains insecure or incomplete, typically not including rights over timber. This insecurity undermines sound forest management, because without secure rights forest holders have few incentives and often lack legal status to managing their forests (Agrawal, 2008).

It is clear that if timber is not a commodity properly pro-poor, it is also true that most of the impediments that poor people face to implement timber related business are a political matter. The general public policy trend is to believe that efficient forestry sector will bring employment and other benefits to forest-dependent-people. Generally, reinvestments of forestry profits directed to local stakeholders are limited; public and private policies are needed in order to reduce inequalities and set up income re-distributional process.

As it was observed by Mayers (2006): "*where natural resources like forests are important to poor people, such policies are needed in particular to foster governance that enables poor people to improve their access to, and benefits from, natural resources (...). Where governance fails to capture revenues due – because of*

commonly weak revenue collection systems and widespread abuse of the law – major potential resources for poverty reduction are lost".

On the other hand, in forestry is highly recognized that voluntary instruments such as FM and chain of custody (CoC) certification promote sound forest management, avoid illegal cutting, respect indigenous and workers rights (Rametsteiner, 2003). But the recognition that forest certification schemes give as 'legal', 'responsible', and even 'sustainable' under various initiatives, tells us little about whether poverty is being reduced or not. They do tell us if principles and criteria of a specific standard are met, but they do not guarantee 'doing some good' for poverty (Mayers, 2006).

FT movement dealt with an holistic view of poverty alleviation through agriculture; it has also dealt with a communication strategy based on the link between agriculture and poverty reduction which finally has signed its success. On the contrary, forest certification has not linked the communication strategy with poverty reduction, yet (Renard, 2003; Taylor, 2005/b). If forest certification schemes will be able to better deal with poverty alleviation for sure it will gain more political and consumers attention in the global *scenario*. It will work as a communication instrument to help the world be aware of the importance of forests as ecological systems but also as resources useful for poverty reduction and sustainability. Forest certification can better deal with poverty providing solutions in order to offer premium prices and a tool to distinguish SMFEs and CFs in a way that enhances the general livelihoods conditions in forest areas.

2.4 - Forest and Fair Trade certification for SMFEs

2.4.1 - Characteristics of community based SMFEs and their associations

SMFEs are here defined as *"business operations aimed at making a profit from forest-linked activity employing 10–100 full-time employees, or with an annual roundwood consumption of 3,000–20,000 m³"* (Macqueen, 2008/a). They may operate in many different sub-sectors: woodfuel and charcoal; industrial roundwood; primary processed products; secondary processed wood products; Non Timber Forest Products (NTFPs); environmental services. They widely differ in terms of their social and cultural context, systems of organisation, level of development and degree of market integration, that's why it is hard to give a worldwide valid definition. They generally respond to the following features in contrast to industrial and large scale forestry enterprises (Markopoulos, 2002):

- members of CFEs typically live near the site of their enterprise;
- harvesting by CFEs is generally on a smaller scale and low capital intensive;
- CFEs often seek to add value to raw materials on or close to the harvesting site;
- the capital and profits of a CFE tend to be invested locally.

Beyond the general features, there are several market trends that favour the development of SMFEs in developing countries (Donovan, 2006):

- growing scarcity and consequent price increases for a number of tropical hardwoods from natural forests;
- increased tourism, providing expanding markets for handicrafts and ecotourism;
- specialized export markets, e.g., certified wood products, FT NTFPs, and bio-ingredients;
- growing domestic markets for furniture, construction wood and certain NTFPs, such as bamboo, rattan and palm hearts;
- greater awareness of forest certification and ecosystem services and the need to pay for them.

The thesis focus on community based SMFEs, because they offer better prospects concerned to poverty reduction – especially when organised in associations or other forms of collective action. Macqueen (2008/b) wrote that *"the term 'community' refers to forest products whose production is overseen by a democratically managed organisation suited to act as a certificate holder, that can claim legitimacy within a self-defining 'community' in terms of people and area, though*

not necessarily either owning the forest or carrying out all the commercial functions necessary to produce those products".

Community based SMFEs not only help to secure basic needs, but also improve local resources, empower local creativity, depend on and foster social networks, strengthen local social and environmental accountability and preserve cultural niche markets and traditions. Although there is little substantive evidence for poverty reduction from commercial forestry jobs or income (Mayers, 2006), community based SMFEs offer better prospects because of specific social advantages compared with large forest enterprises. For example, experiences from Mexico suggest that specific features of SMFEs in general, and Mexican ones in particular, made them unusually resilient. Few ever go out of business despite international competitive market. They are a vehicle for forest management that potentially delivers a significant measure of economic and social benefits. Besides, community forest management has also a positive impact in forest conditions (Tachibana, 2009).

Local communities can become effective forest stewards when acquired rights are duly recognized, avenues exist for meaningful participation, costs and benefits are distributed fairly, and appropriate external support is provided (Cronkleton, 2008).

However, it is worth noting that few of them are fully "self-organized," and in some cases the state, civil society actors and donors have often played an important role in their formation (Antinori, 2005; Humphries, 2006). The support given to SMFEs is in any case justified by their capacity to overcome marginalisation within the prevailing economic system and to enhance sustainability (Kozak, 2007).

In fact, especially when working together in associated forms, CFEs can potentially tackle all above mentioned aspects of poverty, particularly:

- enhancing mainstream recognition and voice for ethnic minorities;
- building local educational capacity to use and protect forest resources;
- strengthening local resource ownership and access rights;
- fostering local entrepreneurship and forest management skills;
- reducing tensions that arise from external interference in resource use;
- providing local income opportunities to develop community services.

But community based SMFEs face many obstacles, including insecure natural resource ownership and access rights, weak social stability and cohesion, little access to capital, poor market information, weak bargaining power, lack of technological know-how, geographical isolation and poor infrastructure and limited knowledge of administrative and business standards and procedures. Especially, if we are to address forest-based poverty we need to deal with social isolation and powerlessness, as it was

indicated by Angelsen and Wunder (2003) while investigating the forest-poverty link. In other words, we need to better connect SMFEs to the sources of support that they require in order to be economically viable, socially acceptable and environmentally sustainable (Macqueen, 2008/c). SMFEs need to be connected not only in with each other through associations, but also more broadly, to decision-makers, service providers and markets (Macqueen, 2007). For these purposes certification systems may be a viable option. NGOs working with FT and FSC certification would accompany community based SMFEs in a step wise approach till the economic independence.

2.4.2 - Challenges for community based SMFEs to gain market access

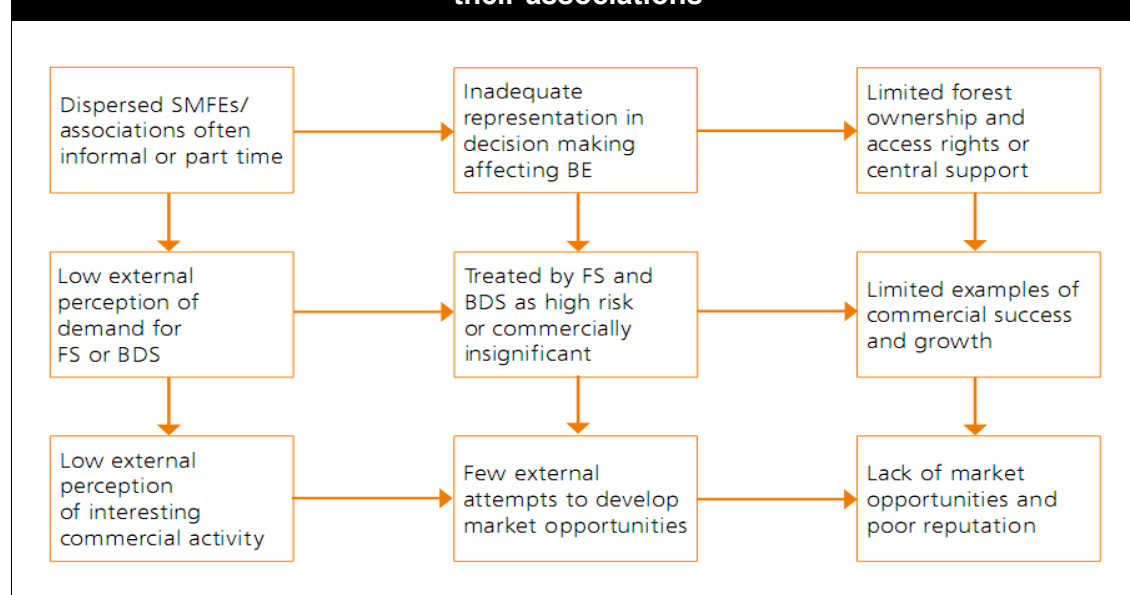
As it was said before, one of the main challenges for SMFEs associations is to be connected to the economic system. Particularly, there are three main areas of isolation (Macqueen, 2008/a):

- isolation from buyers, who may be unaware of the available products or services;
- isolation from Financial Services (FS) and Business Development Services (BDS) providers, who are unaware of commercial opportunities to be developed;
- isolation from policy processes such as National Forest Plans where their needs might be represented (for example in securing better ownership and access rights).

The lack of connectedness of SMFEs associations has important implications for market development. Market transactions require social capital. Buyers need to be sure that they will purchase what they have ordered. Communication difficulties with SMFEs and their associations often result in a failure to meet buyer specifications. Distance and poor transport infrastructures provide a major challenge to competitive pricing and timely delivery (Figure 2.6).

For FS providers, SMFEs are 'high risk' customers/partners, lacking business volume and un-trustable. For BDS providers, a lack of strengthens and weaknesses of SMFEs and their associations retains their willingness to develop appropriate services.

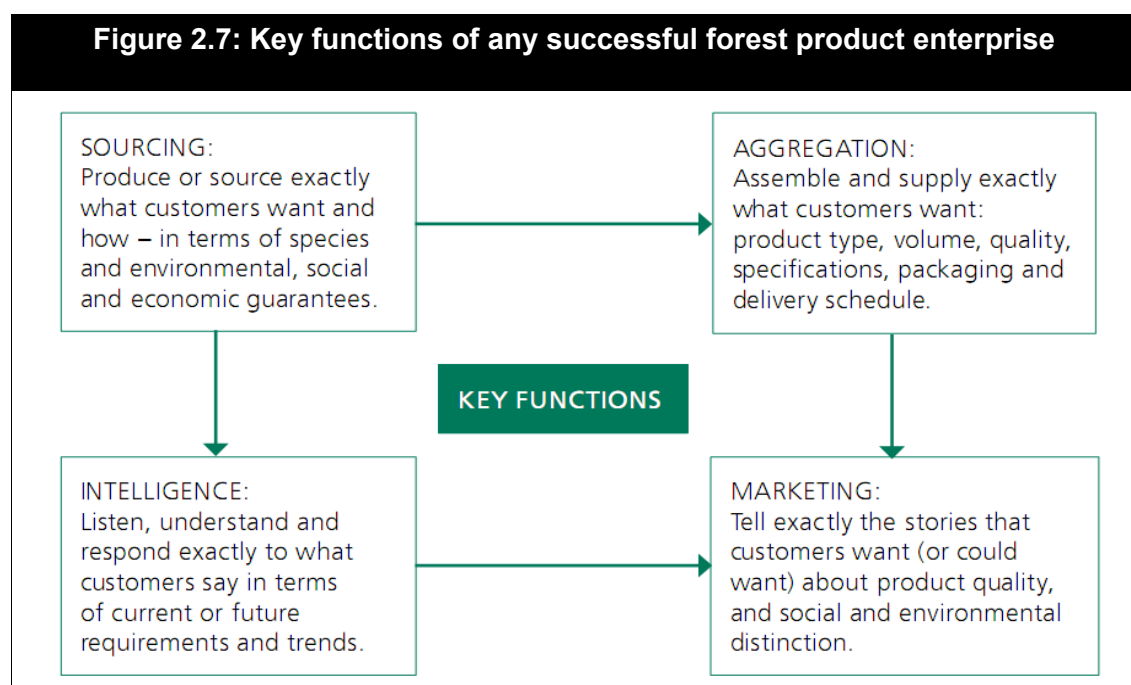
Figure 2.6: Matrix of the implications of lack of connectedness of SMFEs and their associations



Source: Macqueen, 2008/a.

Lack of connectedness also has negative implications for the development of improved policies and legislation. SMFEs lack of bargaining power at market level but also at policy level. This has strong implication on the development of unfair legal frameworks that threat their chances to overcome the three dimensions of isolation (Macqueen, 2008/a).

If we consider the relationships between buyers and supplier, it's possible to note that there are some specific challenges to be analysed. In tropical forests a multitude of timber species exist and they are suitable for different uses. They might require separate market analysis for identifying different market chains. That's why SMFEs should think on what and at which level they expect to be able to supply and continue to satisfy at sustainable levels from their forest resources. For doing so, in any type of forest business, SMFEs should pay attention to certain key functions (Figure 2.7).



Source: Macqueen, 2008/b.

For example the WWF Global Forest & Trade Network (GFTN) focuses on developing markets for certified products. This is carried out by increasing consumers' demand, but also by assisting certified operations to access those markets through, for example, group marketing strategies for small landowners (Cashore, 2006). Participating in a producers group that drives members with marketing and sales could avoid many of the constraints CFEs have traditionally found in their markets relationships such as distance to certified markets and limited capital, production capacity, processing technology, and marketing skills (Humphries, 2006).

In fact, by "making association", communities can reduce the probability to fail in delivering the right products. They might fail in a numerous of different ways, such are misunderstanding terminology and communication, uncompetitive prices, not respected time and quantitative agreement schedules, not standardized products, wrong packaging and labelling, etc. In other words it is critical that sufficient information is exchanged so that *"buyers should order what can be supplied"* (Macqueen, 2008/b).

Figure 2.8: SLIMF Eligibility Criteria

Definition	International Limit	Comments
Small Forest Operation		
Area is less than or equal to 'X' hectares. ¹	X = 1000ha	No distinction is made between plantations and non-plantations.
Low Intensity Forest Operation		
An operation harvesting timber at $\leq Y\%$ mean annual increment (MAI) within the <i>total production forest</i> area of the forest management unit (FMU).	Y = 20% MAI	Where MAI estimates are unavailable or impractical, other growth measures, such as regionally accepted growth rates for individual forest types, may be used.
AND	AND	With the exception of non-timber forest product (NTFP) plantations, forest management units (FMU) where NTFPs are collected or harvested are considered 'low intensity' on the basis of the timber harvest rate.
Harvesting $\leq Z \text{ m}^3/\text{year}$ from the total production forest area. ²	Z = 5000 m³/year	A natural forest FMU in which only NTFPs are harvested would, therefore, qualify as a 'low intensity' FMU regardless of the harvesting rate of the NTFP.
Groups of SLIMF		
All group members are either 'small forests' or 'low intensity forests'.		There is no limit on the number of group members in a group of SLIMF.
<p>¹ National Initiatives may define the value of X (up to 1000ha).</p> <p>² National Initiatives may define the values of Y (up to 20% MAI) and Z (up to 5000m³/year). National Initiatives may also add other criteria in order to define low intensity more appropriately for their region.</p>		

Source: FSC, 2004

2.4.3 - Existing market instruments to help community based SMFEs

Since 2000s a new approach for the development of the forest sector has been emerging. It focuses on SMFE development. Table 2.2 shows the evolution of the approaches to forest sector development. In countries where communities and small producers have secure land tenure, including rights to harvest and sell forest products, SMFEs emerged and developed. The current focus on development is more market based and oriented to sell environmental and social services/values from SMFEs. But how to communicate and recognize the services developed by community based SMFEs?.

Table 2.2: Approaches to forest sector development, 1960s to 2000s				
	1960-1970s: export-led growth	1980s: reforestation and food security	1990s: sustainable forest management	2000s: SMFE development
Main development focus	Capital accumulation through large-scale forest exploitation	Technical skills development for community forestry, reforestation and natural forest management	Social, environmental and economic dimensions of forest management	Increased income through environmentally sound and economically viable management of community and other forests
Principal stakeholders	Export-oriented timber industries	Community-based and industrial re-forestation projects	Forest-based communities and timber concessionaires	Forest-based communities, community forest enterprises, and concessionaires
Product and/or service focus	Precious woods	Fast-growing plantation species	NTFPs, lesser-known species (LKS) and precious woods	Precious woods, LKS, NTFPs, environmental services and tourism
Key drivers	Governments and development agencies	Development agencies and NGOs	Development agencies and NGOs	Businesses, NGOs and development agencies

Source: Donovan, 2006.

Certification might be seen as an alternative approach for developing the forest sector. In the light of this, it is totally reasonable for communities to make claims for the social and environmental values of their enterprise through marketing instruments, such as forest and FT certification (Table 2.2).

Using such claims to distinguish their products from those of their competitors could represent a source of competitive advantage (Macqueen, 2009). Market access is a crucial problem for local forest enterprises associations. Creating mechanisms that allow SMFEs to distinguish their products and get better prices for them is a central issue.

The role of associations or other institutional forms (informal groups, cooperatives and companies) are highlighted in this thesis because they are preferred within the FT

networks and they might comply better with group certification requirements within FSC standards. An important issue relates to the 'types' of enterprise that deliver social benefits to the community. Not all enterprise forms distribute benefits in the same way. FT has historically worked with democratic producer organizations (premium price is often paid to the association rather than the individual producers) because it is recognised as a better social actor to distribute and invest benefits derived from trade (IIED, 2006). This research uses the broad definition given by Macqueen 2008/c, according to which an association is a *"users group that band together about a common purpose and create organized institutions for collective decision-making"*. In order to obtain dual certified timber products from FSC and FT certification systems, those associations able to satisfy the Small and Low Intensive Managed Forests (SLIMF) or Group Certification FSC requirements are considered, in order to enlarge their potentials toward FT systems. Certification systems may require SMFEs to form associations, meanwhile certification might work as an incentive to create community institutional forms to ameliorate forest management, deal with market isolation and increase income from forest resources.

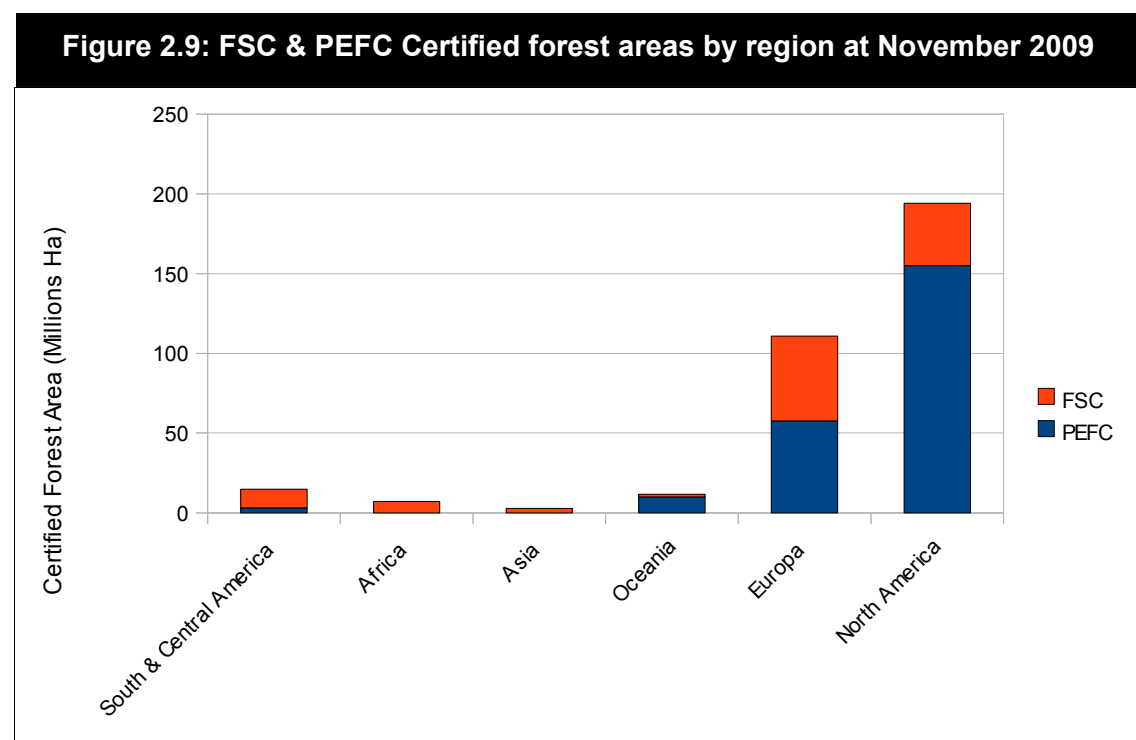
We might call this associative entity in different ways, such as community forests, SMFEs association, forest cooperative etc. In the case of FSC standards for Group Certification a *Group entity* is intended as *"the group entity is the entity representing the forest properties that constitute a group for the purpose of FSC forest management certification...The group entity may be an individual (e.g. a 'resource manager'), a cooperative body, an owner association, or other similar legal entity"* (FSC, 2009/b). We discussed about the importance of SMFEs in reducing poverty and preserving sound forest management, especially if they are community based. Their associations may play a even better role creating social networks and overcoming social isolation and sharing cost of marketing strategies to gain marketplace. But let's see which are the available market instrument for SMFEs associations. Basically, these tools can be grouped into four main families:

- forest certification;
- eco-labelling;
- social auditing;
- Fair Trade.

Recent research studies identified the tools with the highest potential to obtain better income for community based SMFEs in developing countries: forest certification and potentially also Fair Trade (Macqueen, 2006). Let's see into detail how they can contribute to enhance returns from small scale forestry.

2.4.4 - Forest certification

Certified forests worldwide cover approximately 8% of the world's total forest area. FSC and PEFC are the most important independent forest certification schemes worldwide (UNECE/FAO, 2009). Approximately 342,6 million hectares have been certified by mostly FSC and PEFC, mainly in Northern countries. PEFC certified forest areas are mainly located in Northern and developed countries. In the South, PEFC certified forests are based only in Brazil and Chile (Figure 2.8), and they are mostly plantations (UNECE/FAO 2008). FSC has the greatest representation in Asia, Central/South America and Africa (Figure 2.9) (FSC, 2009; PEFC, 2009).



Source: own elaboration on FSC, 2009/a and PEFC, 2009

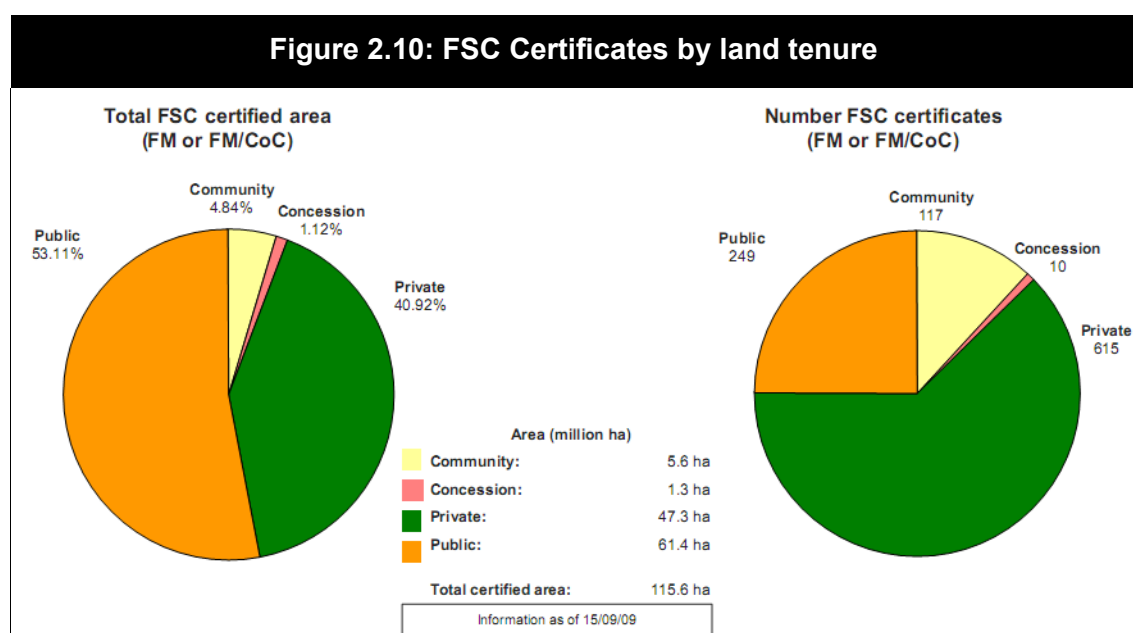
Both FSC and PEFC operate schemes through which small forest owners can better access certification. For example, the FSC operates a group certification scheme which allows a group of forest owners to join together and among the group members. This can reduce the cost for each forest owner (FSC, 1998). This scheme has issued 37 certificates in the South covering 4,847,065 ha and 150 certificates in the North covering 2,544,313 ha (Maqueen, 2008/b). FSC also operates a Small and Low Intensity Managed Forests (SLIMF) procedures for forest management operations no larger than 100 hectares⁶ or of low management intensity (Figure 2.8). It permits certification bodies to evaluate and report on these forests using streamlined

6 Apart from those countries listed in FSC-STD-01-003a - (FSC, 2009/c)

certification procedures while keeping the cost of certification down (FSC, 2004). This scheme has issued 39 certificates, 19 of which for groups, covering 50,220 ha in the North (30 certificates) and 58,968 ha in the South (nine certificates) (Maqueen, 2008/b). This scheme does not explicitly targets nor excludes community based SMFEs. PEFC operates both regional and group certification. In regional certification, an authorised organisation for a region with defined geographical boundaries provides voluntary access for the participation of individual forest owners. All of the PEFC groups and regional certificates to date are in the North and so they are not available for community based SMFEs in developing countries (Macqueen, D. 2008/b).

At the moment, FSC certified forest area owned/managed by communities counts with 5% of the total FSC certified area (Figure 2.10). However, certification has proved more difficult for CFEs than expected, and few certified operations have achieved the highly anticipated market benefits of certification. There is a clear need to adapt the certification process for CFEs and demonstrate that obtaining market benefits is possible (Humphries, 2006).

Neither schemes (FSC & PEFC) deal specifically with community based SMFEs in developing countries nor there is a clear way to allow any differentiation between community forest products and large industrial products in terms of labelling. Fortunately, recent members' motions and board decisions within FSC stated the need of a collaboration with FT movement (FSC, 2008/a) and finally a project called "FSC and Fairtrade dual certification pilot project" was launched together with the Fairtrade Labelling Organization (FLO), in March 2009.



Source: FSC, 2009/a.

2.4.5 - Fair Trade

The current worldwide FT *scenario* is dominated by two main actors: the World Fair Trade Organization (WFTO) and the Fair Trade Labelling Organisation (FLO). The first one is to certify organizations as Fair Trade Organizations (FTOs), according to the 10 standards listed in Box 2.1. The second certifies specific products that meet product specific standards define by FLO itself. However, the interest in FT is growing in large national and transnational food companies (supermarket chains like *Coop Adriatica* in Italy, fast-food chains like Starbucks). Accordingly, FT is facing a “growth crisis” which might be summarised by the dichotomy between the “product certification” supported by FLO and its Fairtrade Mark, and “organisations certification” supported by WFTO and its FT Organisation Mark (see definition in paragraph 2.1). WFTO is critical on the inclusion of supermarket and large retailers, unlike FLO which stresses the importance on entering in the mainstream market (Renard, 2003 and 2005; Zanasi, 2007).

The members of WFTO sell their products through the so called worldshops, but more recently their product starte to be sold also within the mainstream retailers. FT shops can show their social performances by using the logo for promotional activities while they are not allowed to use on-product label; as result WFTO logo has limited value in mainstream market. Some products already commercialized by WFTO members are originated by community based SMFEs (see for details table 2.4). It is clear that WFTO members favour community based SMFEs but the volumes of timber involved are relatively small, and the product lines tend to be niche craft products rather than mainstream furnitures (Macqueen, 2008/b). Presently, FT in forest products is exclusively the domain of WFTO-certified FTOs. In fact, FLO has not developed a product specific standard for timber yet. Accordingly, at the moment it is not possible to use any FT label on timber products coming from community forests enterprises in order to distinguish them.

There are many discussions about the creation of new products line to increase FT market share, for example by promoting craft and other artisan items. The discussion is also about whether to focus on mainstream distribution while maintaining the principles of FT or maintaining niche market. Some FTOs that trade agrarian commodities have taken advantage of these market opportunities by branding and distributing on a mass-market scale; however, this has not yet been replicated in the craft market. The FT craft organisations continue to focus on their niche markets, which resulted in limited growth and profitability (Renard, 2005). For example, CTM

Altromercato, the largest ATOs in Italy and the second-largest importing organisation worldwide, with about 85 employees, is in regular contact with, and import goods from 150 producers groups. It supplies products to about 500 worldshops and about 2,000 more customers through almost 500 supermarkets. Handicraft products account for some 15% of the overall turnover, and they include timber products (FTAO 2005; FT 2007).

The above mentioned debate between WFTO and FLO is likely to continue since the WFTO is developing a new worldwide Standard for the independent certification of organisations which demonstrate FT business practices, worldwide and for all type of business (including timber). It will allow onproduct labelling, *de facto*, competing with FLO Fairtrade Mark, since FLO has launched a FSC and Fairtrade dual certification pilot project for certifying timber (FSC, 2009).

2.4.6 - Barriers to certification for SMFEs

It is worth noting which are the barriers that SMFEs are facing when seeking certification. In forest sector there are four main trouble factors (Macqueen, 2008/b):

- forest ownership and tenure;
- forest types and sustainability;
- forest species, grading and pricing;
- forest markets and consumers of forest products.

In addition, all those specific factors related to timber and already mentioned in the previous paragraph while speaking about the timber-poverty link should be remembered.

in addition to all the abovementioned factors, when SMFEs are dealing with certification procedures they might find some constraints in understanding standards they have to comply with (Higman, 2002):

- length and language of the standards;
- some requirements are not relevant;
- some requirements are inappropriate or not feasible.

Local communities find that standards are often inappropriate to their ecological conditions or their management systems and that they are highly dependent upon intermediaries to establish market relationships (Markopoulos, 2002). Other barriers to certification exist for SMFEs, these include:

- the cost and complexity of the certification process itself;
- the difficulty which many SMFEs and CFs faces in implementing good forest management practices;
- the problems met while fulfilling market demands for quality and quantities of products, following certification requirements.

The idea of a dual certification system for community based SMFEs shall be developed upon these considerations. The certification procedures shall not weigh against the beneficiaries; on the contrary the partnership between forest and FT certification shall work toward increasing market opportunities and facilitate certification access for community based SMFEs: this is also a common aim of both FT and the Forest Stewardship Council.

2.5 - Exploring chances for dual certified FSC/Fair Trade Forest Products

2.5.1 - Reasons for supporting an alliance between FSC and Fair Trade

The reasons for an alliance between FSC and FT coincide with the justification of the research, paragraph 1.4. A clear explanation on why there should be a FT approach to community forests is available in Taylor (2005/a and 2005/b). Both FSC and FT have much to learn from each other and they face similar issues related to the relationships with the mainstream market. The difference (and so the complementarities) between both movements are summarized in table 2.3.

Table 2.3: Comparison between the two schemes

Fair Trade	Forest Stewardship Council
Sharing the cost of the certification process among the market chain	The sharing of the certification cost is not compulsory and in most of the case the cost are undertaken by the landowners.
There is premium price	In most of the case there is no premium price
Producers must be small scale and be organized into politically independent democratic associations	No limits are imposed to producers scale. Due to the certification cost since now few communities have enjoy FSC.
End consumers demonstrate willingness to pay a premium price	End consumers in most of the cases are not willingness to pay a premium price
Aim to create an alternative market	Aim to influence the mainstream market
Identity marketing – symbolic quality is added to the products – strong link between the Northern consumers and the Southern producers.	No identity marketing – there is no link between consumers and producers
“Low cost products”- risk purchasing strategy by the end consumers to satisfy the ethic needs.	“High cost products” – risk purchasing strategy by the end consumers to satisfy the ethic needs.
Involve almost entirely north – south production and trade flow	Production and trade are both predominantly in the north

Source: own elaboration on *Taylor 2005/a*

Moreover, in the last FSC General Assembly 2008, several motions went towards a closer approach to community based SMFEs (FSC, 2008/a). In particular the following motions can be mentioned:

- Motion 10 - to ensure adequate wording of the FSC P&C to make it applicable to every type of forest and operational scale;
- Motion 19 - Community labelling;

- Motion 27 - to address the needs of communities and small forest owners in the global North and South;
- Motion 28 - Motion to develop and implement a strategy to increase the certification in the tropics;
- Motion 29 - to reduce costs to SLIMF certification by ending the need for translation of public summaries for SLIMF operations
- Motion 32 - to reformulate the SLIMF Eligibility Criteria;
- Motion 39 - on Inclusion of Labour in FSC;
- Motion 64 - to promote solidarity in the network through the Twinning of National Initiatives from the South and the North through formal agreements.

Particularly, an alliance would serve to deal with some key aspects to facilitate community based SMFEs to get access to forest certification, by (Taylor, 2005/b):

- guaranteeing more equitable ways of sharing cost of certification among the commodity chain;
- including a premium price paid by end consumers;
- creating a “dual commercialization strategy”: campaigns that seek to develop direct ties between consumers and producers of certified wood. These could both highlight the role of the forest steward communities in protecting threatened Southern forests and provide end consumers with a means to share responsibility for SFM:
- creating new channels market or niches where to place community wood products.

Being part of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL)⁷ Alliance both FSC and FLO share concerns and objectives that may offer opportunities for a joint initiative. WFTO is an associated member of ISEAL and it is about to become full member by 2011 (ISEAL, 2009).

There are many other areas of convergence between FT and forest certification schemes. These include (Macqueen, 2006):

- shared original concerns over the social benefits of the forest products trade and the sustainability that underpins those benefits;

7 The ISEAL Alliance defines and codifies best practice, at the international level, for the design and implementation of social and environmental standards systems. ISEAL Alliance members are committed to meeting this best practice in order to ensure their systems are credible and accessible. The ISEAL Alliance provides a global framework for the social and environmental standards movement to coordinate, cooperate and build its capacity to deliver positive global impacts (ISEAL, 2009)

- shared concerns over legal compliance within the forest products trade;
- shared concerns over indigenous people's rights – even though specific intellectual provisions are not explicitly protected in some schemes;
- labour dimension according to ILO conventions.

Moreover, a recent research study (Macqueen, 2008), asked 51 international timber buyers, who in principle supported the idea of distinguishing community forest products in the market place, most expressed a preference for using already existing labels instead of creating new ones. A majority of respondents recommended combining FSC with the existing FT labels to make such a scheme a success. They believed this would ensure efficiency, visibility, recognition and credibility in the market.

Finally, an alliance is desirable because both FSC and FT can merge their experiences. The first can bring knowledge about Forest Management and how to involve all relevant stakeholder dealing with it, with special attention – for the purposes of this research – to mainstream market actors into the marketing strategies. The second could bring experience on how to guide community producers' organizations into certification process, promoting sensitization campaigns and community forest products within the FT networks and the conventional market.

2.5.2 - Implication for dual certified FSC - Fair Trade Forest Products⁸

The expansion of FT has – at least partially – been based upon the introduction of new FT products. The implications for the development of a dual certification system for community forests is that it should, and could, ultimately target a wide range of products. The first analysis made by Macqueen (2006), was based on FT Timber, but a reconsideration of the wide range of forest products developed by communities should pay more attention to an option aiming to certify all kinds of forest products (i.e. both timber and non timber ones) which are produced within the certified community. Of course, minimum premium prices shall be defined for product specific categories.

The trade prospects for different forest products vary by species as well as by product type. There are huge value differences between commercial and lesser-known timber species, and between hardwood species and softwood species. Since one of the most important FT principle is premium price, it would be necessary to focus on products categories that can be traded in low volume but with high value (Scherr, 2003). Among different existing timber products categories some are produced by community forest enterprises and have potentials within the international trade. The box 2.5 below reports a market analysis which lists the products' categories which could bear better a premium price for dual certification. Let's see them in details.

Product specific implications

Fuel wood is locally demanded and it is low value: certification is mainly recommended for high added value products.

Logs are easily accessible for community based producers but the market competition for this category of product is really fierce. Again, the item has low value added and is mainly traded among Southern countries, export to Northern countries often is prohibited from the national law. It would not so easy to apply for any FT scheme, although FT products originating from out-growers (plantation) could quickly become possible.

Sawn wood is also subject to high demand at the community level for

8 These considerations are mostly based on: Macqueen, D., Dufey, A., and Patel, B. 2006. Exploring fair trade timber: a review of issues in current practice, institutional structures and ways forward. International Institute for Environment and Development (IIED). London, UK.

construction purposes. Meeting international demand is more problematic because of required quality standards within the international trade regulations. Nevertheless, for highly valuable species where small volumes are required, there may be options to develop a FT scheme.

Wood based panels, pulp for paper, and paper and paperboard require considerable processing technology and large scales of operation to be competitive. They are therefore less suited to community production, apart from artisan paper production.

Furniture and furniture components are the subject of community demand and potentially also of the international one. Low volume and high value pieces might be suitable for small scale production within FT schemes. Nevertheless there are several quality and design issues that must be overcome in order to meet the international demand.

Shaped wood is not widely used in poor communities but can be an accessible product for the international market provided that the design and quality specifications are met. These often require levels of processing technology that are beyond the capacity of smaller operators. But for low volume/high value niches some possibilities might exist.

Depending on the market type (mainstream or worldshops) a strategic product-specific label will be required. Careful thought to the standard-setting, accreditation, and certification rules will be needed in order to take into account the additional complexities posed by sustainable forest management and timber processing sectors.

New specialist community timber traders are needed. Few existing timber traders are promoting market access for community groups – either in industrial roundwood, primary processed timber, or for secondary processed timber. Without these actors, there is a major gap in the wood products commodity chain.

Box 2.5: Market study FSC/FLO

The study conducted in March 2009 by SNV (Netherlands Development Organization) and the Forestry Service Group, identified enterprises in The Netherlands and Belgium interested in Bolivian Timber and Timber products coming from Community based value chains under the Forest Stewardship Council (FSC) and the Fairtrade Labelling Organizations International (FLO). Apart from the indication on business climate and trade barriers typical of the EU market, the finding shown that 30% of the consumers is certainly interested in dual certified timber. That means that companies that are in direct contact with these consumers can be interested in FLO/FSC.

The field study found that *local sawmills* certainly are not interested, because most of them are not importing at all. *Wood importers* can be interested if they have the bigger 'chains' as customers or when they produce finished products themselves and when they sell directly to consumers. In The Netherlands the *Interior-building companies* can also be a target group. These are companies that are decorating offices, large private houses, serial houses from house project developers and shopping malls. They are in close contact with the final consumers as well. But they buy their wood from importers, and never directly.

As final conclusion, export of dual certified products from Bolivia and Peru to The Netherlands and Belgium is certainly possible when:

- The demand with specific importers groups in The Netherlands and Belgium are created;
- There are professional exporters in Bolivia and Peru certified with FSC and Fairtrade;
- The exporters are capable of producing finished products. There is probably the need to target an Inclusive business model where local CFE's are linked with local manufacturers. And these will then export the certified products.
- The FSC and FLO standards and systems can be used in such a way that Dual Certification can be realized.

The costs for certification for all parties involved are acceptable. The premium price will not result in market prices higher than 5% of the current price (67% of the importers were stating this in their questionnaire). But instead of targeting 'current markets' the exporters can of course also aim at "new markets" in a competitive, cost effective and sustainable manner. The exporter that were interviewed they were all interested. Moreover during the study 5 potential importers were found enthusiast to work on Dual certification and to come in contact with companies from Bolivia and Peru. 73% of the importers are interested to do business in these countries. They are interested in many, mainly finished, different products. Top products are Sawn timber, decking and mouldings. Most buyers think that they are able to buy one container per month. Most importers (67%) are not interested in joint ventures and business inclusive models, but some are. 80% of the companies have no experience in dealing with communities, but 47% says that they are open for any new businesses with these communities. Only 11,7% of the targeted importers responded to the questionnaire. This is within the normal range for such on-line activities (should be above 10%) but also tells something about the importance of the subject with the importers; which seems to be relatively low. 47% says no to dual certification, 33% yes and 20% didn't know. That's not so bad assuming that most participants hardly know anything about it. 47% of the companies do not think they have customers that are interested in Dual certified products. 27% is positive, 27% don't know. When asked which customers could be interested in Dual certified products the responses were mixed. This indicates that most importers simply didn't know. When asked which products could use dual certification the importers all choose finished products. With decking and DIY products as favourites (both 30%). Most importers (40%) favours small niche markets as the potential market (in scale). Second place is "medium scale professionals" with 20%. With regards to the questions about premium prices; most importers have no idea if that is feasible in the market (73%). But when asked a price level, 67% answers that the price increase should be below 5%. When asked which products could bear such a premium the favourites are Furniture (33%), Flooring (25%), decking (25%) and DIY products (17%). Only one importer (Hameko) was interested to explore a partnership with FSC or Max Havelaar in a Dual certification project. 80% answered 'just keep me informed'. Altogether the study concludes that a reasonable part of importers is interested in dual certified products, also when they are coming from communities. The possible market will be: finished products (furniture, flooring, decking) for small niche markets (Moreno, 2009).

Interesting *NWFPs* can be identified as well, with special regard to those that do not easily grow in large-scale intensive plantations (Brazilian nuts, Guarana). Export potential is limited by the high costs of conducting transactions, meeting quality standards, achieving volumes and retaining competitiveness. *NWFPs* help to diversify income and can provide a monetary integration in timber based business (Scherr, 2003; Donovan, 2006/b). A lot of *NWFPs* are already certified as FT, with FLO and WFTO standards; among these: herbs, Brazilian nuts, *guaranà* and rubber.

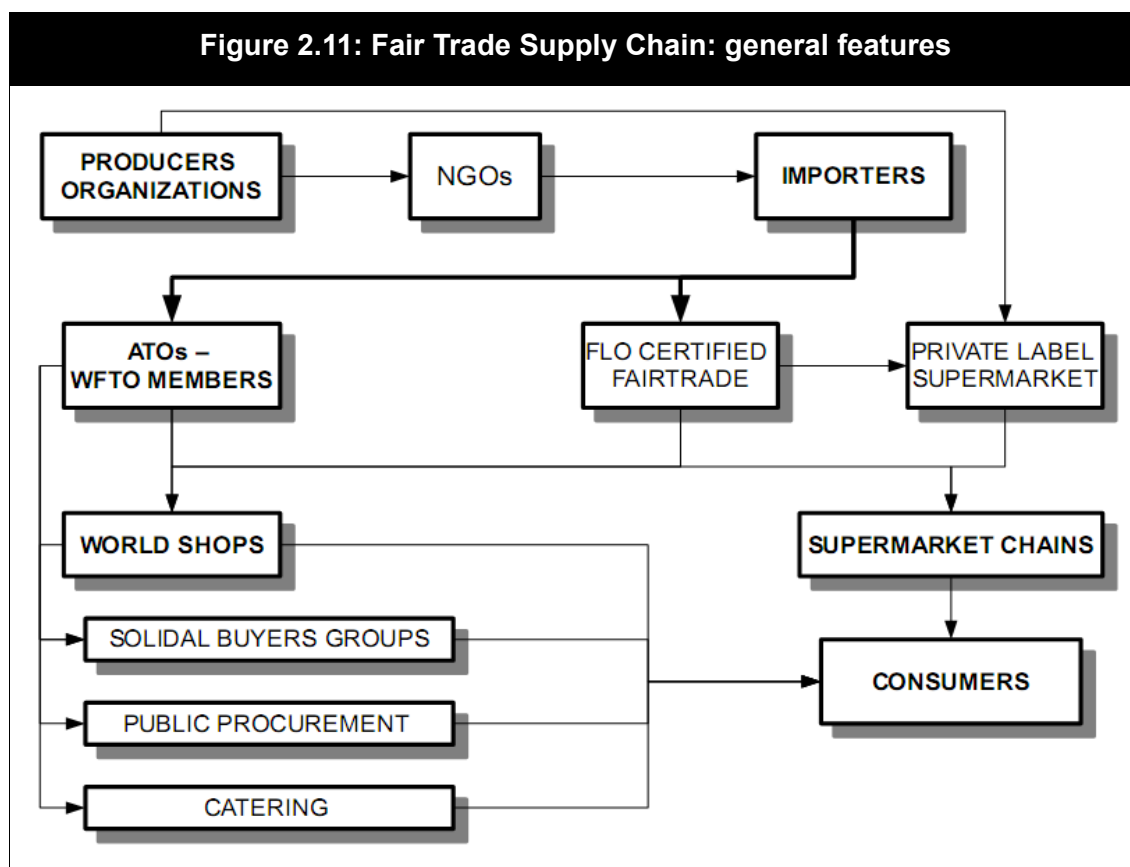
Last but not least, payments for environmental services, such as ecotourism, can also benefit from certification. They do not fit in the scope of the present research, but according to several authors they can bring much benefits for community based forests enterprises. For example, in Honduras, COPADE works to joint tourism and FSC certified timber processing activities by promoting *La ruta de la Madera* (i.e. The trip of the timber). Moreover, FSC and also WFTO allow the use of their logos for promotional uses so that certificate holders could use them within the tourism marketing activities.

Market chain implications

The comparison of Taylor (2005/a) between coffee and timber market chains identified the major core problem for the development of fairly timber trade under FT/FSC criteria: the lack of suitable market players. In the case of certified timber products the market is dominated by large retailers such as DIY (Do It Yourself) chains. It is quite unlikely that one of these would be willing to become a certified FT organisations. Their scale of operation does not match with the supply volumes of community based forest operations. Even if, in some cases, they could be willing to sell community forests product lines. In this case a product specific label should exist.

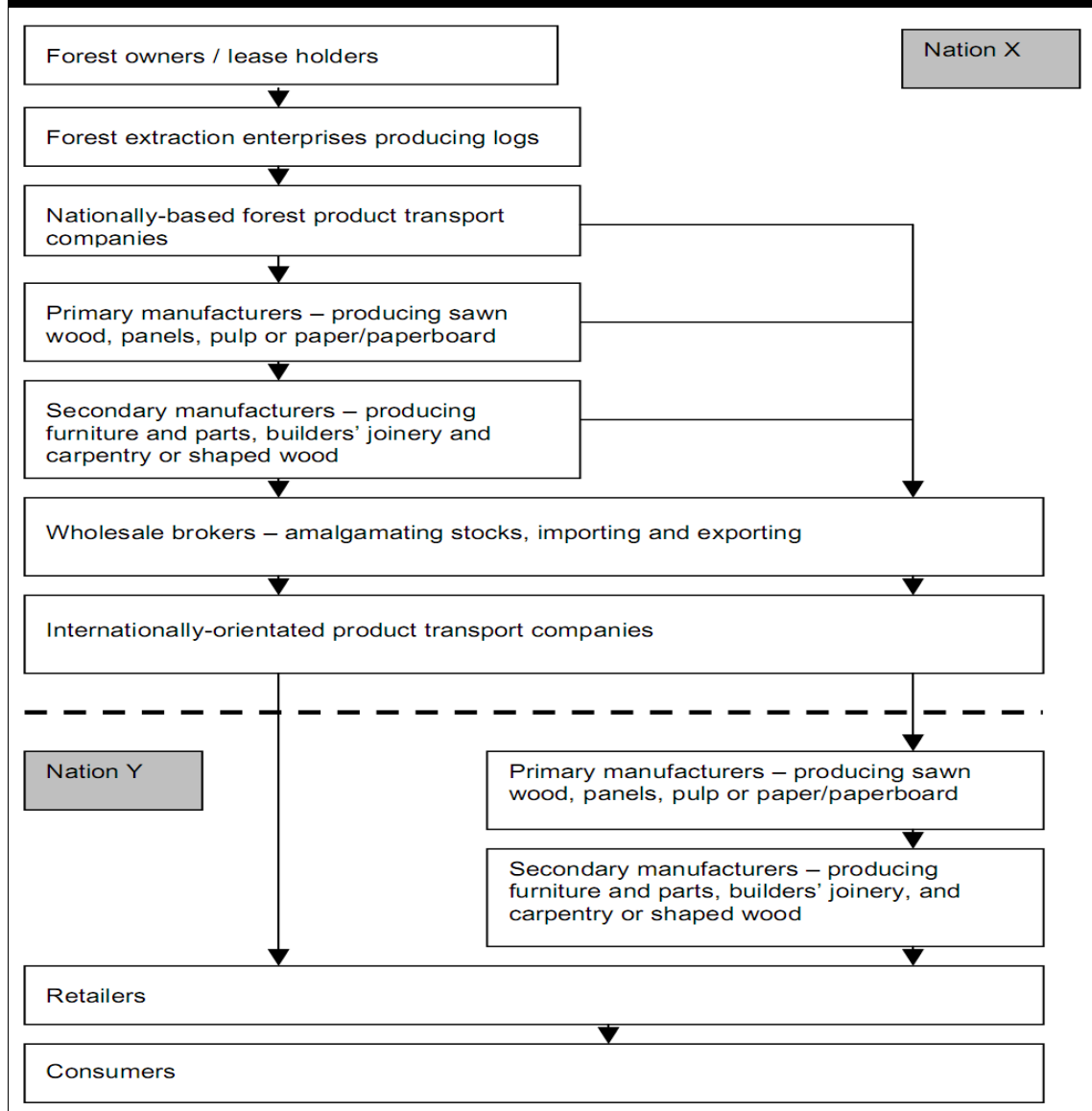
The complexity of timber processing (Figure 2.12) introduces a particular problem: in order to label a product as "Fair Trade" it would be necessary to ensure that all elements of the market chain adhered to FT principles. This commonly happens with FSC certification where Forest Management certification is jointed with Chain of Custody (CoC) certification. The problem subsists when considering community forest enterprises (involved in timber harvesting), but also any further processing enterprise owned by those communities or by larger firms. In fact, as it was already said before, it is unlikely that a large company would be willing to comply with FT principles.

In conclusion, when an economic actor that cannot or do not wish to be certified as a FTO is included in the forest supply chain a dual FLO/FSC system - product specific certification would be needed. On the other hand, piloting FT cooperation in one relatively simple market chain (i.e. community based forests - artisans - Importers and worldshops) would allow all organizations involved in the chain to be certified, in this case according to WFTO rules. In all cases actions to make the supply chain shorter are required. In the figure 2.11 below, the NGOs that often work as a supporters in launching FT certification might work as importers and worldshops at the same time. Partnerships between producers and companies may be built to develop a product specific line, as it happens with Starbucks in the coffee chain.



Source: Zanasi, 2007 - Modified.









Figure 2.12: Stages with the international timber market chain



Source: Macqueen, 2006

2.5.3 - Existing dual certified Fair Trade - FSC forest products

As it was said in the previous paragraph, examples of dual certified products already exist in the market (Table 2.4), but when considering timber products, small quantities of craft and furniture are sold as FT products only under the WFTO networks. FTOs usually do not trade in industrial roundwood or primary processed timber, for doing this a FT label should exist. The table 2.4 below was developed through a general research on the basis of information available on the net. A list of the online available products is provided.

Table 2.4: Already existing FT/FSC dual certified forest products					
Item	Picture	Certification schemes	Label	Promotional uses	Web page
Sports Balls		FSC (FM + CoC) & FLO	FLO – FSC	FSC + Ft	www.fairdealtrading.com
Flip Flops		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.fairdealtrading.com
Shoes		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.fairdealtrading.com
Ballons & Gloves		Fsc (FM + CoC) & Fair Trade	FSC	FSC + FT	www.fairdealtrading.com
Condoms		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.ethicalsuperstore.com
Sawnwood		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.forcert.org.pg
Furnitures		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.copade.org
Brazilian Nuts		FSC (FM + CoC) & Fair Trade	FSC	FSC + FT	www.panda.org

Source: own elaboration

Most of the products listed above are NWFPs, like rubber gum and Brazilian nuts. Another table developed by Macqueen (2006), lists examples of wholesaler and retailers who are selling timber under FT networks. In the UK there are currently 111 members of the British Association for Fair Trade Shops (BAFTS) and more than 70 registered IFAT members, all selling a range of FT products in local high streets and globally online. The non-food category represents a rich market for FT timber products ranging in size, material and origin (Macqueen, 2006) (Table 2.5).

Table 2.5: Examples of fair trade timber products and associated retailers

Type of timber product	Example of wholesaler/retailer
Instruments – flute, drums, panpipes	Natural Flow Direct
Kitchen utensils – serving spoons, coasters, bowls	One Village, Shared Earth, Love That Stuff
Toys – hanging mobiles, puzzles, pull toys,	One World, Shared Earth
Crafts – boxes, letter holders, jewellery boxes	Fairwind, Love That Stuff
Furniture –wardrobes, chairs, tables, desks	The India Shop, Namaste, Shared Earth, Marsaba
Accessories – jewellery, photo frames	Shared Earth, The Greater Gift, One World
Wood carvings	Marsaba, One World, Fairwind

Source: Macqueen, 2006

A detailed analysis of the existing examples of producers and retailers of fairly sourced timber products coming from community forests is described in *Macqueen* 2006 and 2008. It has been shown that several timber buyers experienced sourcing from communities and that several examples of producers are dealing with FSC certification but they are interested to become also FT certified.

2.6 - Dual certification: Current initiatives and case studies

This paragraph intends to bring some practical examples on how to implement real FT/FSC dual certification for forest products. It has not the purpose to bring all existing case studies (a detailed collection of case studies from the producers side is available on Macqueen (2006 and 2008)). The initiatives that are presented are described from a European perspective and are examples of the most likely future path to be followed when developing dual FT/FSC certification for forest products. This also includes the new initiative of WFTO that it was not considered in the previous analysis made from the International Institute for Environmental Development (IIED).

2.6.1 - FSC and Fairtrade dual certification pilot project

IIED conducted two main researches on this topic. The first study, “Exploring Fair Trade Timber”, investigated the potentials of including FT within the international timber trade. By comparing the existing ethical initiatives the conclusions give a clear picture of the best suitable certification schemes to put equity and sustainability in timber trade. Forest Stewardship Council, Fair Trade Labelling Organization and World Fair Trade Organization. Accordingly, the most likely alliances of interested institutions in promoting FT timber were analysed and selected. The need for an integration of the previous mentioned certification schemes was raised up. In 2007, FSC and FLO first explored the potential role of Fairtrade in creating market opportunities for community-based forests. The research identified market interest for a credible system to distinguish community forest products, and that co-operation between FSC and Fairtrade (FLO) would be the ideal basis for such a system.

The second study was conducted by IIED to estimate the industrial demand to distinguish community forest products within FT and forest certification schemes. The result was that ATOs and worldwide timber retailers are potentially interested in buying fairly sourced timber. Public procurement was considered as important channel market, but it was not investigated. A follow-up feasibility study analysed the ‘fit’ between FSC certified forest products and the Fairtrade portfolio. It considers in more depth the issues related to standards and certification-system-development that would need to be tackled in order to make dual certification a reality (FSC, 2009).

The conclusions preferred an alliance between FLO and FSC because of the following main points:

- FLO allows on product labelling that is more suitable for mainstream market;
- expanding dual certified timber in the mainstream market will allow to sell different categories of timber product, (primary and secondary processed products) and at higher quantities. Accordingly, a dual certification pilot project was launched in March 2009 (Box 2.6).

The FSC/FLO project is focussing on mainstream timber products, garden furniture etc. (though Non Timber Forest Products could be included in future) where the timber originates from small-scale or community based producers. This would apply only to producers that are within Fairtrade's geographical scope standard. The idea is to have 2 logos, FSC and Fairtrade, used together to communicate the two different aspects of timber origins to the consumer. But the focus is very much on certifying the specific products (as with FSC and FLO), rather than certifying the whole organisation (as with WFTO). At the present the project is focussing on mainstream retail traders and business customers rather than ATOs. The project will work with a small number of complete supply chains - testing the whole process from producers to consumers before making the standards and the process available for all. The project is researching producer set-ups in Central and Latin America, Africa and Asia with the more general aim to create Fairtrade standards for timber that can be used alongside the FSC standards, ideally in a joint audit to avoid duplication of efforts (and costs) as much as possible⁹.

9 Personal communication from the project coordinator Chris Cross, FLO.

Box 2.6 : FSC and Fairtrade dual certification pilot project

Overview

FSC is looking to differentiate community produced forest products in the marketplace in order to bring in more benefits to smallholders. FSC's Global Strategy clearly identifies increasing access to FSC certification for small forest owners as an important issue. Access to FSC certification and its benefits can be more challenging for communities that often face cost and procedural barriers to certification. This 18-month project aims to develop an affordable dual certification system for communities that will ultimately be incorporated into the existing FSC and Fairtrade certification systems.

Project objective

- Develop and evaluate a dual certification model for FSC and Fairtrade forest products
- Present model to support a final implementation-decision for both organizations
- Approach is carefully-structured, tested and well-supported to incorporate dual-certified forest products into the existing FSC and FLO set of offerings

Expected outcomes

Standards

- FSC and FLO standards adapted to develop mutual coherence; defined and fitted to the target producer organizations
- An appropriate approach to pricing and premium-setting for timber and forest products is developed and tested

Certification

- An efficient and affordable dual certification system is developed and tested

Producer Capacity Building

- FSC, FLO and partners in the field develop a better understanding of the range of capacity building required to enable producer organizations to benefit optimally from dual certification
- FLO Liaison Officers and FLO-CERT inspectors develop own capacity to work with forest-based groups
- Producers participating in the pilot benefit from increased market access and other capacity improvements
- Specifically, dual-labelled products from participating forestry organizations are tested in key markets and supply chains
- FSC National Initiatives and Fairtrade Labelling Initiatives in key markets participate, develop appropriate markets and supply chain linkages; deepen market analysis and the business case for dual certification
- Approaches to dual labelling are explored and tested within the market.

Market development

- Working with market partners, the project defines the range and scope of market interest in dual certified forest products (FSC).

2.6.2 - WFTO and the new worldwide standard (SFTMS)

Because of the great demand, after the debate on the need for a standardization¹⁰, WFTO is in the process of moving from a membership organization to a certification scheme (Raynolds, 2009). In fact, WFTO is developing and testing a new standard for certification of FTOs called "Sustainable Fair Trade Management System" (SFTMS). In March 2009 the second draft of this standard was approved and by June 2010 the whole framework is supposed to be set¹¹. These standard will be applicable worldwide, offering a third party certification to organisations demonstrating FT business practices. The standard applies to all activities, services, products or production systems over which the organisations have management control or influence. This will allow to have a recognised label for handicrafts and other non-food commodity items, including timber and other forest products.

Although ATOs will probably be amongst the first organisations to apply for the new process, any other organisation may apply for this new certification having a huge impact in spreading FT business practices. Even for small producers organizations under the FLO system, this standard could make a difference. For example, products that are not covered by FLO standards or produced in such small quantities that it wouldn't be economically viable to apply for additional certification, may be labelled with an organisational certification under the SFTMS.

The SFTMS is intended to be a lean, process and performance oriented standard, customized to the needs of small and medium sized organisations. It is designed as a tool to enable these organisations to meet the increasingly challenging requirements of global markets by assisting them to streamline certification and communication and by providing access to mainstream markets. If these features will be met, while still creating a credible system, this could lead to wide adoption (Commons, 2008).

These all are really new and challenges features that are very interesting while analysing options for dual certification FT/FSC forest products. Particularly, it is worth to remark:

- it allows on product label;
- it certifies all kind of products, activities and services (including timber, NWFPs)

¹⁰ Is there a need for an ISO standard on Fair Trade? Submission of the international Fair Trade movement to COPOLCO for the 29th Plenary meeting in Salvador Bahia, Brazil, May 2007

¹¹ Personal communication from Carola Reintjes WFTO-Europe.

and environmental services);

- it is applicable worldwide;
- it offers streamline certification for small holders;
- it provides access to main stream markets;
- it will provides a third party certification system.

The draft standards (SFTMS) are being tested with the following organisations: Pachacuti, the first to obtain the certification (UK/Ecuador), Frutos de los Andes Fruandes (Colombia), Undugu Society of Kenya (Kenya), Golden Palm Crafts (Sri Lanka), Farmers Own (Kenya), Fairly Covered (UK/Bangladesh), Equal Exchange (USA/Colombia/LA), Green Net Cooperative (Thailand), Asha Handicraft Association (India), Level Ground Trading (Canada)¹². This new standard was not considered in the previous analysis conducted by IIED because it was just on the initial phase: it will be available soon, by 2010. Although it is clear that with such features the system will compete with the existing FLO scheme, it is recommendable that these two systems work in a complementary rather than in a competitive way in order to obtain the best results for small communities and marginalized producers. In this sense, SFTMS features will be discussed in details in the next chapters, to explore the chance for a dual FSC/SFTMS certification.

2.6.3 - *Madera Justa* Campaign¹³

Since 2006 FSC-Spain and *Fundación* COPADE work together for enhancing livelihood in developing countries and constraint worldwide deforestation. Their joint/work mission is to allow forest dependent people to follow with their thousand/year close relationship with forests from which they get food and all what they need. This collaboration led up to a high level sensitization campaign called *Madera Justa*. *Madera Justa*, launched in 2008 and aiming to enhance civil society, public and private sector awareness on purchasing timber products under both FSC and FT criteria. "*Madera Justa*" means that timber is FSC certified and at the same time it meets the FT principles. In this way, both environmental and social quality is respected during the whole life of a timber product. It is the first initiative in Europe that promotes dual

¹² Personal communication from the responsible person for SFTMS public consultation, Christin Gent, Retail seminar, WFTO-Europe- Madrid - 18-20.09.10

¹³ This paragraph was written mainly using *Madera Justa* website, informative bulletins and by means of direct interviewes to Elisa Pardo-FSC-Spain and Javier Fernandez - COPADE.

"certified"¹⁴ timber products and it can be seen as a partnership between two systems to gain common success. The under way message is that buyers detain power to reverse deforestation and unfair trade relationships and the campaign intends to train consumers to be critical. The slogan of the campaign is: "*Bueno para el Bosque, bueno para tod@s*" that means: "It is Good for forests, it is good for everybody". The promoters say that environmental sustainability and FT are necessarily to fight against poverty and climate change, it is essential to deal with sustainable development within a long term perspective. The initiative is financed among other by Fundación Biodiversidad, the Municipality of Madrid, the Spanish Agency for International Cooperation, Ministry of Environment and by means of the private partners' entry fee. Till now, in one year project, Madera Justa counts with several sensitization/educational environmental projects which make up a budget of 500.000 euro. Moreover, a budget of 1.000.000 euro was financed for development cooperation projects related to Madera Justa campaign in Honduras and Bolivia. It counts with more than 20 partners among these, universities, environmental organizations like WWF and Greenpeace, private company like Leroy Merlin-Spain and Triodos Bank that is an ethical bank part of FEBEA (European Federation of Ethical and Alternative Banks)¹⁵. Several tools are in place to promote the campaign, among others newsletter, trade fairs, and finally craft and furniture which are sold in COPADE worldshop and within private retailers partners. The products brings, in addition to on product FSC label, a promotional *Madera Justa* label including FSC label and COPADE label (Figure 2.13). Partners have also to compromise themselves in implementing an internal policy of responsible procurement with FT products and FSC certified paper and office material. The campaign seems to be very promising and COPADE together with FSC-Italy are thinking about exploring options to launch a similar campaign to be tailored to the Italian context¹⁶. More details about the campaign and about COPADE are given in the last chapter which present COPADE case study.



14 We can not refer to a true dual certification. Fair Trade principles are not a certification system, yet.

15 The full partners'list is available on <http://www.maderajusta.org/>

16 Personal communication hold in the meeting between FSC-Italy and COPADE, Padova, May 2009

3 - RESEARCH METHODOLOGY

3.1 - Research approach

The research approach, which follows the logical framework provided by Perry (1998), Trochim (2006) and Silverman (2008) is mainly a qualitative-based research approach (see Chapter 1).

In order to investigate whether and how a dual FSC and FT certification systems might be considered as a market based instruments to promote and distinguish responsible community based forest products, different level of analysis and research instruments have been used. First of all, as usual, a detail literature review has been carried out.

As regards the specific objectives and related research questions “which are the more viable scenarios and standards integration that may be adopted to obtain FT (with a special attention to SFTMS of the WFTO) and FSC Dual Certified Forest Products?”, three main instruments have been used: i) schemes comparison; ii) Providing and evaluating possible alternative scenarios; iii) Standard integration for a selected scenario.

As regards the specific objectives and related research questions “is there a market for dual certified FSC/FT forest products and which are the main driving forces from the demand side? “, a case-study analysis, direct qualitative interviews and a quantitative data collection have been carried out.

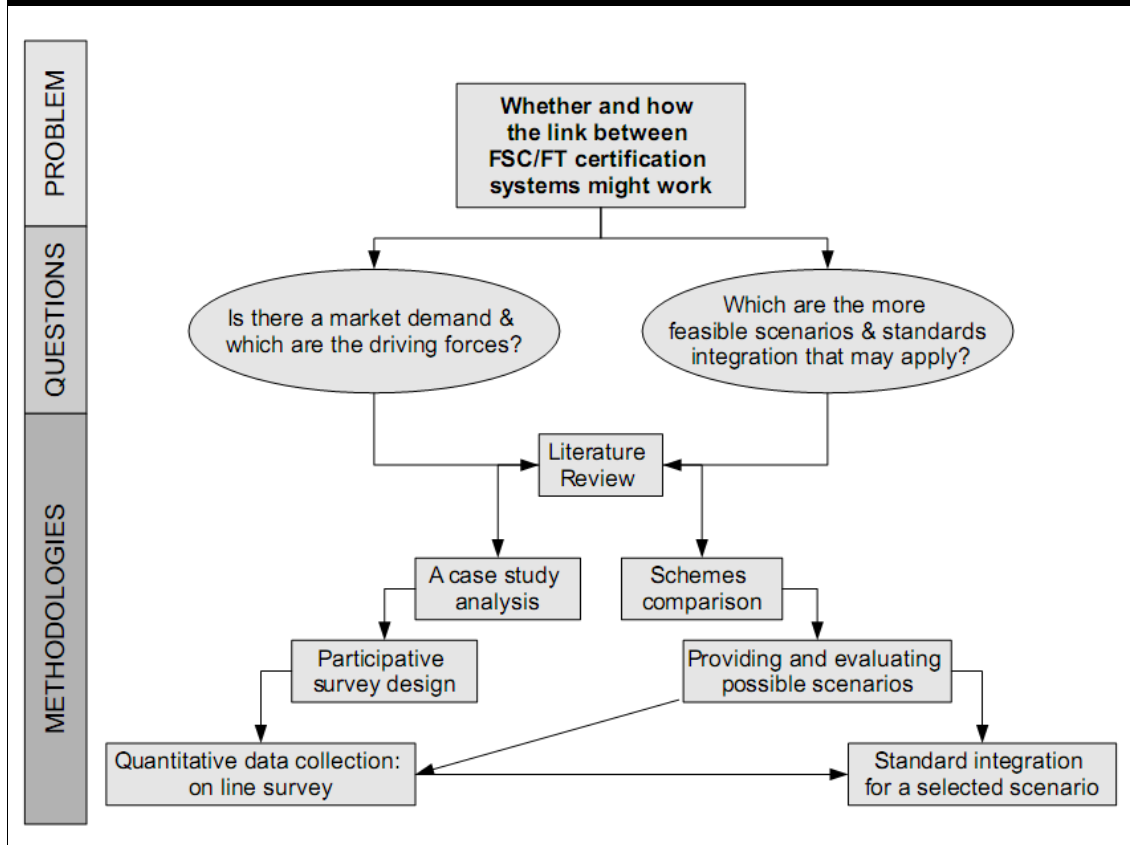
The whole process has been accompanied by non structured FSC and FT specialists and experts consultation. As an example, the proposal has been presented to the board of the respective interested organizations (FSC¹⁷ and WFTO¹⁸) (see for details annex 5) in two different meetings.

The research approach is also illustrated in figure 3.1. In the following sub-paragraphs, details on the various steps and methods used are presented.

17 The proposal was presented and discussed during the meeting on February 2010, FSC-IC, Bonn, where the FSC Marketing and Development Unit and the responsible for the Social Program gathered together with COPADE, FSC-Spain, WFTO-Europe and the author.

18 Thesis proposal presentation at the board of WFTO, Cordoba, Spain, 11.11.2010.

Figure 3.1: Research approach and instruments



Source: own elaboration

Literature review and specialists consultation

A literature review was conducted from January to August in order to find out the main publications and methodologies that have been applied so far when speaking about FT Timber. To be precise, articles and publications were found using a proxy access to the University of Padova database. At the same time, references were collected by using the software provided by the University of Padova, Refworks, which allows to directly save citations and to continuously update bibliography. Google Scholar, Science Direct, Springerlink databases were also used for the purposes the literature review. A very exhaustive collection of publications was also downloaded from IIED and Proforest websites.

Information about certification systems were drawn by the respective organizations websites. In order to obtain references about FT the Fair Trade Institute, that has a good collection of fair trade related publications, was used¹⁹.

¹⁹ See for details the list of consulted website.

During the whole investigation process at least fifteen consultations of FT and FSC specialists were used to build solid basis for the research study. The specialists are mainly coming from FSC, WFTO, FLO and from national representative of FT and FSC movements. The consultation was not structured. The interviews were adapted to the case in order to collect information about standards, opinions about dual certification etc. The results of the conversations are reported within the footnotes of this thesis and in annex 5.

Schemes comparison

An *ad hoc* matrix was developed in order to compare FSC, FLO, WFTO-SFTMS certification schemes. The matrix was drawn taking as example those used in forest certification system assessment studies. Give that the analysed certification schemes are not only designed for forests the existing ones were adapted to the needs of the case. PROFOREST, Forest Alliance and CEPI matrices were used as a models to develop the purposed one (CEPI 2000; Nussbaum, 2002; WWF/WB 2006).

The part related to standard setting process was skipped out because all considered schemes are following the ISEAL Code of Good Practices in setting Social and Environmental Standards. Therefore, it's possible to assume they are all respecting approximately the same procedures and participation processes. Furthermore, those standard specific information (especially for SFTMS) not available on public documents or through websites was obtained by personal communications from schemes representatives.

Providing and evaluating possible scenarios

In order to provide a detailed description of the standards to be implemented according to the different applicable certification schemes, the matrix drawn in table 3.1 was proposed. In fact, so far the previous analysis were not taking into account neither the different steps along the supply chain nor a step-wise approach to certification. Since the new SFTMS standard opens new opportunities for a collaboration between FT and FSC certification systems the available options are multiplied. The matrix describes the different options for integrating FT standards and FSC ones. The matrix was used to explore the different scenarios, providing different outputs depending on the applied combination of standards.

Table 3.1: Scenarios Matrix

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF + - CoC	Chain of custody	
		Group Certification + - CoC		
		General FM standard + - CoC		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
		Commitment to the 10 principles		
		WFTO	SFTMS	

Source: own elaboration

Standard integration for a selected scenario

Basically literature on standards integration does not exist. The analysed standards (FSC and SFTMS) have a different nature: they are performance and system based. In this sense, by using OO Calc, all different SFTMS requirements were first listed. Then all requirements were evaluated against FSC standards. Each FSC requirement that meets or creates synergy with another SFTMS requirement was listed at its side. Each relationship between the two standards was subjectively evaluated by giving comments and proposing practical solutions. Annex 1 shows how the comparison is structured.

The case study

During a one-year project research, 4 months were spent with COPADE Foundation, which forms the practical case study²⁰. According to Yin (2009), the case study has been classified as unique. COPADE is the only FT importer FSC certified which work with small timber workshops and that has in its mission the promotion of

²⁰ This period was intended as field work for the Master thesis. The author has accompanied all COPADE's activities: project design, networking, reporting, meeting etc. Subsequently, the author got the job at COPADE Foundation covering the position of "social and environmental consultant".

both FSC and FT principles. At the moment, it is the only organization to carry out a promotional campaign for dual certified FSC/FT timber products. Moreover, COPADE intends to build an alternative approach to FSC/FLO dual certification project, by promoting the new SFTMS mixed with FSC certification. The interest of COPADE on enlarging the campaign to other EU countries, such as Italy, was also considered as a case study selection criteria. The case study aims to enrich the thesis work by bringing some practical inputs on dual certification by analysing the structure of COPADE and its integration with the broader framework of FSC certification. Moreover, it complements the market analysis with qualitative inputs collected by semi-structured interviews to private partners of Madera Justa Campaign.

During the 4 months of case study analysis it was possible to participate to several meetings with *Madera Justa* partners and others interested stakeholders. Meanwhile, private partners of *Madera Justa* have been interviewed. All 11 private partners were contacted and only 5 companies have joint the interview, reaching a response rate of 45%. The interviews were registered by means of technical audio supports. Questions were asked in order to understand which are the reasons that make them to be part of *Madera Justa* campaign. Other questions were formulated in order to draw useful data to build an on-going SWOT analysis of *Madera Justa* Campaign (see for details annex 4).

Data collection

The chosen topic is really a new one and together with the lack of studies and reports there is a lack of consolidated methodologies. The only available market study about dual certification is the one conducted by Moreno, (2009), (BOX 2.6). Several questions were taken and adapted from the abovementioned survey which targeted European private enterprises. The questionnaire proposed was developed by mixing the approach used in Aguilar (2006), which measure in a liker scale the link between WTP for certified forest products and tropical deforestation. The questionnaire was direct to ATOs instead of consumers, so that the sample are limited and the scope of applicability is different. The questionnaire were mixed with Yes/No/Don't know questions. Space for comments was given in several questions, in this way the survey stays open to comments and feedback. The survey also applies the methodology used in Macqueen, (2006). Questions proposed in open format have been proposed in closed ended format. More details are available in paragraph 3.4 and annex 3.

3.2 - Sector and study areas

The study explicitly investigates in detailed the option of a dual certification, selecting FSC as the only evaluated forest certification system because of the reasons explicated in chapter 2.4. On the FT side the new SFTMS standard was the most considered because it is a new one and it was not taken into account in previous research studies. Moreover, FSC and SFTMS have different nature, performance based and system based, which can create synergies and an integrate system rather than a mere sum of two performance based standards, as it is explained in Chapter 4.

The selected geographical scope of the online survey covers both Europe and the USA, with the strongest representation for Italy and Spain (Table 3.2 and Figure 3.2).

Basically the geographical target was selected for the following reasons:

- previous researches conducted in the same field were mostly focused on Northern European countries (Macqueen, 2006; 2008), there were no representation of the Italian and Spanish contexts;
- FSC and FT certification are well established and have strong consumer recognition;
- the on line survey was developed in English. During the WFTO-European Seminar - held in Madrid, 18-20/09/2009, with several representatives of FT National Movements, the opportunity to extend this research was considered in order to have a larger sample. Spanish and Italian translations were easily provided;
- the software used (Limesurvey) allows to manage multiple language;
- importers members of WFTO are mostly located in Europe and USA.

Table 3.2: Geographical scope of survey by respondent ATOs

Country	Surveys sent to ATOs	Responses received	Response Rate %
Austria	3	2	67
Belgium	4	0	0
Denmark	2	1	50
ES	23	9	39
France	7	1	14
Germany	4	2	50
Ireland	1	1	100
IT	28	8	29
Malta	1	1	100
Norway	1	0	0
Potugal	1	0	0
Slovenia	1	0	0
Netherlands	10	0	0
sweden	6	2	33
Switzerland	4	0	0
UK	14	2	14
USA	12	4	33
Tot	122	33	27

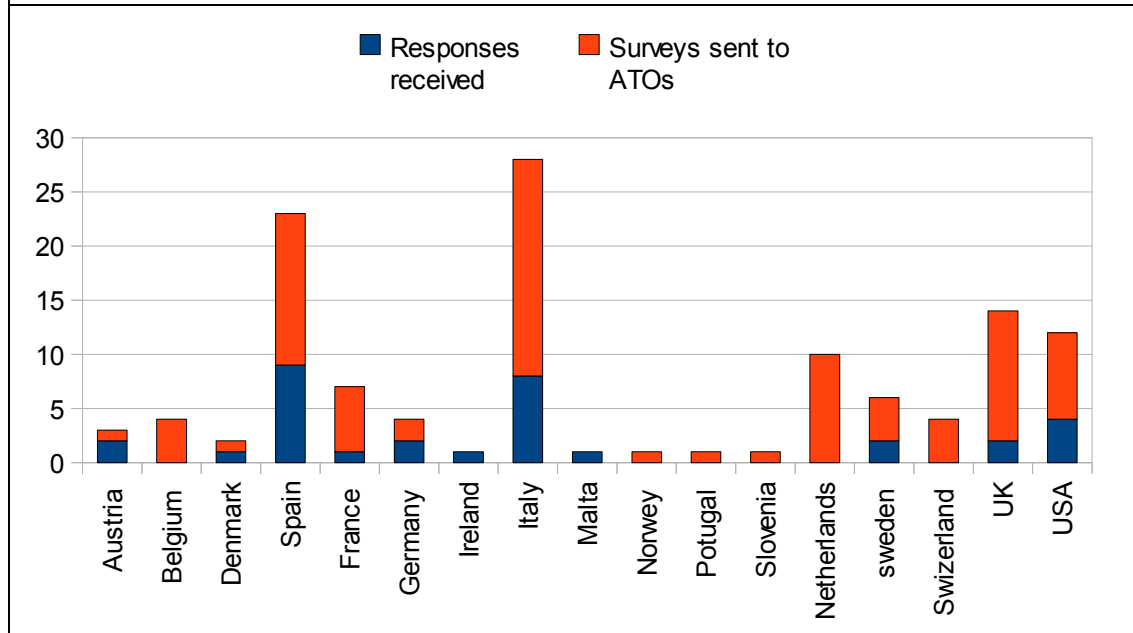
Source: own elaboration

ATOs were selected as research sector, basically for the following reasons:

- the purposed standard integration is tailored to the SFTMS standard of the WFTO. It is of a primary interest to capture the will of WFTO membership organizations, that are the most likely to apply for this standard in the near future;
- the conclusions drawn in paragraph 2.4 say that an ATOs is indispensable in the development of a FT Forest Product chain based on WFTO principles;
- people that are not familiar with FT could find it difficult to answer to some of the questions because of the needed technical experience;
- public authorities were excluded because it is really difficult to find the responsible person in each municipality: a really low responses rate was forecasted;
- private companies were excluded for the last two above mentioned reasons.

Selected ATOs are mainly importers, worldshop associations, cooperatives, worldshops and NGOs working in the FT sector. See the sub-paragraph "sample" to see the specific features of interviewed organizations.

Figure 3.2: Geographical scope of survey by respondent ATOs



Source: own elaboration

3.3 - Data collection

Data were collected by a structured questionnaire with closed-ended questions. An introductory and explanatory message sent by e-mail accompanied the link to the online questionnaire (see Appendix I for details about the questionnaire). The questions were elaborated and sent to FSC-Italy, FSC-Spain and COPADE for feedbacks. During the European Conference for Fair Trade Retailers²¹ the questionnaire was submitted to some national representatives of European FT movements to obtain previous feedbacks. Moreover, the survey jointed the support of several organizations by using their logos, precisely: TeSAF (Department of Land and Agro-Forestry Systems) - University of Padova, FSC, COPADE and *Madera Justa* campaign. To enhance survey responses rate a incentive premium was provided, consisting in FSC/FT dual certified sample products imported by COPADE of the value of 50 €. Several questions gave the possibility to report comments to be included in the statistical data description as well. Ramification was provided to make the questionnaire easier and faster. To facilitate distribution, access and response to the questionnaire, and data collection, the questionnaires were designed on a professional open source software to create on line survey (LimeSurvey). The questionnaires consists of three parts. See Annex 1 for details.

In **Part one (About your organization)** the respondents are asked to provide the general information about the type of organization (importer, worldshop, cooperative, NGO), their knowledge about the Forest Stewardship Council and how they perceive it. Moreover, some questions check if they work with forest products, which ones and the share value of such products on the total. Another question was asked about their feeling with different labels and schemes combinations. General information about the respondent such as email address, country etc. were skipped to the end of the questionnaire to avoid high drop questionnaire rate.

Part two (Market demand for Dual Fair Trade / FSC certified forest products) was design to know ATOs perception about FSC/FT dual certified products, consumers' interests and their potential willingness to pay (WTP). A specific question was also designed to understand ATOs WTP for different forest products representing different

21 WFTO-Europe - Retailers Conference - Madrid 18 - 20 september 2009.

price levels. Finally a question about the possible labels to be used in order to sell FSC/FT dual certified products was asked.

Part three (willingness to get involved) was designed to understand whether there is a willingness to get involved in testing dual certified products by selling or promoting sensitization campaigns.

In order to measure the willingness to get involved in a campaign development, a question was asked to know which kind of role interviewed ATOs would play. Finally, it was also considered important to know if ATOs use or are interested to use FSC certified packaging or boxes for FT products.

3.3.1 - Instruments for measuring

Measurement is the process of observing and recording the observations that are collected as part of a research effort. In the questionnaire the basic assumption is that the more ATOs trust or know FSC the more they will be interested in FSC/FT dual certification. It was considered that the level of trust in the issuing organization plays an important role in the consumer's decision to purchase certified over non-certified products (Aguilar, 2007). The level of trust is measured against a liker scale (5=Totally agree - 1 Totally disagree) with 4 items. Items are about FSC and its positive influence on: guaranteeing equitable use and sharing benefit derived from the forests; reducing tropical deforestation; maintaining forest biodiversity; guaranteeing the respect of indigenous and forest workers rights.

Regarding the use of percentage scales to elicit premiums, previous research also used different categories corresponding to 5%, 10%, 15%, and 20% premiums for certified wood products (Gil, 2000; Aguilar, 2007).

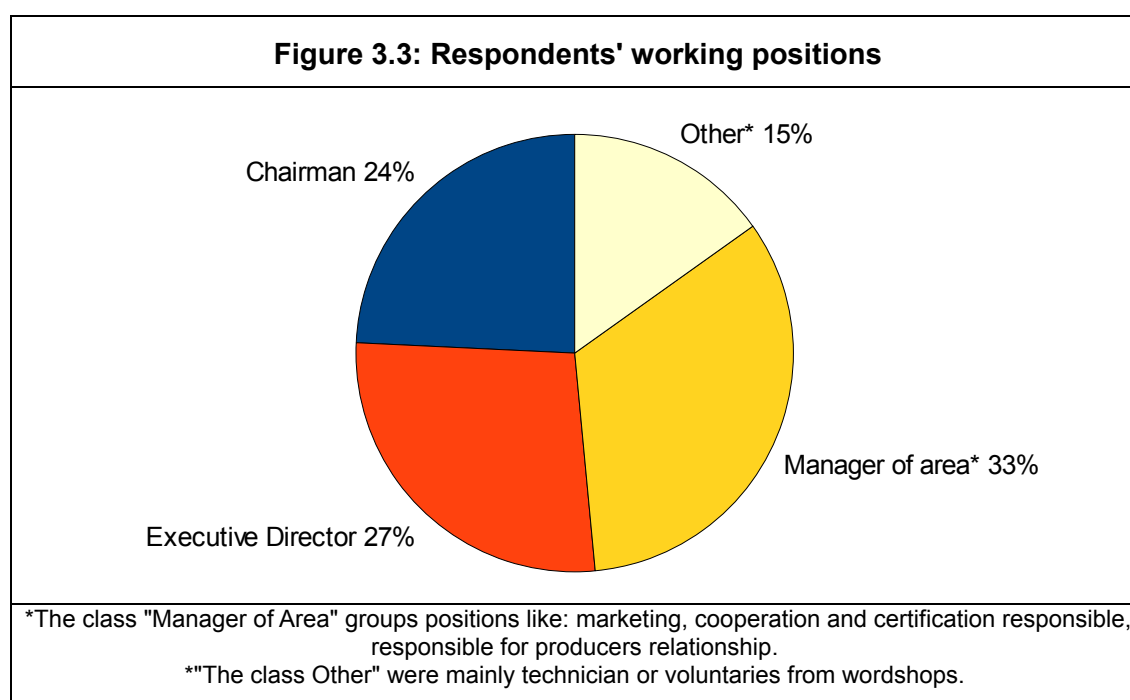
Ordered responses model is a commonly used method for coding respondent preferences and for interval rating scales as these are usually measured in discrete variables and ordinal preferences (Aguilar, 2007).

Based on the previous studies (Vlosky, 1999 in Aguilar, 2007) on consumers' WTP for environmentally certified wood products, characteristics of the selected ATOs were identified as explanatory variables, such as type of organization, relationship with large retailers, use of forest products, etc. According to Aguilar (2007), average expected premium prices were estimated *ad hoc* for 6 targeted wood products usually offered in FT worldshops (see for details annex 3). These products were selected to

detect any changes in WTP given differences in price levels. Respondents were asked to rate five different percentages (0% - 5%- 10% - 25% - 50%) they would be willing to pay for FSC/FT dual certified wood products with respect to the same - uncertified - products.

3.3.2 - Reliability

The figure 3.3 below illustrates the working position of the respondents in the organization. More than half of the respondents were chairman or executive directors. Manager of Areas were placed around 33%. The 85% of the respondents are located in decision making position level which clearly describe the reliability of the collected data. Just the 15% were classified as voluntaries and technicians, mainly from worldshop respondents. These percentages are indicators on how the collected data reflect the will of the respective organizations.



Source: own elaboration

While measures of central tendencies (i.e. mean and median) are representatives of a sample or population and used to estimate "normal" values of a dataset, measures of dispersion (i.e. range, standard deviation, variance) are important for describing the spread of the data and their variation around a central value.

In order to estimate ATOs knowledge and trust on FSC several aspects

(biodiversity, tropical deforestation, indigenous rights) were analysed by mean of a Likert scale. The Likert scale was voluntary skipped out to whom stated "I've never heard about FSC".

Another Likert scale was used to capture the attitude toward dual certification. Likert scale questions are appropriate to estimate how and where the average answer can be positioned.

In order to measure ATOs interest on several aspects a scale (very much - not at all) was provide. This scale allowed to skip out yes or not questions.

We have also to consider that the sample is not randomly chosen and that ATOs are well aware and critical stakeholders, so they are less subject to the "yeah" saying.

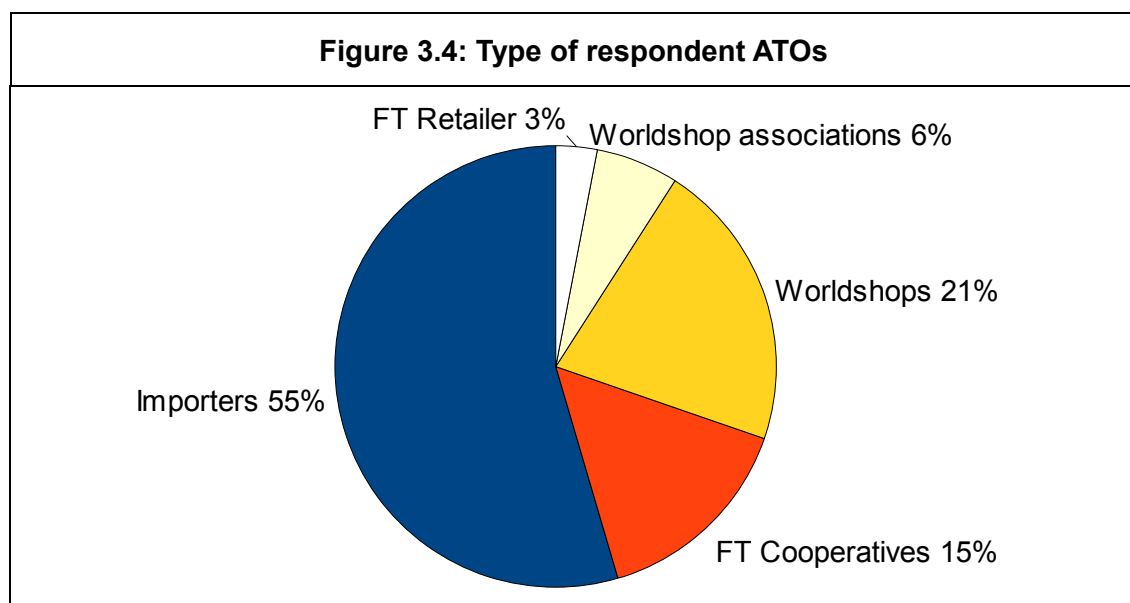
During statistical analysis the mean and standard deviation were used to assess the general trust on FSC by respondents, their predisposition and they willing to get involved toward FSC/FT dual certification. This analysis was also provided by displaying data in graphical histograms that allows the reader to have a simple and immediate view on how the observation cluster around a specific mean.

3.3.3 - Sample

With descriptive statistics you are simply describing what the data shows. This study does not try to reach conclusions to be extended far beyond direct data, as it happens with inferential statistic (Trochim, 2006). The sample does not pretend to be representative of the population. Although several sample's features make it very significant, as it was also explained in the paragraph dedicated to reliability issues (Figure 3.3 and 3.4). For the purposes of this analysis we found it more useful, in some specific questions, to divide the respondents into 2 broad groups, according to the markets that they serve: Importers and the other ATOs. These categories are inevitably broad and often an importers is also a worldshop and a cooperatives. But we considered the main business activity. The importer have a more important weight in political and market fields. There are importer which hold or coordinate hundreds of worldshops, their attitude toward dual certification is very much important if compared with a small cooperative or worldshop. During the data description the respondents are grouped together and specific comments complement the graphs giving some explanation about the two categories: importers and other ATOs.

Selected ATOs are mainly importers, worldshop associations, cooperatives, worldshops and NGOs working in the FT sector. The classification reported in figure 3.4

and table 3.3 was built up on the several tables on FT (2007). Mainly, the selected organizations are those which are involved in political decision making process at national or European level. When they are not WFTO members, they are affiliated to the national platform, recognized member of the WFTO. There was not a selection based on their involvement in forest products trading activities.



Source: own elaboration

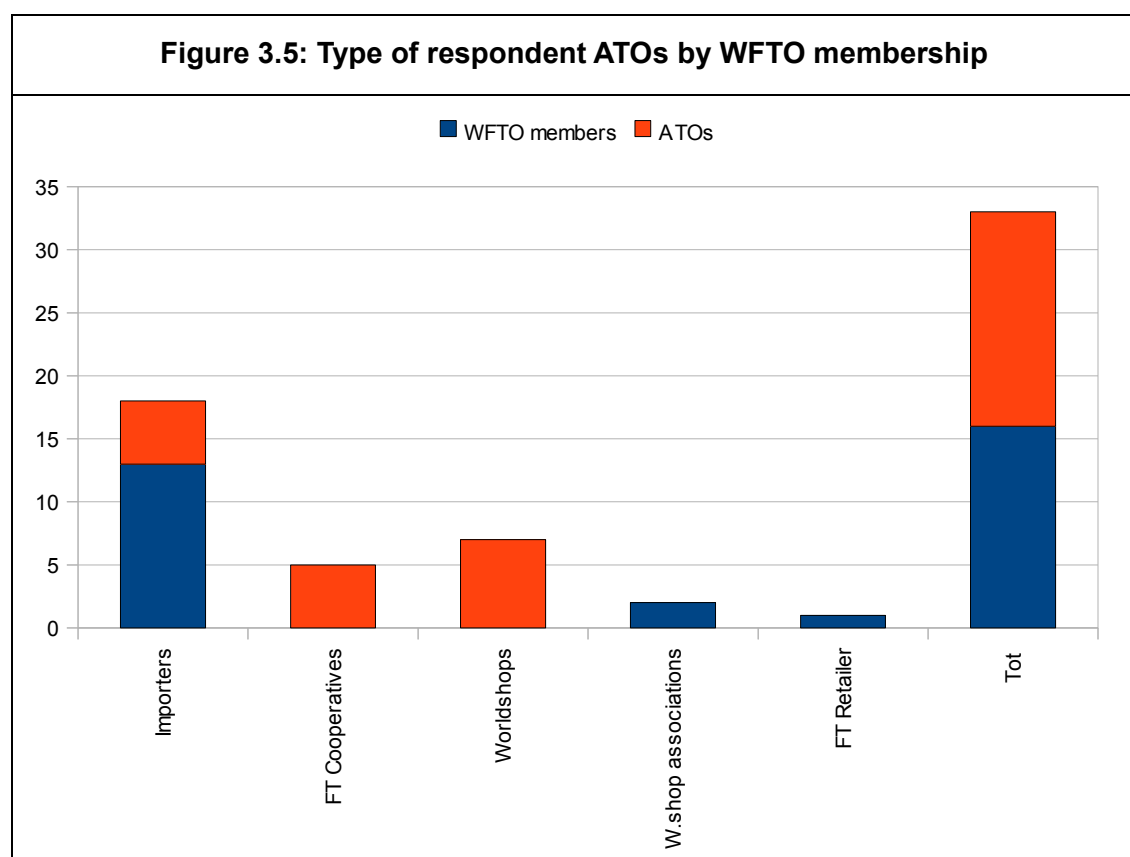
An importer is an organisation that integrates both worldshops and 6 import organisations in the same country. Another importer groups together many more FT importers/retailer (FT, 2007). The 2 worldshop associations group more than 250 affiliated worldshops in two EU countries (FT, 2007). Several importers are related to hundreds of worldshops/cooperatives by running a franchising business model. Hence, a decision taken by an importer could make a difference for several worldshops and/or cooperatives. The 6 interviewed FT cooperatives are characterized by having from 3 to 5 worldshops each. Again, 12 respondent importers are in the list of the 65 most important importers in EU and USA (FT, 2007). Finally, the sample includes 4 on 11 EFTA²² members.

²² European Fair Trade Association, is an association of 11 importers in 9 EU countries. Its aim is cooperation, coordination and labour division among its members.

Table 3.3: Geographical scope and type of respondent ATOs

Country	Importers	Worldshops associations	Cooperatives	Wordshops	Retailers	Affiliated to national platform	WFTO members
Austria	1	1					2
Denmark	1					1	
ES	3		1	5		6	3
France		1					1
Germany	2					1	1
Ireland	1						1
IT	3		5	1		5	3
Malta	1						1
Sweden	2						2
UK				1	1	1	1
USA	4					3	1
Tot	18	2	6	7	1	17	16

Source: own elaboration



Source: own elaboration

3.4 - Limitations

As it was expected the research has several limitations. Among other, the following points are just the more significant ones:

Standard availability

The research was developed when the available document and website news were indicating that the SFTMS would have been approved by 2009. The consultation process took more time than it was forecasted. In fact, at the moment there is not a final document including all information related to the certification system. This has limited the analysis especially with respect to the proposal of dual certification model as a certification system for WFTO is not well developed, yet.

Political reasons

During the research study it was necessary to pay attention to several political implication that are behind different logos. As it was explained in chapter 2.4 there is a sort of competition between FLO and WFTO. There is also a part of the FT movement that could considered FSC as an entity that is "too much in the market". On the other side, there is a part of the WFTO members which does not agree with the SFTMS and the renewed mission of the WFTO. These political positions in a way or another have limited the research.

Lack of methodologies

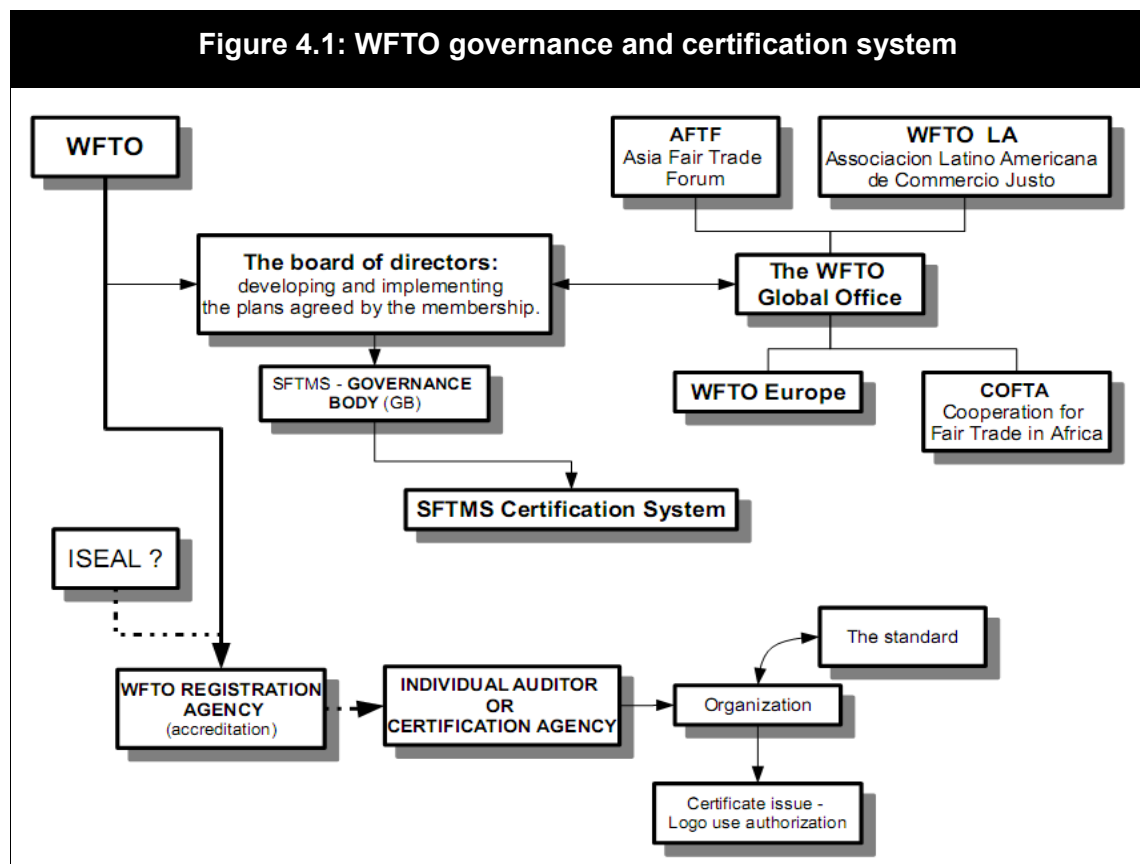
Since this is a new area of study there is a lack of methodology to apply. Moreover, the topic is really complex so there were difficulties in developing methods for analysing standards and for collecting data. It was possible to interview just well aware stakeholders given the complexity of the subject, that include both FSC and FT concepts at the same time.

4 - RESULTS & DISCUSSIONS

4.1 - Schemes comparison (FSC - WFTO - FLO)

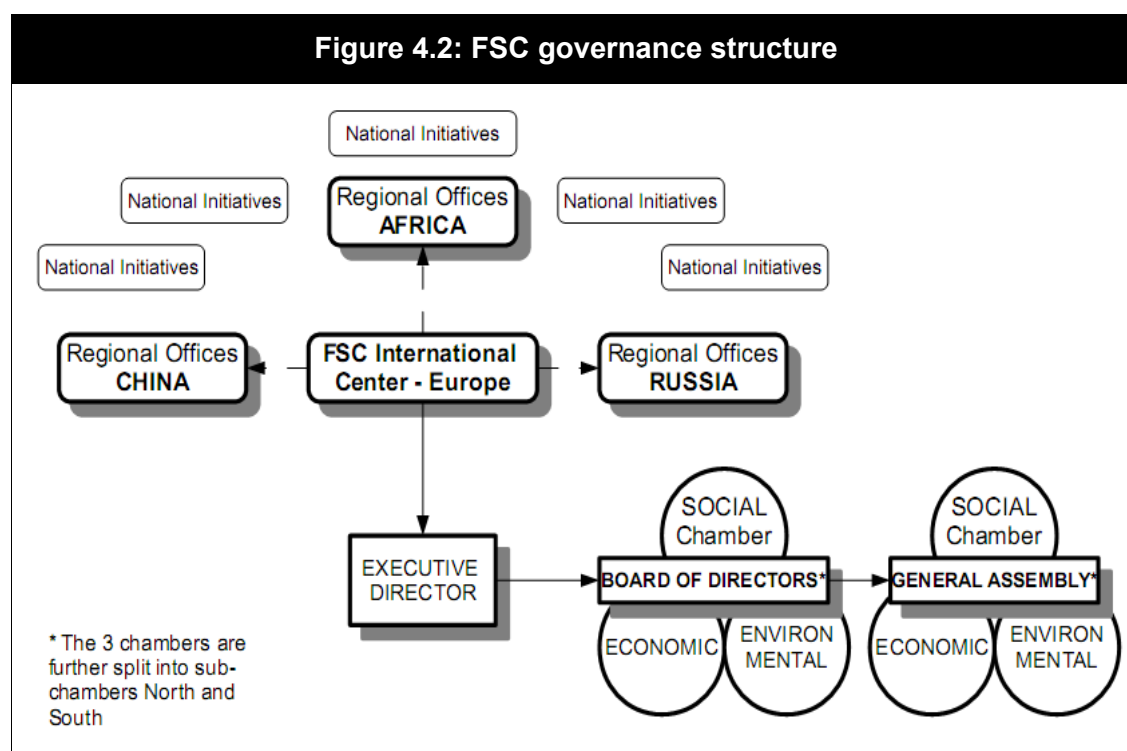
Governance and certification systems

An initial base line assessment of the different analysed certification schemes (FSC, WFTO, FLO) required a detailed study on governance structures. "The oversight and governance of such organizations is paramount because the success of certification programs hinges on the ability to create and maintain a shared mission, a set of standards and a transparent system to provide assurances for those standards" (Raynolds, 2009). In so doing, illustrations were developed when not already available to be able to draw a graphical comparison between governance structures and certification systems. Illustrations are complementary to the comparative matrix developed in the next paragraph. The figure below tries to give an explanation on how is WFTO structured and how the certification system will be organized once the SFTMS will be approved (Figure 4.1).



Source: own elaboration

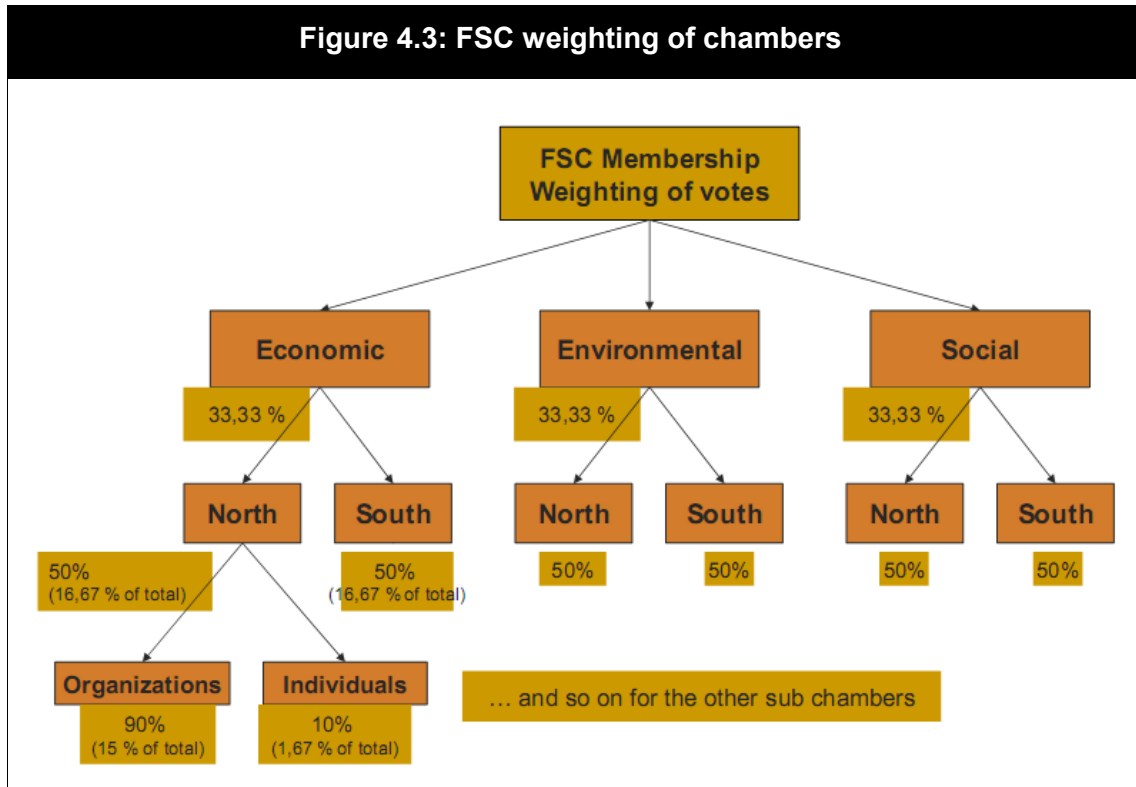
From the available documents it is clear that the system will follow a third party certification scheme. There is a gap on the available information about who will be the certification agency and about the eventual affiliation of the registration agency to ISEAL. It is mentioned that also an individual can be accredited for carrying out the certification process. At the moment, the options are really open. WFTO is trying to discuss with FLO the possibility to use FLO-cert as one of the possible certification bodies (CB) for SFTMS. On the other side, they will try to create a certification agency hold by WFTO. Another option could be to accredit several CBc around the world, also with the intention of de-localize and reduce certification costs. The last one seems to be the more likely. Most of the more important EU importers would not accept the option where FLO-cert would be the only CB. There is not a clear picture yet but it seems that by the end of June 2010 the process will completely finished²³. The composition of the board of directors of the FSC and WFTO is different, (tables 4.2 - 4.3), although the governance structure is similar, working globally and having offices placed in the different continents. FSC has a standard way of decentralization, it has National Initiatives (NIs) in more than 50 countries around the world. NIs promote FSC in their country by providing information about FSC and running marketing campaigns.



Source: own elaboration

23 Personal communication hold during the WFTO European Retailer Conference, 18-20/09/09 with the responsible person for SFTMS public consultation process, Christine Gent - WFTO.

The Board of Directors and the General Assembly, both at international and national level, are sub-divided in 3 chambers: social, economic and environmental. Furthermore the 3 chambers are balanced between Southern and Northern members and between organizations and individuals members (Figure 4.3). This point is very important when working toward an agreement between WFTO and FSC. Representing Southern realities it is very important for WFTO.



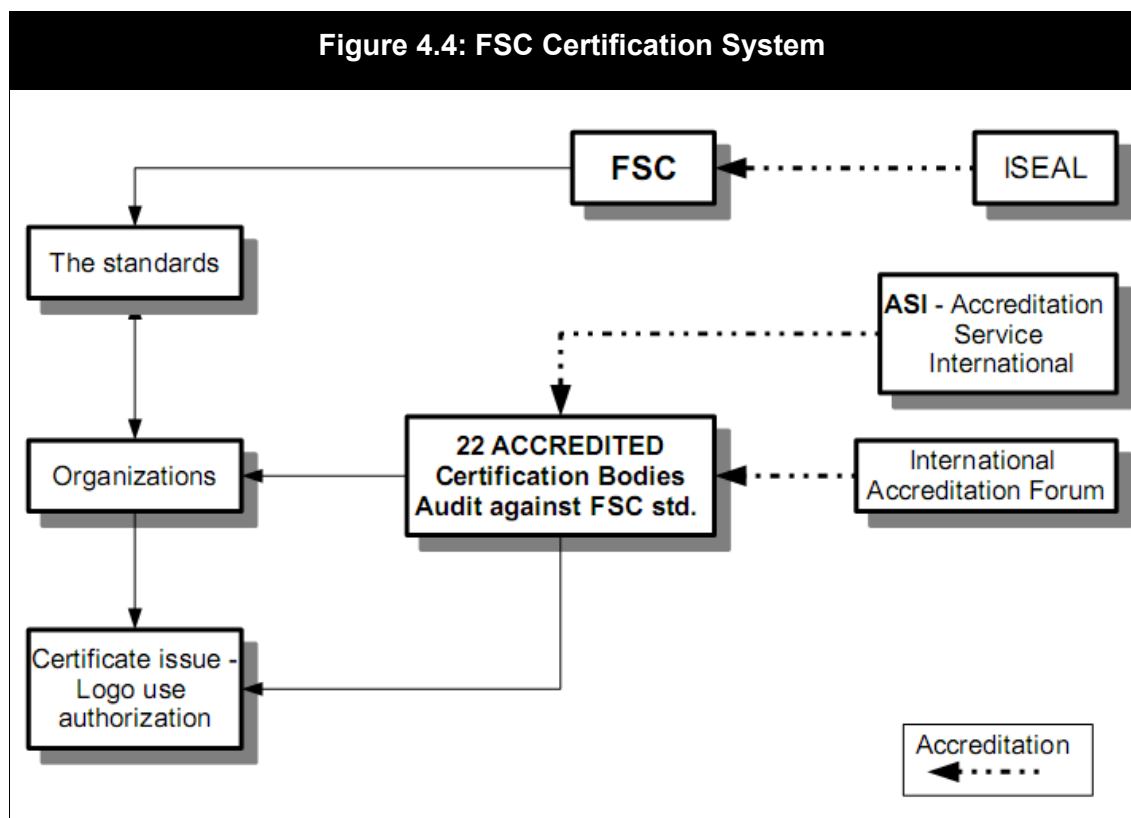
Source: FSC, 2009

On the other side, FLO has only 19 labelling initiatives covering 23 countries²⁴ (mostly industrialized ones) that market and promote Fairtrade against the 379 organizations represented by WFTO in 76 countries around the world. WFTO has a different structure in each country. Usually, importers and world-shops are organized in a national association that translates and formulates national indicators for FT business. The certification system (if existing) is different in each country and so far there are not third party certification systems. One of the main purpose of SFTMS is to clarify and standardize monitoring procedures and indicators among different countries. The challenging times have called members to reinvent the FT movement to tackle head on global inequity to make way for sustainable economy. The new name symbolises a new mission, turns more open to the conventional market, looking

24 http://www.fairtrade.net/fairtrade_near_you.html

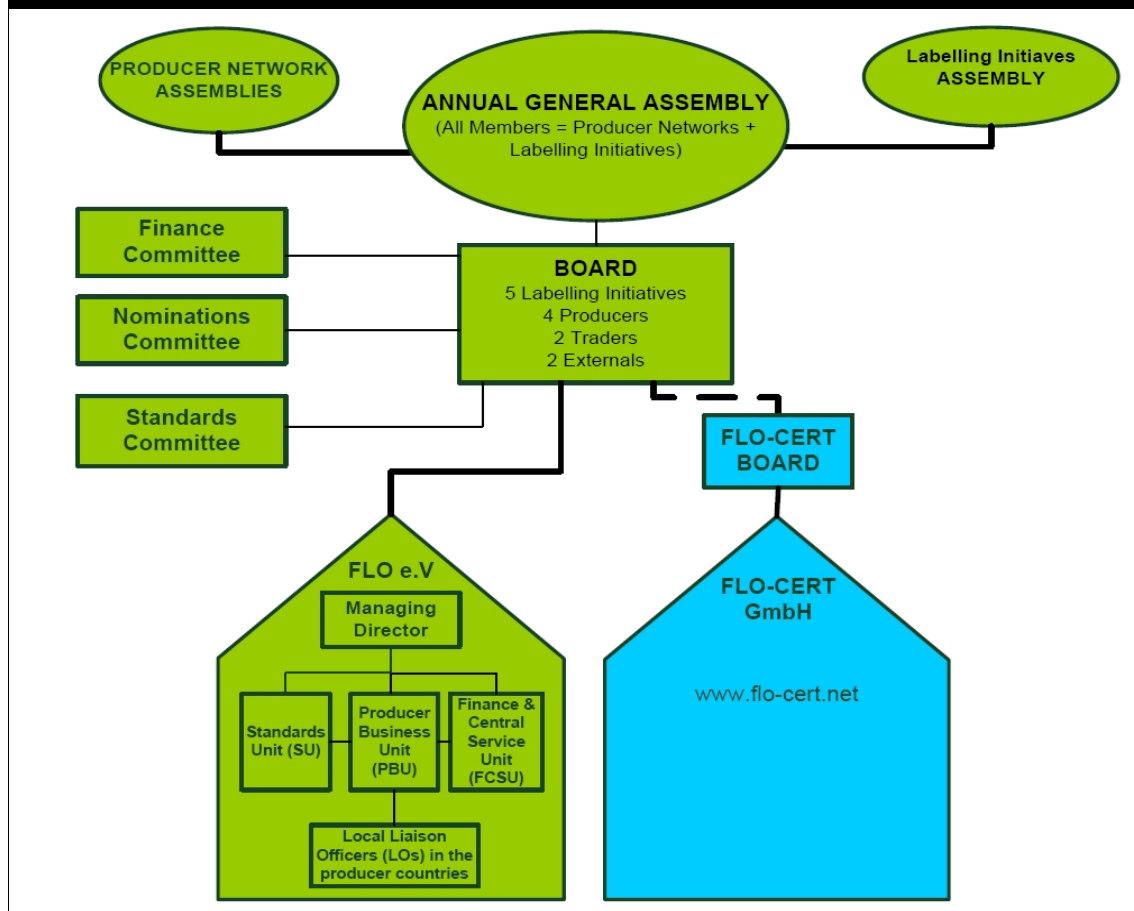
towards mainstream market and responsible public procurement. This change, that reflects in the new SFTMS, opens new scenarios for a partnership with FSC. In fact, in previous researches an agreement with WFTO was not taken into account because of the lack of a real certification system in place. SFTMS was originally designed for marginalised farmers, producers and artisans to improve their market access and to allow them to trade locally. These features make it a suitable instrument for small holders within FSC certification.

According to the FT Charter (agreed between FLO and WFTO in 2009) the integrated supply chain route (WFTO approach) adds value to Fair Trade combining marketing activities with awareness-raising and campaigning. In the case of "product certification route" it is just required that products have to meet the specific standards. No mention about awareness raising is reported. This is basically the success factor of COPADE where selling FT and FSC products is combined with *Madera Justa* campaign and other sensitization initiatives. It can be derived that FSC might gain more consumer's recognition and sensitization by creating a partnership with WFTO and its network. The following illustrations (4.4, 4.5, 4.6) are better explained and complemented in the next paragraph, using comparison tables. These illustrations intend to complement the finding reported in the comparison tables.



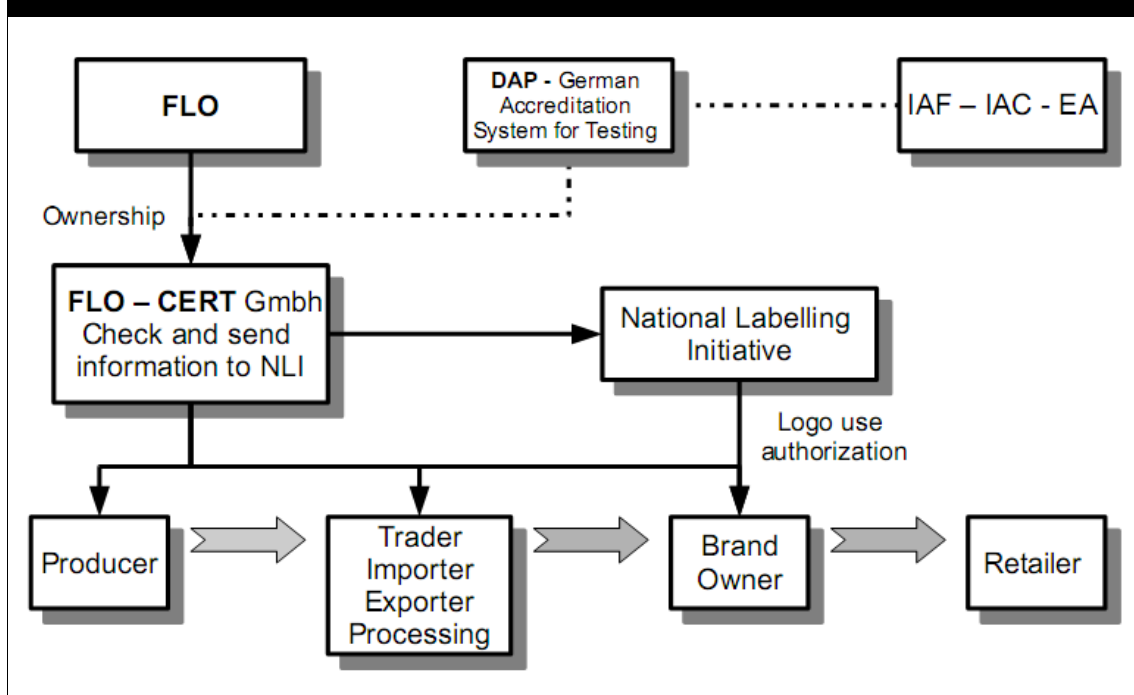
Source: own elaboration

Figure 4.5: FLO Governance Structure



Source: FLO, 2009

Figure 4.6: FLO Certification system



Source: own elaboration

Certification schemes comparative matrix

The matrix shows a broad comparison between FSC, FLO, WFTO-SFTMS certification schemes. The matrix follows the approach used in forest certification system assessment studies: PROFOREST, Forest Alliance and CEPI matrices were used as a models to develop the purposed one (CEPI, 2000; Nussbaum, 2002; WWF/WB, 2006).

The first part targets the broad features of each certification schemes: geographical scope, applicability, mission and governance (Table 4.1). Both Forest Stewardship Council and WFTO work globally. It means that the geographical scope of standards cover all countries around the world, and this would be a strength of a SFTMS/FSC dual certification system. Since FLO standards are limited to certain countries, countries not mentioned in the FLO Geographical Scope Standard will not able to joint the FLO/FSC dual certification systems.

Regarding the sector of applicability, the new WFTO SFTMS will provide on product labelling options for all those items traded or produced by a certified organization, in every type of sector. This is also the FSC approach: a certified forest can (potentially) sell all its products with the FSC label, the sector is limited to forestry and related business. An option in favour of SFTMS/FSC dual certification system would allow forest entities to sell timber, Non Wood Forest Products with both label. The lack of FSC/FLO dual certification system is that the "product certification approach" will take into account just timber. This is obviously against the multifunctional role of forests and not in line with FSC principle N°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). Community forests are for sure the best candidates for a diversified use of forest resources. If one producer wish to sell other forest goods (i.e. Brazilian Nuts, mushroom etc.) using FLO label (if there is a standard for it) it should pay additional fees, because costs of certification depends also on the number of certified items. It is worth noting that both FSC and SFTMS consider the important role of environmental services (GEF Project - FSC's role in climate change). Several studies indicate that payments for environmental services, such as carbon offset projects, watershed restoration, ecotourism, are all valid instruments to get out of poverty (Pagiola, 2005; Wunder, 2005). As COPADE is already doing, payment for environmental services can be successfully implemented within FSC certified community forests.

Table 4.1: Broad Schemes Comparison

#	FSC	WFTO-SFTMS	FLO
Date of the last update	2002	2009	2009
Operational	Yes	No, only experimental pilot projects	Yes
Status of analysis	Ammended draft	Preliminary draft	Ammended draft
Geographical scope	World wide	World wide	Developing countries* Ft standards are limited to certain countries.
Sector and Applicability	Organizations, companies and communities in forest-timber related business. Project certification (building sector).	All type of activities, services, products or production systems	The standards are product specific. See the list of products**. To small farmer organizations and for hired labour. The Trade Certification services is to certify products of all companies (such as Processors, Exporters, Importers, Manufacturers and Distributors), located around the world.
Mission	FSC brings people together to promote responsible forest management and to find solutions to the problems created by bad forestry practices.	The goal of the WFTO is to enable small producers to improve their livelihoods and communities through sustainable Fair Trade. It does this by delivering market access through policy, advocacy, campaigning, marketing and monitoring.	Our mission is to connect consumers and producers via a label which promotes fairer trading conditions, through which producers who are disadvantaged by conventional trade can combat poverty, strengthen their position and take more control over their lives.
Governance body	FSC has three levels of decision making bodies: - The General Assembly of FSC Members is the highest decision-making body in FSC and is made up of the three membership chambers: Environmental, Social and Economic, which are further split into sub-chambers North and South. - The Board of Directors is accountable to the FSC members. It is made up of nine individuals who are elected from each of the chambers for a three-year term. - Executive director	The GB is made by 6 representatives plus the Chairperson. Fair Trade Organisations (3) - Government agencies, Trade unions or UN bodies (1) - NGOs working in the field of nature conservation, and consumer protection representing civil society (1) - Business sector representing retailers, federations or business initiative networks (1).	- General Assembly= Producers Networks and National Labelling Organizations. - The Board is elected by the General Assembly and includes: 5 representatives from the Fairtrade Labelling Initiatives (LI) 4 representatives from Fairtrade certified producer organizations (at least one from each of the regional Producer Networks) 2 representatives from Fairtrade certified traders 3 external independent experts

Source: own elaboration

The second part, it refers to part 1 in WB/WWF Forest Assessment Guide, focus on compliance with international frameworks for certification, accreditation, and standard setting (Table 4.2). In this part, a detailed comparison of standard setting process and governance was not taken into account because all considered

Table 4.2: Compliance with international frameworks for certification, accreditation, and standard setting

#	FSC	WFTO-SFTMS	FLO
The accreditation body is affiliated with an international accreditation organization (alliance/forum) such as the IAF or ISEAL Alliance.	Yes, ASI is a an associate member of ISEAL	There is no information about the eventual-future affiliation of the WFTO Registration Agency. Probably as WFTO will become full member also the Registration Agency will be affiliated to ISEAL.	The AB is DAP German Accreditation System for Testing and it is affiliated to European co-operation for Accreditation, the International Accreditation Co-operation, the IAF. Its accreditations enjoy international validity through a series of Multilateral Mutual Recognition Agreements between the DAP and other accreditation bodies around the globe.
Monitoring and surveillance carried out by the AB cover the activities of accreditation in the field of forest management.	Yes	The information is not available	Certification of products and services; Organic production of agricultural products and animal husbandry
All certification bodies are accredited for their activities	Yes, 22 AB around the world	Individual auditor or certification agency must be accredited by the AB	There is only one accredited certification body FLO-CERT
Accreditation requires compliance with ISO Guide 62, 65, or 66.	Yes, FSC procedures for accreditation exceed the rules set by ISO Guide 65:1996. FSC STD 20-001 to 20-009	The information is not available	Yes, FLO-CERT is checked by an independent third party (DAP) to ensure compliance with ISO 65 rules
Standard-setting bodies are affiliated with the ISEAL Alliance.	Yes, FSC is a full member of ISEAL. Following the ISEAL Code for standard setting.	Yes, the WFTO is an associate members, by 2011 it will become full member. The SFTMS is following the ISEAL Code for standard setting	Yes, FLO is a full member of ISEAL. Following the ISEAL Code for standard setting

Source: own elaboration

certification schemes are applying the ISEAL Code of Good Practice for Setting Social and Environmental Standards which demonstrates compliance with ISO Guide 59 - Code of good practice for standardization, and the WTO Technical Barriers to Trade (TBT). For that, a high level in standard setting procedures is assumed for all considered schemes.

Referring to the WB/WWF Forest Assessment Guide the criteria 3 - 4 - 5 were skipped out because they are more related to forest management, although some points were included in the part related to standards and certification comparison.

The third part tries to give a general overview on standards (Table 4.3). First of all, it has to be highlighted that the 3 systems require respect of the national law and international treaties. FSC specifies which environmental and social (ILO) conventions have to be respected. Meanwhile both FLO and WFTO ask for respect of ILO conventions but require several additional FT dimensions (FLO/WFTO, 2009). Second, SFTMS is a dynamic and integrated approach for certifying organizations while FSC is mainly a performance based standard, providing indicators and minimum level requirements. Providing FSC/SFTMS dual certification may create synergies between both standards to facilitate and help community to face internal management and external communication. The FSC certified community forests may join the newly established SFTMS to increase their market access and provide FSC/FT dual certified products. Community forests that are already FSC certified will not face additional efforts to obtain the SFTMS certification. On the other hand, group of forest producers might use SFTMS as a tool to go toward a step-wise approach to FSC Group Certification. This is what the study tries to demonstrate in the next paragraph.

The FLO/FSC approach mixes two standards that are mainly performance based which would not create synergies for improving the organizational system.

The fourth part (Table 4.4) tries to give a comparison between certification systems. Consistency of auditing activities, confidence and transparency, stakeholders consultation and access for small holders are the considered aspects.

During a meeting with the WFTO²⁵, the board has demonstrated strong interest in the possibility to have a dual certification with FSC, especially regarding to FSC Group certification. WFTO since now has not developed a system for group certification. Dual certification can be the put-off to learn from each other, especially on how to deal with a proposal for group certification.

25 The thesis proposal was presented at the WFTO board meeting held in Cordoba, Spain, 11.11.2010.

Table 4.3: Broad Standards Comparison

#	FSC	WFTO-SFTMS	FLO
Type of standard	Mainly performance based	Mainly system based	Mainly performance based
Standard Setting procedures	Following the ISEAL Code	Following the ISEAL Code	Following the ISEAL Code
Std. Require to respect all applicable laws in the country in which operations occur and international treaties and agreements to which the country is signatory.	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, such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity. All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid	The organization shall have a written policy which state its adherence to FT principles and its respect for relevant international conventions. Working conditions conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context. The Charter of FT Principles defines more strict rules than ILO conventions.	FLO follows certain internationally recognized standards and conventions, particularly those of the International Labour Organization (ILO). FLO also requires that producer organizations always abide by national legislation unless that legislation sets standards which are below the referenced internationally recognized standards and conventions, in which case the international standards prevail. The Charter of FT Principles defines more strict rules than ILO conventions
List of the main standard related to certification of organizations (std. For AB, CB, label use are not listed)	<ul style="list-style-type: none"> - FSC Principles and Criteria - SLIMF Eligibility Criteria - Std. for CoC certification - Group entities in forest management groups 	<ul style="list-style-type: none"> - Sustainable Fair Trade Management System Standard; - Charter of Fair Trade Principles; - 10 Fair Trade Standards 	<ul style="list-style-type: none"> - Producer std. for small-scale producers; - Producer std. for hired labour; - Contract production std.; - Generic trade standards; - Product specific standard; - Ft minimum prices and Ft premium table; - List of prohibited material;
The main std. Is based on	International 10 Principles and 58 Criteria + National or sub-national Indicators for the world's forest and plantation. One is std. For FM and one for CoC	- 10 FT Principles, 19 requirements for SFTMS for all FT business	- 17 main principles providing a set of general, minimum and progress requirements
Standard contents and approach -performance and system based	Clear P&C against which compliance can be measured. An international CoC std. No existence of a premium or minimum prices for producers. Good balance between environmental and economic requirement. Need improvement on Social requirement, especially for CoC.	Providing a framework for improving management rather than a specific performance level.	Both performance and system based.

Source: own elaboration

Table 4.4: Certification - part 1 of 2

#	FSC	WFTO-SFTMS	FLO
Intensity of evaluations carried out by certification	For SLIMF – 1 main evaluation - 1° years: surveillance visit required; - 2°/5° years at least 1 surveillance visit and 2 documentation audit; - sample audit is carried out in group certification; - 5° years re-evaluation. FSC-STD-20-007 – define international rules for CB to be followed	- every 3 years the organization shall submit itself to an external independent third party assessment and data validation; - on an annual basis the organization shall submit its SFTMS report to an independent external auditor or agency; - up to ten producers a sample audit is carried out	- initial on-site inspection; - Following an audit, a report is sent to FLO-CERT for evaluation. - on-site inspections on an annual basis. In some circumstances, where organizations have demonstrated excellent compliance over many years, they may qualify for a 'desk-top' review as part of a three year inspection cycle.
Ensuring Confidence	All CBs are accredited by ASI. To achieve FSC accreditation, CBs have to comply with an extensive set of rules and procedures and verified by Accreditation Services International (ASI), the company managing the FSC accreditation program. One such requirement is the compliance with relevant international ISO standards.	The individual auditor or CB must be accredited by the RA (Registration Agency). The RA will execute peer reviews and participate in witness audits on a random basis. It may receive and follow-up complaints from third parties. RA probably will be owned by WFTO creating a conflict of interests.	FLO-CERT is accredited by DAP (AB) and certification activities are checked against the ISO Guide 65. There are some criticism due to the fact that FLO-CERT is owned by FLO. This may lead with the independence of the CB.
Appropriate procedures exist to take stakeholders' comments into account in the decision-making process for certification and Accreditation	Yes, FSC-STD-20-006 takes into account direct and indirect stakeholders. Providing detailed procedures for identification and consultation.	There is not direct stakeholder consultation during the certification process. The Organisation shall have a procedure in place to obtain feedback at least once per year from all significant stakeholders. The results shall be considered in the management reviews and provide inputs to the continuous improvement process.	Mainly the certification process required to interview just direct stakeholders. It is also sometimes necessary to interview people that are not members of the Organization but they have relevant knowledge of local conditions, Trade Unions, NGO's, etc.
Transparency	Evaluation report is publicly available. Detailed procedures are list in FSC-STD-20-009.	The auditor's statement of conformity is published in the annual report of the organization. No detailed procedures.	No information about the public report of certification.

Table: 4.4: Certification - part 2 of 2

#	FSC	WFTO-SFTMS	FLO
Equity access and for certification	<p>It provides SLIMF simplified procedures and group certification, but the requirements and the cost prevent SMFEs from access to certification. Together with FLO is trying to promote a dual certification system for forest products. So far, communities has rarely joint a premium prices. Certification fees change depending on the nation, the certification body, the area to be certified, and the quantity of field audit.</p>	<p>The certification process is tailored for small producers organizations. External cost linked to certification are intended to remain low. Share of the certification costs among the supply chain. Agreement on prices and trade relationships with partners. FT policy wage, prepayment and premium prices along the chain. Social dividend for community development. Certification fees are the same world wide</p>	<ul style="list-style-type: none"> - Implementation of a fee category for very small producer organisation (< 50 members) with a decrease in certification costs of 35%; - A deduction of certification fees for organisations entirely organic certified by an accredited organic certification body (up to 10% of all costs) - Easier invoicing processes for applications; - Share of the certification costs among the supply chain. Prepayment, premium prices and social dividend are required. - costs are still high because the producers pay depending on the number of product types they wish to certify;
Logo / certificate issue	<p>On confirmation of certification, FSC accredited certification bodies shall issue a brand pack to certificate holders.</p>	<p>Following an initial, pre-certification audit, a recommendation as to certification will be forwarded to the WFTO registration agency. On confirmation of the recommendation, the Organisation will be permitted the use of the Logo, endorsed with the Organisation's trading title and a registration number. This registration number shall be reproduced on all external communications and on relevant product labels.</p>	<p>After the CB has made the inspection, the organization shall contact the national initiative. In countries where no national initiative exist, trader or producers shall contact FLO international</p>

Source: own elaboration

About the logo

In the case of SFTMS, it has not been decided yet how the logo will look like. But for sure, the logo will carry the name of the FTOs that has been certified²⁶. Both in the case of FSC and FLO the name of the producer does not appear in the label. In FSC label there is a code that links to the certificate holder. In the last FSC General Assembly, the FSC/FLO dual certification project was criticized by southern producers because of the lack of recognition of FLO label in the southern countries. They said that a logo which would allow the name of the community forest or the statement "community produced" would be better accepted also by the local market. In so doing, they promote the Motion 19 - Community Label, approved in the General Assembly 2008.

There might be an incompatibility between the FSC logo and SFTMS one. In fact, according to FSC (2004/e): *"Products carrying the FSC labels shall not carry additional on-product claims referring to the sustainability of the forest from which the wood/fiber in the products sourced"*, as this does not comply with ISO requirements: *"The concepts involved in sustainability are highly complex and still under study. At this time there are no definitive methods for measuring sustainability or confirming its accomplishment. Therefore, no claim of achieving sustainability shall be made"*²⁷

There should be a verification on this incompatibility. Although, the standard refers to "sustainability of the forest from which the product is sourced". The SFTMS refers to the sustainability of a management system. In this case they might be compatible, according to FSC standards.

26 Personal communication hold during the WFTO European Retailer Conference, 18-20/09/09 with the responsible person for SFTMS public consultation process, Christine Gent - WFTO.

27 ISO Standard 14021 Environmental Labels and Declarations – self-declared environmental claims (type II environmental labelling) (1999).

4.2 - Toward different scenarios for FSC/FT dual certification

As it was explained in the research approach, in order to deepen in a detailed description of which are the standards to be implemented according to the different applicable certification schemes, the below series of matrix was proposed. In the first row of each table we can find the different steps along the supply chain - in fact certification schemes apply different standards depending on the supply chain level. In the second column we find the different certification schemes that were analysed before. Finally, the matrices provide different outputs depending on the applied combinations of schemes and standards. They grey box are those that apply.

The first matrix is the one which probably better represents the option that FLO and FSC will apply for the dual certification pilot project.

Table 4.5: Scenario 1

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF* + CoC	Chain of custody	Timber products with FSC and FLO labels. Getting the FSC group certification +SLIMF there is a reduction of certification procedures. The price along the chain are respecting the minimum price and premium table. The producers can sell all their products as FSC certified. FLO certification apply only to timber products. This option can apply only for small producers and forest owners, see the definition in the respective standards. FSC label can also be utilized for promotional uses.
		Group Certification* + CoC		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
SETMS				

Table 4.6: Scenario 2

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	Timber products with FSC and FLO labels. The price along the chain are respecting the minimum price and premium table. The producers can sell all their products as FSC certified. FLO certification apply only to timber products. This option can apply for large scale forestry with hired labour. See the definition in the respective standards. FSC label can also be utilized for promotional uses.
		Group Certification		
		General FM standard + CoC		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
		WFTO	Commitment to the 10 principles	
	SFTMS			

Source: own elaboration

Table 4.7: Scenario 3

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	Timber products with FLO label. The price along the chain are respecting the minimum price and premium table. The producers can not sell their products as FSC certified. FLO certification apply only to timber products. This option can apply for large scale forestry with hired labour. See the definition in the respective standards. FSC label can be utilized only for promotional uses: not on product label.
		Group Certification		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
		WFTO	Commitment to the 10 principles	
	SETMS			

Source: own elaboration

Table 4.8: Scenario 4

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF*	Chain of custody	Timber products with FLO label. The price along the chain are respecting the minimum price and premium table. The producers can not sell their products as FSC certified. FLO certification apply only to timber products. This option can apply only for small producers and forest owners' organizations. See the definition in the respective standards. Only the entities managing the forest can use FSC label only for promotional uses: not on product label.
		Group Certification*		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
SETMS				

Source: own elaboration

The situation described in table 4.9 represents the case of COPADE which is FSC certified and sources timber from CFs and processing organizations with FSC Group Certification. This case study is analysed more in details in paragraph 4.4. At the moment COPADE is just following the 10 principles of the WFTO and it is a recognized Spanish FTO by the national platform, *Coordinadora Estatal de Comercio Justo*. In the matrix outputs it is stated that there are not FT labels on products but in this case the importer can promote its own logo. COPADE in fact promotes its products with both FSC and COPADE logo.

Table 4.9: Scenario 5

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF + CoC	Chain of custody	All products can be sold with FSC label. WFTO logo can be utilized only for promotional uses. Getting the FSC group certification (&/or SLIMF) there is a reduction of certification procedures. No fair trade logos on products are allowed. Principles are very general ones. No third party certification for fair trade. Low communication to costumers.
		Group Certification + CoC		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
		WFTO	Commitment to the 10 principles	
	SETMS			

Source: own elaboration

The next matrix represents the case of some CFs in Bolivia, working with COPADE, whose CoC certification was withdrawn (table 4.10). This case may also represent a step-wise phase to dual certification.

Table 4.10: Scenario 6

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	WFTO and FSC logos can be utilized only for promotional uses. Only the company which manages the forests will allow touse not for product label. Getting the FSC group certification there is a reduction of certification procedures. No on product labels are allowed. Principles are very generals ones. No third party certification for fair trade. Low communication to costumers.
		Group Certification		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
		SFTMS		

Source: own elaboration

Table 4.11: Scenario 7

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	FSC logo can be utilized only for promotional uses. Getting the FSC group and/or SLIMF certification there is a reduction of certification procedures. The system based SFTMS can help the organization to improve its management. It is a light and low cost standard that simplify procedures. SFTMS allows the organization to have on product label. A Fair price policy is applied.
		Group Certification		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
SFTMS				

Source: own elaboration

Table 4.12: Scenario 8

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	FSC and WFTO logo can be utilized both for promotional uses and on label product. The system based SFTMS can help the organization to improve its management. It is a light and low cost standard that simplify procedures. This option can apply to all size forest organization. All products and services can be sold with FSC and WFTO labels. A Fair price policy is applied.
		Group Certification		
		General FM standard + CoC		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
SFTMS				

Source: own elaboration

Table 4.13: Scenario 9

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF	Chain of custody	FSC logo can be utilized for promotional uses. The system based SFTMS can help the organization to improve its management. It is a light and low cost standard that simplify procedures. This option can apply to all size forest organizations. All products and services can be sold with WFTO label. If the organization does not match with SLIMF or GROUP criteria SFTMS can help to get premium price and to face certification costs. SFTMS builds a system toward the CoC certification. A fair price policy is applied.
		Group Certification		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
		SFTMS		

Source: own elaboration

The last matrix represents the option which is deepen analysed in the next paragraph (Table 4.14). COPADE intends to works as a pilot project toward this proposed integration between FSC and SFTMS standards.

Table 4.14: Scenario 10

Chain	Forest owners/producers		Traders and processing organizations	Out put
Schemes	FSC	SLIMF + CoC	Chain of custody	FSC and WFTO logo can be utilized both for promotional uses and on label product. All typologies of products and services can bring both logos. Getting the FSC group and/or SLIMF certification there is a reduction of certification procedures. It apply just to small forest owner or group forest owners. The system based SFTMS can help the organization to improve its management. It is a light and low cost standard that simplify procedures. A Fair price policy is applied.
		Group Certification + CoC		
		General FM standard		
	FLO:Fairtrade Minimum Price and Premium Table + list of prohibited materials	Generic trade standard		
		Product Standards for hired labour situations and for traders of their products		
		Generic Standards for Hired Labour Situations		
		Product Standards for small producers' organizations and for traders of their products		
		Generic producer standards for Small Producers' Organizations		
	WFTO	Commitment to the 10 principles		
		SFTMS		

Source: own elaboration

4.3 - A proposal of an integration between FSC standards & SFTMS - WFTO

At the beginning this part has been thought as a comparison between FSC, FLO and SFTMS. This idea was left out because the previous analysis had indicated the different nature of these standard. A comparison based on indicators analysis was not considered as adequate to provide any significant result as in the SFTMS does not exist any indicator due to its system based nature.

Finally the idea of a comparison was turned into an integration between SFTMS and FSC standards (Annex 1): the selected combination reflects the scenario described in the previous table 4.14 at page N° 102.

In paragraph 2.4.5 the dualism between FLO (product certification), favouring the conventional market as the preferred one, and the WFTO (organization certification), more reluctant to go toward the conventional market, was highlighted. The new SFTMS standard definitely opens FT to the conventional market, moving away from the previous position. The new SFTMS provides a common management platform for organizations seeking multiple certifications (SFTMS 2009). In this sense SFTMS do not compete with FLO standards because of its different nature and scope. FLO standards are intended for products certification basically for those companies which are unable to comply with the "integrated supply chain route" FT approach.

These features make SFTMS suitable for a possible integration with FSC frameworks. For this purpose a table was built to find correspondences between each SFTMS requirement and FSC ones. Particularly, the table seeks to identify which are the additional efforts that a FSC certified (according to group certification standards) community forest, artisans or traders have to face when going toward SFTMS. Which are the common point and where additional efforts may be avoided (Annex 1).

The proposal focuses on FSC Group certification standard because FT standards are tailored to group of producers/producers' organization. Hence, SFTMS refers to two subjects, organization and producers groups. FSC standards refer to Group Entity and members. It is assumed the equivalence between organization & Group Entity - producers group - group members. Therefore, the proposal is tailored for those FSC Group Entities which work at forest and processing level.

Based on the finding of Annex 1, the following are notes and comments regarding the proposed integration:

Requirement 5 - SFTMS: a mission policy statement is required in both standards. The organization which apply for FSC/SFTMS dual certification can have one policy statement where it states its adherence to FT Principles and FSC P&C. The respect of international treaties and national laws is required in both standards. Environmental issue are well covered by being committed to FSC P&C. Community and cultural identity is also well covered by FSC P&C 2-3-4.

Requirement 5.2-SFTMS: all requirements in this point are well covered by a normal Forest Management Plan (FMP). FSC criteria 4.4 also requires that social aspects and impacts have to be reported in the FMP. Procedures can use the list provide in Group Certification Std. (3 - group entity's procedures - FSC-STD-30-005), (FSC, 2009/b) see also part 6.3 of SFTMS. The inventory may be part of the cognitive section of a FMP. Both standards highlight the importance of "using non technical way" / "FMP appropriate to the scale and intensity of the operations". In the case of FSC FMP requirements for small holders the SLIMF guidance states that National Initiatives or other groups could develop a template management plan which meets local legal and certification requirements. This can facilitate group entities to easily develop a FMP. In the case of producer-artisan-importer-exporter relationships CoC standards can provide several rules to help the organization in costumers and market inventories.

Requirement 5.3 - 5.4 - SFTMS: the initial baseline assessment might work as a self assessment to prepare the forest pre-evaluation visit conducted by the certification body. In group certification entities, the baseline assessment might work as a preparation phase to receive the first inspection by the group entity.

The required list of significant aspects can form the basis to know what have to be reported in the FMP.

Requirement 5.5 - SFTMS: both standards are asking for a document (in the case of forest sector, FMP) that works as an improvement programme. The FMP may have a part regarding the group entity and another part regarding the single forest management units that are part of the group entity. The FMP can be adapted or enriched by reporting FT required aspects. FSC P&C 4.4 also requires that social aspects and impacts shall be reported in the FMP. According to FSC-GUI-60-001: "There will be very few examples where a written management plan is not feasible: even in areas where literacy levels are low among forest managers they may be supported by a group manager or an NGO in recording their intentions (FSC, 2009/d).

However, where NIs/CBs think it appropriate so as not to create unnecessary barriers to participation by traditional communities, requirements can be simplified and may include some verbal explanations". Moreover, " 1.4 - The actual division of responsibilities will differ greatly between different group certification schemes. In some schemes the group entity may take on almost all the responsibilities for forest management, including management planning, harvesting, marketing and sales"... 1.6 - Administrative and policy requirements of forest stewardship that are relevant to the whole group (e.g. management planning, inventory and monitoring) may be implemented at the 'group' level or by individual group members" (FSC-POL-20-001)". These statements means that a unique and simplified Forest and Fair Trade Management Plan (FFTMP) can be provided by the Group Entity. Depending on the situations, the FMP can be developed at Forest Management Unit with the support of the Group Entity which will be provided with a summary of each FMP to create a group FMP. In accordance with NIs and CBs, depending on the homogeneity of forest areas and the responsibilities of the Group Entity a unique FMP might be developed for all group members. In this way the group entity can obtain a FFTMP that works for both SFTMS and FSC.

Requirement 6.1 - SFTMS: Both standards ask for a manager responsible for the standard. In the group entity the same manager can work with both the FSC system and SFTMS. Both systems explicitly require to provide appropriate resources or training activities and communication strategies.

Requirement 6.2 - SFTMS: FSC is not asking for a yearly training and support programme for producers but group members have to be informed and trained. A training plan is required for the implementation of each procedure. Information shall be available as required in FSC-STD-30-005 (chapter 4 - Informed consent of Group members) (FSC, 2009/b). In FSC standards training refers to the implementation of the standards while in SFTMS training is intend also as empowerment and capacity building. But if we consider FSC criteria 7.3, it states that "Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan" (FSC, 2002/a). FMP can also have a part dedicated to capacity building. This is what usually happens with Forest Group Entities: as in the case of Coathlan and COPADE-Honduras/APROMAH, group entities are NGOs, processing organizations or forest cooperatives all having technical support, capacity building in their missions.

Requirement 6.3 - SFTMS: Both systems ask for creating procedures which cover the application of the respective standards and the working rules/instructions. In

FSC standards these procedures aim also to describe process to fulfil CARs. Both systems require specific procedures covering main activities regarding management, marketing, sales and production process.

Requirement 6.4.1 - SFTMS: Both systems ask for fair wages for workers and employees. SFTMS asks procedures to demonstrate agreements on prices along the value chain and to provide documented evidences of fair wages. Social dividends for producers have to be demonstrated. These last 3 points are not covered by FSC standards. The FMP can add an annex related to fair wages, prices agreements and planning for social dividends. Social dividend must be directed to group members and fair prices shall be demonstrate along the whole supply chain. The same annex might provide a description of objectives and plans for the social dividend. In FSC Chain of Custody FSC-STD-40-004 the part related to records "1.4.2 - Retention time for all records and reports, including purchases and sales documents, training records, production records, volume summaries, and trademark approvals, shall be specified by the organization and shall be at least five (5) years" (FSC, 2008/b) can demonstrate agreed prices for each species or materials. The higher price obtained through certification is intend to form the social dividend.

Requirement 6.4.2 - SFTMS: FSC Principle 5, Benefits from the forest, is strongly in line with 6.4.2 SFTMS requirement. The training programme to improve skills and move products up along the value chain might be included in the group entity training programme. Usually group entities like COPADE-Honduras provide workshops with technical and quality improvement training. FSC principles 5 guarantees a sustainable use of forest resources to diversify and maintain long term productivity. It also refers to local processing and so move up the value chain.

Requirement 6.5 SFTMS: This part is more related to FT importers businesses. In the case the group entity or the group of processing workshops would like to sell FT and FSC certified forest products they should prefer FT market channels: when working with a FT importer CFs and workshops are already respecting those above requirements. FSC standards do not provide any impute on fair trading practices with group members. This part of the SFTMS make the value added of a dual certification purpose. A Policy regarding the cancellation or rejection of orders/products must be developed in addition to FSC procedures. As a good norms, group entities should follow previous indication on fair trading practices.

Requirement 6.5.6 SFTMS: respect to the use of the logo - FSC have a strong policy governing the trademark use. Several standards have been set to guarantee a

proper use of the trademark and to avoid misuses, the main ones are FSC-STD-40-201, FSC-TMK-50-201 version 01. No incompatibility was found for the possibility to put both logos (SFTMS and FSC) on the same product. Nevertheless, it is worth to notice that FSC does not allow to use FSC on-product label together with the logos, names or other identifying marks of other forest management conformity assessment schemes. The SFTMS is a management system but not tailored to forest management: this would not lead to any incompatibility.

Requirement 6.6 - 6.7 - SFTMS: Both systems provide requirements for internal communication between the group entity and members. Monitoring visits to group members are also required by both systems with an annual time schedule.

Requirement 6.8 - SFTMS: SFTMS requires procedures for writing, amending and archiving all documentation. With the same procedures FSC and SFTMS records can be managed and kept up to date (Annex 3: Examples of Documentation and Records) (FSC, 2004/b). FSC provides a list of specific records that match and exceed those required by SFTMS. Records shall be retained for at least 5 years rather than 3 years required by SFTMS. Both systems ask for transparency, documents and records availability to interested third parties, internal and external audits.

Requirement 6.9 - SFTMS: All criteria under FSC principles 6, 9 and 10 deal with good management practices to prevent and manage environmental pollution as required by SFTMS. In particular, in FSC-STD-30-005, point 1.4 says *"The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC standards"* (FSC, 2009/b). Moreover FSC Criteria 4.2 says: *"Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families"*. In this case the group entity should provide training and communication strategies to fulfil criteria 4.2 (FSC, 2009/b).

Requirement 7.1 -SFTMS: Both FSC and SFTMS ask for developing and implementing an internal monitoring and evaluation system. Both FSC and SFTMS require a written and documented system with defined criteria and performance indicators to be checked. Monitoring visits have to be carried out annually to all group members.

Requirement 7.2 - SFTMS: both FSC and SFTMS ask for procedures to identify and fulfil with CARs issued internally and by the CB.

Regarding point 7.3, the stakeholders consultation is really important in FSC standards, a specific procedures is not required but evidences and evaluation of the

stakeholder consultation are required in the FMP. Consultation is also externally checked against "Stakeholder consultation for forest evaluation" (FSC, 2004/c).

Both FSC and SFTMS require to consider results of stakeholder consultation in the management plan. Providing a procedure for it will just facilitate to comply with P&C 4.4 and to record stakeholders feedbacks.

Requirement 8.1 - SFTMS, previously we saw the correspondence between the FMP with the FT Management System. In this case, both FSC and SFTMS ask for a review of the management plan. Both systems ask for a review that takes into account results coming from external and internal audit.

Regarding point 8.2 - SFTMS, both systems ask for a summary report of the FTFMP. Due to the correspondence between FT Management Plan and the FMP the report shall just summarize contents of the management plan. Both FSC and SFTMS provide a list of specific contents which may form the basis for a joint public available report. In the case of SFTMS the report also works as a basis for external validation.

Certification requirements

Requirement for SFTMS External auditing

Every three years, the Organisation shall submit its entire management system to an external independent Third-party Assessment and data validation. On an annual basis, the Organisation shall submit its Sustainable Fair Trade Management System Report to an independent external auditor or agency for the validation of the information (SFTMS 2009)

Requirement for FSC groups of SLIMF FMU

4.3.1.3 - In the case of groups of SLIMF FMUs the certification body shall carry out at least one FMU level site visit at the end of the first year in which the certificate was issued, and at least one additional FMU level site visit during the period of validity of the certificate. If there are no outstanding corrective actions to be evaluated and no unresolved complaints requiring evaluation the remaining surveillance evaluations may be based on review of documentation and records specified in 4.2 above, and do not require FMU level site visits. The certification body shall take account of the rate of change of membership within the group; changes to the group management structure and the type and variety of forest activities being implemented within the group before making the decision to waive an annual FMU level site visit (FSC, 2004/b).

The proposal for a dual certification system would for sure require to avoid double

audits in order to simplify and reduce certification costs. This was also the result of the research conducted by *Macqueen* (2006), where several interested organizations and stakeholders were directly interviewed. A dual certification is what the FSC/FLO dual pilot project is going to develop. An agreement between FSC and WFTO would take in consideration different options:

- if FSC accredited CBs will also be in charge of SFTMS certification, the CB s themselves might develop a joint dual certification programme;
- in case we have two different CBs the one carrying FSC audits could carry out auditing activities while the CBs in charge of certification for SFTMS could take care of receiving the Sustainable and Fair Trade Management Report, avoiding dual field auditing;
- if FSC certified community forests/artisan groups become members of the WFTO and go toward SFTMS certification while working with FT certified importers would not need to be audited twice;
- from the standard comparisons, FSC auditors could check some requirements that are tailored to those aspects that are not already covered by FSC, for example FT prices (see Annex 1).

4.4 - Trading FSC/Fair Trade furniture: COPADE's case study²⁸

How does COPADE work?

To be precise COPADE is split up in a Foundation that can be recognized as NGO and COPADE Arte Latino, that is a private enterprise, recognized as worldshop. As it was already explained in the second chapter, COPADE sells FSC certified community sourced timber products under FT criteria. COPADE-Arte Latino S.L.U. obtained its first FSC chain of custody certificate in 2007, and this year it became a member of FSC International, within the social chamber. COPADE is having a great expansion basically due to the success of *Madera Justa* campaign. In fact, since COPADE has lead this promotional activity it has found private partners willing to buy products and to finance COPADE cooperation projects in Bolivia and Honduras (Figure 4.8). The problem now is, how to find mutual benefits between *Madera Justa* Campaign and COPADE, and how to maintain a balance between both activities. In fact, COPADE is noting that when seeking a partnership, in this case with FSC-Spain and private companies, it is difficult to maintain a balanced relationship. COPADE is running the risk to disappear under other logos.

Companies taking part of *Madera Justa* compromise themselves to buy timber products from COPADE. Usually, they also start to buy FT products for office automatic machines and FSC papers and office materials. At the same time, they contribute to the campaign in financial terms. It may be called a typical "philanthropic" behave. Companies improve their image by collaborating with a "fair" NGO: they obtain website visibility (*Madera Justa* partners gives the chance to put logo and link in the campaign's website) and of course costumers will think that the enterprise is going toward FT behaviour. The amount paid from the partners companies says that this is not just a mere operation of the so called "green washing". Neither it seem to be a "boom and bust" behaviour because they compromise themselves to maintain long market relationships. In fact, on the other side, companies require COPADE exclusivity on their market relationships. In so doing, COPADE cannot sell its products to other Spanish competitors. The exclusivity lead with a strong trust and ensure long term relationships between the two actors. In so doing, companies require that orders and quality have to

28 This part was written by reporting information collected by means of several interviews: Miguél Mejía - Director of APROMAH. COPADE: Javier Fernández Candela - Director, Vicente Ruiz Aguarón, - Honduras Project Coordinator, Sandra Maristegui - Internal FSC certification management.

be respected. COPADE's president said that a lot of efforts were needed since the beginning to set a confidential and trustable relationship with producers groups. An initial baseline assessment was needed and the experience of previous failures highlighted which are the most likely misunderstanding in trading timber with Southern producers.

As it was explained in chapter 2.4, it is highly risky to compromise trust between different actors when working as connections between Northern companies and Southern producers. Companies as Leroy Merlin ask to strictly comply with purchase orders while producers find it hard, at the first step, to respect agreed timetable. COPADE risks to lose trust that has been creating with private companies while working as mediator between the two actors.

Meanwhile, COPADE does not give up and thinks on launching a sort of cooperation where Southern producers provide Northern producers (carpenters etc.) with parts of products. COPADE thinks that to trade simple commodities or less processed items could be easier. On the other side, Fundación COPADE, works with cooperation projects partially financed from *Madera Justa* partners. The partners become proactive and they do cooperate depending on the scope of their business, as it is explained in the next paragraph.

Supply chain analysis & South / North cooperation

The COATLAHL Cooperative (Cooperativa Regional Agroforestal, Colon, Atlantida, Honduras Ltda.), in Honduras first obtained FSC certification in 1996. The cooperative holds a group FSC certificate on behalf of 10 small timber-producing community groups, who manage 19,500 ha of natural broad leaf forests. Coatlal provides marketing and sales services and has a furniture workshop (COATLAHL Taller de muebles) with a certified supply chain. Their main products are sawn timber and solid wood furniture. The species are: Varillo (*Symphonia globulifera*), San Juan Rojo (*Vochysia Guianensis*), Cedro Espino (*Bombacopsis quinata*) Piojo (*Tapirira Guianensis*, Coloradito (*Gordonia Brandegeei*), Marapolán (*Guarea grandifolia*), Red Cedar (*Cedrela Fissillis Vell*), Caoba (*Swietenia macrophylla*) Santa María (*Calophyllum brasiliense*). Among other, Coatlal sells to COPADE Honduras roundwood and sawnwood. COPADE Honduras stores and dries the roundwood and sells it to the 4 FSC certified group of artisans, called "talleres": Ebanistería Banegas, Ebanistería Mundial, INDEMAC S. de R.L., Artesanías Michel (table 4.15 and figure

4.7). They are all part of a National Association of Timber Processing Enterprises: *"Asociación de Procesadores de la Madera y Artesanías de Honduras"*.

Table 4.15: Group entity details

Sub code	Name	Address
SW-COC-002734-E	Artesanías Michel	Colonia Primavera, Calle Principal, Sector Col. Altamira,, San Pedro Sula, HN
SW-COC-002734-D	INDEMAC S. de R.L.	Colonia La Tuana, aldea Quebrada Seca, Choloma, Cortés, HN
SW-COC-002734-C	Ebanistería Mundial	Entrada a Barrio Danto, congiuo a "Súper Precio", La Ceiba, HN
SW-COC-002734-B	Ebanistería Banegas	Colonia Guillén, Pasaje las brisas 32 y 33 calle, San Pedro Sula, HN
SW-COC-002734-A	Fundación COPADE	San Sebastián de Calpules, carretera a la Lima, San Pedro Sula, HN

Source: own elaboration from FSC database 2009



Source: own elaboration on www.globalgeografia.com

APROMAH was set up in 2004 and it gathers about 15 workshops of artisans. Ten groups work with timber and 5 groups of women work with mud and other primary material. On average each timber workshop groups 6 workers while the groups of

women count with more than 15 participants each.

In the early 2005 COPADE-Honduras has promoted several training programmes on FSC certification, administration and design. In 2007, 4 group of artisans applied for FSC CoC group certification, thanks to COPADE's financial support which covered the certification fee. COPADE Honduras works as the Group entity within the FSC Chain of Custody Group certification. It works as the mediator between COPADE-Spain and the artisans, moreover it serves as a southern organization to implement development cooperation projects.

The group of artisans buy the already processed roundwood and produces crafts and furniture in terms and conditions that are previously agreed. COPADE-Honduras buys the finished products: part of them is sold in its local worldshop, while the rest is stored into a container. Once the container is full, it is sent to COPADE's store, in Spain. A programme for pre-payment for timber workshops exists. When COPADE-Spain make an order, it pays 50% of the final value. Once the product is finished another 20% is paid. When the order is delivered to COPADE-Honduras, an additional 20% is paid. Finally, the last 10% is paid once the product is stored in Spain. Since all timber workshops of APROMAH have financial problems and they have debts with local banks, prepayment is the only way they have to produce and to buy the more expensive FSC certified or legal timber. For example, the average income is about 6000\$/month and on average each workshop has to pay a monthly fee of about 1.600\$.

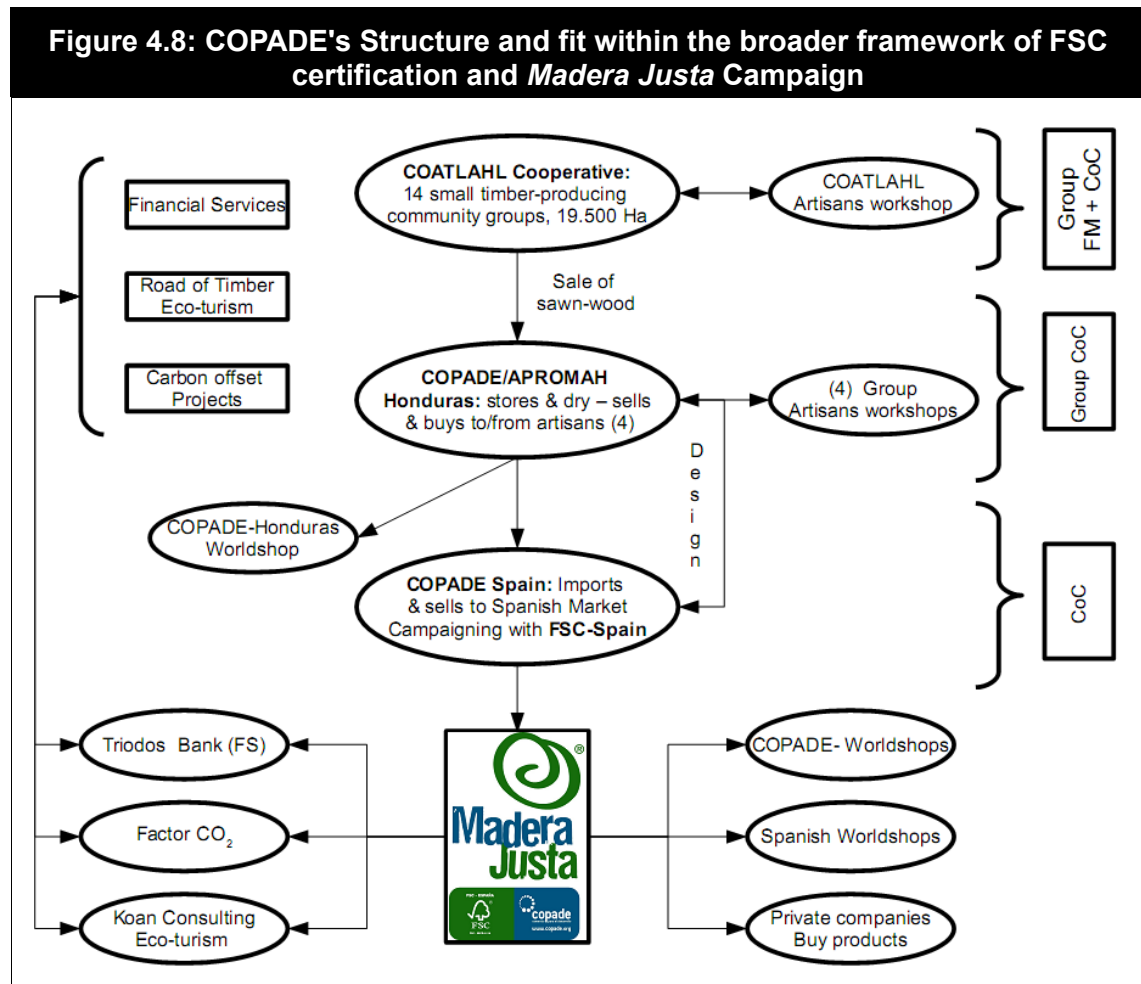
Finding local markets for certified timber furniture has been more challenging; competition from illegal timber remains a severe problem, and most of the local markets do not understand the concept of forest certification and conservation. So far, FSC certification allowed their workshops to sell products to the European market and to work with a FT importer. APROMAH is trying to open new markets toward the USA. But since now, no demand for FSC certified material has raised up in Honduras. Honduras market is still strongly regulated by prices preferences, for instance, APROMAH pays a 30% more for certified wood, which makes the final product price inaccessible at the local market. Usually, there is a indirect benefit when buying certified wood. The roundwood come dried and it has legal recognition. It's easier to process and at the end the final product is of a better quality. APROMAH is proud to be a pioneer in Honduras in certified timber processing business. They think they are going to promote a new way to produce and to make people aware of environmental issues. On the other side, COPADE-Spain has its own CoC FSC certification as it

imports, stores and sells. In order to guarantee a strict respect of agreed design and timetable as well as of FSC procedures groups of artisans are trained by promoting several courses. The cooperation with COPADE started 10 years ago and still faces problems with delivering of purchase orders.

The whole process, from the design to the sale on the Spanish market, can last till 4 months. Once in Spain, COPADE sells FSC certified products through different channels. It has its own worldshops where together with other FT products you can find several furniture and wood craft. People who enter in the shop are sensitized about FSC and FT and they get in touch with the nature of the products. At this step, *Madera Justa* Campaign takes action. In the same shop the Campaign is presented to make customers aware of the meaning of a dual certification. The communication department works in order to capture media, private companies, public authorities attention on the campaign. As it was already stated in chapter 2.4, *Madera Justa* is open to private companies and it works as a marketing instrument for them. They are invited to joint the campaign and to evaluate how they can get involved within the campaign development. They have to respect a minimum agreement code about purchase of dual certified products and involvement with development cooperation projects. Companies are also invited to joint a sort of fair and responsible internal procurement by using FT products in office machines and FSC certified paper and pencils. So far, there is not a specific code of entry. Usually, FT products are provided by COPADE and FSC certified products are provided by other companies that have already joint *Madera Justa* Campaign. Cooperation is a unique aspect in this campaign in fact products are not just mere objects but they are translated into long term relationships and into vehicles of investments North/South - South/North. The cooperation can be divided in 3 level: (i) between COPADE-Spain and private companies; (ii) among companies; (iii) among companies and Southern producers.

Among the three previous one, the third is the most interesting point and it is clearly explained in figure 4.8. Triodos Bank is providing Financial Credit to Southern producers who seek FSC certification, at forest and processing level. This is really important because it leads with one of the most important factors in SMEs development, see chapter 2.4. Factor CO₂, which is a Carbon broker, is involved in Carbon offset projects by promoting FSC certified plantations of Teak (*Tectona Grandis* L.f.) in Honduras degraded areas. On the other side, Koan Consulting which is a company offering eco-turism, promotes "La ruta de la Madera" that is a road of the timber along the whole supply chain, from the forest to the artisans.

Another project is about to be implemented and Leroy Merlin's technicians will be involved in training Southern producers in furniture design. A pilot project will start in 2010, to launch a dual certified timber product line within 8 stores. Finally, the campaign counts with environmental NGOs such as Greenpeace and WWF-Spain, which assure a good company behaving and costumers to trust in *Madera Justa*.



Source: own elaboration

The whole system needs several efforts and supports from COPADE and, as it was explained in chapter 2.4, SMFEs are often highly supported by NGOs. But in this case, the collaboration between private companies, COPADE and FSC certification lead to a high level participated and successful integrated development model in the forest and in the FT sector. Production is just part of the business, we find together corporate social responsibility, green and social marketing, Carbon offset projects and eco-tourism as a whole of services surrounding the FSC and FT supply chain. In the next section the whole system of *Madera Justa* is analysed by using a SWOT analysis.

A swot analysis for COPADE and its *Madera Justa* Campaign

During the internship with COPADE the general system explained in figure 4.8 was analysed. COPADE' staff was interviewed, moreover there was the chance to participate to all *Madera Justa* meetings between September 2009 and December 2010 in order to deep the qualitative analysis. During this time, five private companies, partners of the campaign, were directly interviewed. The following SWOT analysis (table 4.16) is the outcome. SWOT analysis is then commented using S-W-T-O letters more the reference number of the listed items.

Table 4.16: A SWOT for *Madera Justa* Campaign

		STRENGTHS	WEAKNESSES
INTERNAL		1) Strong public recognition of environmental partners such as Greenpeace and WWF. 2) Link social and environmental concept through linking FSC and FT. 3) Collaboration between social & environmental NGOs, private companies and public entities. 4) <i>Madera Justa</i> offers an innovative CSR instruments; working as a step wise approach to improve CSR. 5) COPADE high found-raising capacity. 6) Mutual cooperation among FSC and COPADE. 7) Private companies' duty based ethic. 8) COPADE social capitals and networks. 9) Influencing GPP policies and private companies' procurement at national level. 10) Pioneering initiative in EU.	1) Lack of FPs (imported by COPADE) which are respecting both FSC and FT criteria. 2) Lack of mass communication, which can reach new consumers and stakeholders. 3) Non-existence of a minimum code of entrance. 4) Misuses/misunderstanding of both FSC and FT concepts. 5) The campaign is growing more than their promoters do. 6) No equal treatment of the MJ partners. 7) Entry fee not based on companies' turnover. 8) Change of MJ responsible staff; 9) Low perceived market advantage by private partners; low final consumers satisfaction. 10) Old furniture design. 11) Lot of efforts are due in packaging operations.
		THREATS	OPPORTUNITIES
EXTERNAL		1) Company with bad image might want to adhere to <i>Madera Justa</i> . 2) Growing of similar initiatives (FLO/FSC) - competition. 3) Raising of discontent between private partners. 4) Lack of a real consumers demand for environmental and social performances in timber and related products. 5) Green washing.	1) Raising of synergies between <i>Madera Justa</i> partners, valour and market sharing; 2) Already existing FSC/FT products. 3) FSC has stated smallholders certification as a priority. 4) EU strategy prefers development cooperation project which integrate private and public entities actions. 5) EU campaign expansion, exploring the Italian context, learning from previous experiences.

Source: own elaboration

All five interviewed Spanish companies said that there is not demand from consumers on environmental and social performances for timber products. Consumers are interested in competitive prices and design. Then, in a second moment, social and environmental performances may add something more that drives the final consumers' choice (T-4). All interviewed companies demonstrate a duty based ethic behaviour (7-S). For this reason they are proud of working in collaboration with other social and environmental, public and private actors (3-S).

Companies were asked which is the most important form of responsibility (social, environmental, legal): they all stated a combination of them. Mainly they adhered to the campaign because of CSR matter. They find in *Madera Justa* a way to promote their green and social image and to have an additional marketing instrument (2-S). Three companies stated that they are part of the campaign because they want to promote FSC certification. Successively, the partnership between COPADE and FSC make them to get in touch with Fair Trade products and other organizations working in the same field (4-S).

Some discontents raised up from private companies, mainly due to the unequal treatment among MJ partners (3-T) (6-7-W). Although, it's worth to notice that the unequal treatment also depends on how much companies are willing to compromise themselves within *Madera Justa* activities. In fact, there is a different level of participation among partners and the results is that there are different performances related to CSR quality matter. There is not a code of entry, nor a minimum level that company have to respect being part of the campaign (W-3). In this sense, there is a high risk of green-washing (1-5-T).

Discontents from private partners raised up concerning the lack of a mass communication of the campaign. Companies are complaining because MJ is not able to reach those consumers that are not already well aware (2-W). In FT and FSC public events the people surrounding are always the same.

Another weak point, maybe the most important, is the lack of forest products, furnitures etc. respecting both FSC and FT criteria. In fact, thanks to the campaign companies want to buy products from COPADE but it lacks of supplying capacity. Small quantities of products are traded and furniture design is old style not update to the needs of consumers.

Nevertheless, the campaign is growing, more than they promoters do (5-W). The concept of *Madera Justa* is strong among its partners and one of the interviewed demonstrated a misunderstanding of both FSC and FT concepts (4-W).

Finally, apart from several weaknesses, the campaign is positive evaluated. Raising of synergies between *Madera Justa* partners, valour and market sharing, together with COPADE social capital and found raising capacity, make the campaign a strong instruments to promote both FSC and FT concept and dual certified FPs.

Several opportunities shall be taken into account, together with the present evaluation, in order to improve and plan possible ways forward(3-4-5-O). In box 4.1 some managerial recommendation for MJ promoters are reported²⁹.

Box 4.1: Managerial Recommendation on *Madera Justa* Campaign

Since in Spain the campaign is having a great success, there would be the possibility to consider the option to extend it to other countries. In doing so, FSC and FT actors should take into considerations the following points:

- to gather the main environmental organizations to ensure public confidence;
- to create a minimum code of entry to avoid greewashing;
- to precisely define objectives and under way messages of the campaign in order to avoid misunderstanding and misuses of the FSC and FT concept;
- to improve the producers side, creating a more efficient system of producing, packaging, importing and selling dual certified forest products by creating partnerships between private companies and FT importers.

In order to extend the campaign to other countries it would be necessary to find a FSC National Initiative willing to cooperate with a FT actor and vice versa.

The FT actor would need to obtain FSC CoC certification in order to sell and distribute to other importers, cooperatives or worldshops. This last point can be more challenging because of certification costs, while keeping in mind that forest product count just for a small part of the total share value.

A second option could be based on a FT importer that specializes its business activity on dual certified FPs by opening a cooperative in each country to be closer to the national FT and FSC network. In this way, there would be just one CoC certification, dramatically reducing costs. Having one specialize FT importer could lead to more efficient and strategic management with both producer and market side.

29 The SWOT analysis and the managerial recommendations have been adopted by COPADE Foundation for internal planning use. Moreover, the analysis will be presented in the annual *Madera Justa* assembly (25/02/2010), as tool for external evaluation and improvement.

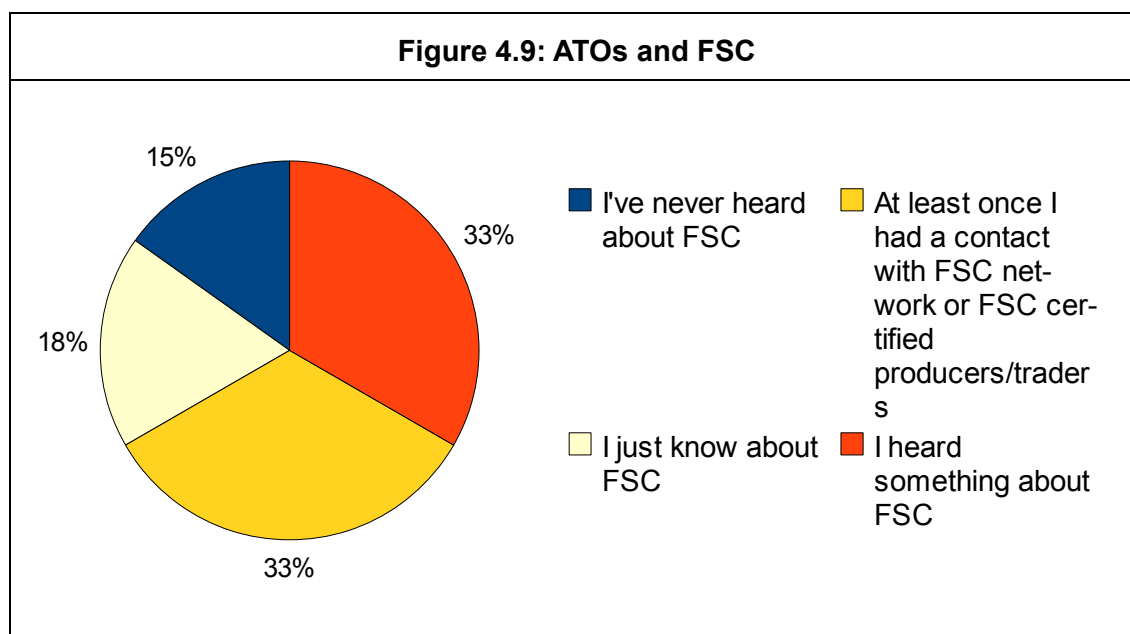
4.5 - Fair Trade - FSC Dual certified Forest Products Market Demand: a survey among Alternative Trade Organizations

In this section we present the findings from the online survey. The data here presented intend to answer the question: "Is there a market demand for FSC/FT dual certified products?". The findings are based on the introductory sections "sector and study area" and "data collection" in chapter 3.

Data are presented by following the structure of the questionnaire (Annex 3). Question 1 was already analysed in previous sections.

ATOs' perception on FSC

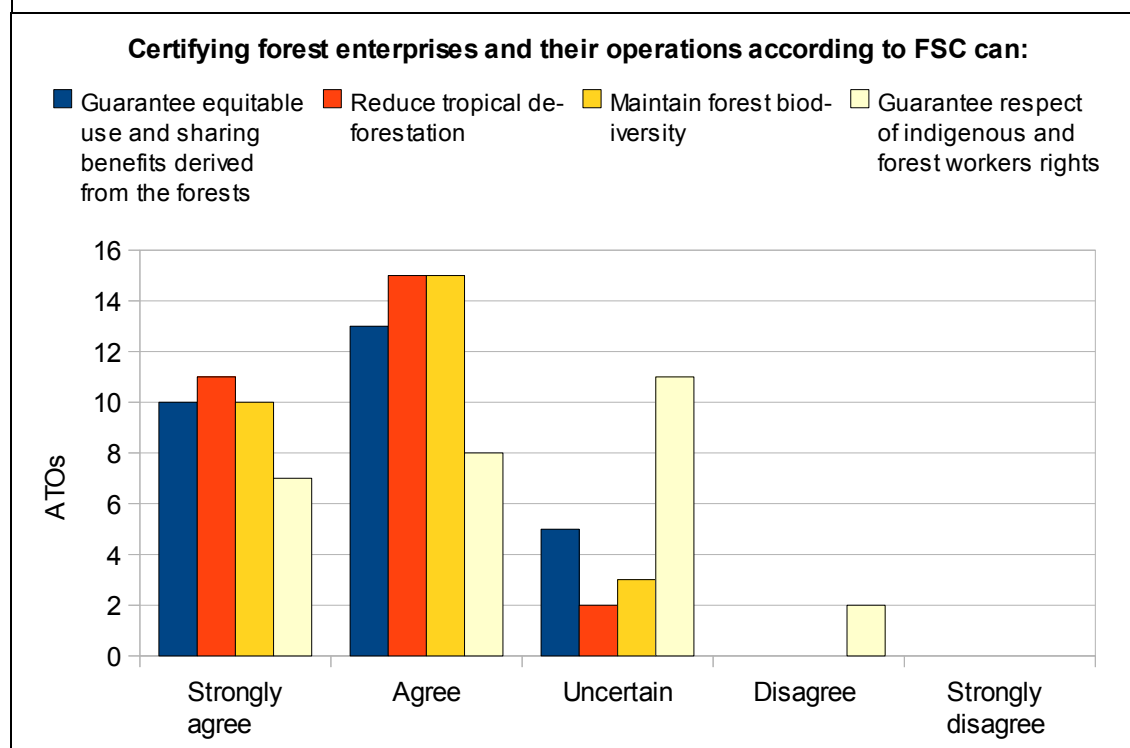
Question 2 was formulated in order to understand if ATOs know FSC and to cross the respondents who knows FSC with some statements in the next question (figure 4.10). More of the 80 % knows FSC and 30% of them at least once had a contact with the FSC network or with FSC certified traders or producers. The other 50% just knows or has heard something about FSC. Surprisingly, just about the 20 % has never heard about FSC. These statistics tell us that ATOs sample is well aware about FSC and that a significant part of the interviewed ATOs are already in contact with the FSC network.



Source: own elaboration

ATOs which answered "I've never heard about FSC" were not asked to respond the following questions. So the sample in figure 4.10 is based on 28 respondents.

Figure 4.10: ATOs attitude toward FSC



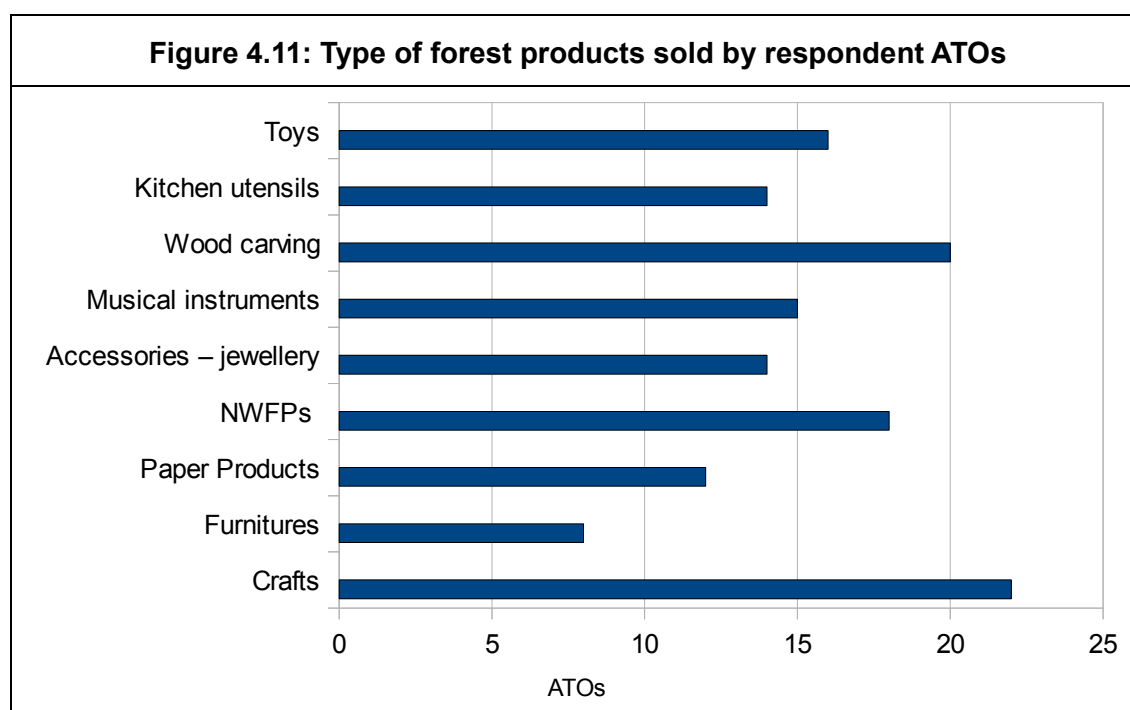
Source: own elaboration

Figure 4.10 gives a description on ATOs attitude toward FSC. The bar-graphs show a positive general attitude on 4 different statements on FSC. No one ATO has chosen "strongly disagree" in any statement. In the first 3 statements no one ATO has chosen "Disagree", just 2 in the last one. As it was expected there is a general skewed to the "Strongly disagree" for all aspects. By comparing the bars it is clear that "Guarantee respect of indigenous and forest workers rights" was the less skewed to the right. In conclusion, there is a general agreement on FSC and its environmental stewardship. Social aspects are believed weaker than environmental ones. It might be worth to notice that ATOs know FSC but maybe they don't have a clear idea on the standards, governance structures and forestry sector specific features. This underestimated perception of FSC social performances might be due to ATOs lack of knowledge related to the link between social aspects and responsible forest management. The general ATOs attitude toward FSC is positive, this may be interpreted as a starting point in order to create synergies between FT and FSC matter.

ATOs and Forest Products

As it was stated in section 2.5.3, forest products are commonly trade within FT network. The 76% of the respondent ATOs usually imports, buy or sells forest products

within FT network³⁰. The graph below sensitized the frequency and which kind of forest products ATOs are trading within FT network (Figure 4.11).



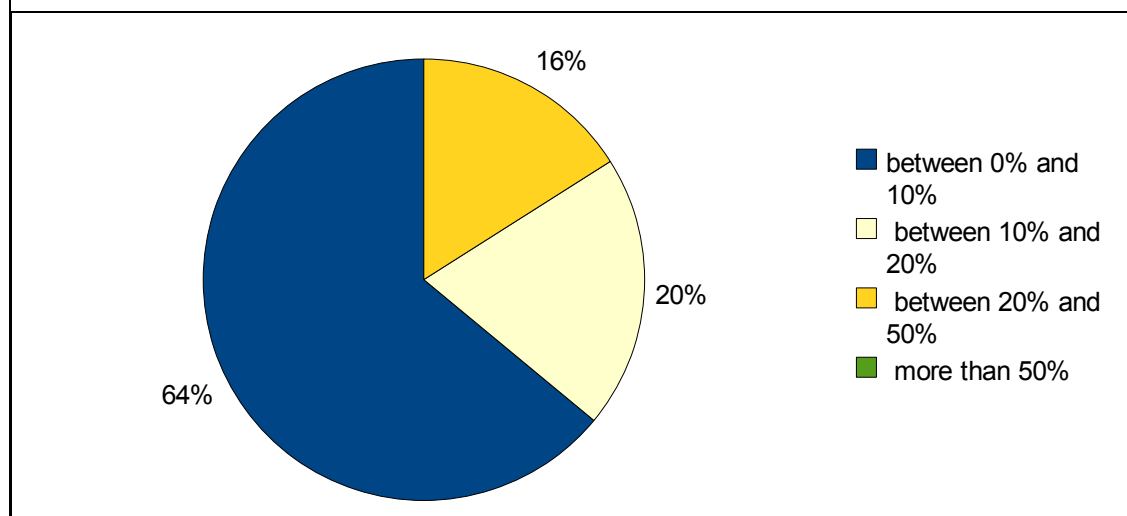
Source: own elaboration

Some of the respondents added that they are selling cosmetics prepared with NWFPs, sports-ball and small furniture. Moreover, one importer stated that he does not know whether wooden products in their shops are made from forest wood or any other wood. This last point is really important and suggests some questions: are ATOs well aware of wood origin? Is there any probability that wood coming from illegal sources could be sold within FT network? As it was explained in COPADE case study, workshops always chose the cheapest raw material they can obtain in the market. Dual certification could assure ATOs and their consumers of forest products legality and origin.

Furniture and paper products are the less sold within the FT network and they are usually traded by specialist FT importers and the biggest EU importers. In fact, almost the same importers (4) are those that indicate that the share value of FPs sales is around the 20 and 50 % on the total sales. They find in FPs a niche market or a way to enlarge FT product range. On the other side, 5 of the interviewed ATOs have a value share related to FPs equal to 10-20%, 16 ATOs equal to 0-10% (Figure 4.12). Although the data about the value share of forest products on the total are quite realistic, these question had several comments stating the approximation of the estimation.

³⁰ Figure 4.11 and 4.12 are based on 76% of the interviewed ATOs which sell FPs.

Figure 4.12: ATOs share value of forest products sales on the total



Source: own elaboration

At this question we have observed an high drop out level, almost all uncompleted questionnaire have left once arrived to the question above.

ATOs attitude toward FT/FSC dual certified forest products

There is a general positive attitude toward FT/FSC dual certified forest products (FPs) although there is a high concentration in "uncertain". No one ATO strongly disagrees with the proposed statements and only few ATOs have disagreed with the proposed claims. Interviewed ATOs disagree more on the fact that dual certification may help to respond to consumers demand (Figure 4.13). This is also in line with the next question which shows ATOs perception on consumers willingness to pay (WTP) for dual certified FPs (Figure 4.14). Interviewed ATOs think that is not so likely that consumers will ask for FT/FSC dual certified forest products and that their WTP is quite low. This situation can be interpreted by saying that the adoption of dual certification is a matter of internal corporate social responsibility. In fact, about 70% of interviewed ATOs strongly agree or simply agree on the claim "dual certification may help to improve worldshops sustainability".

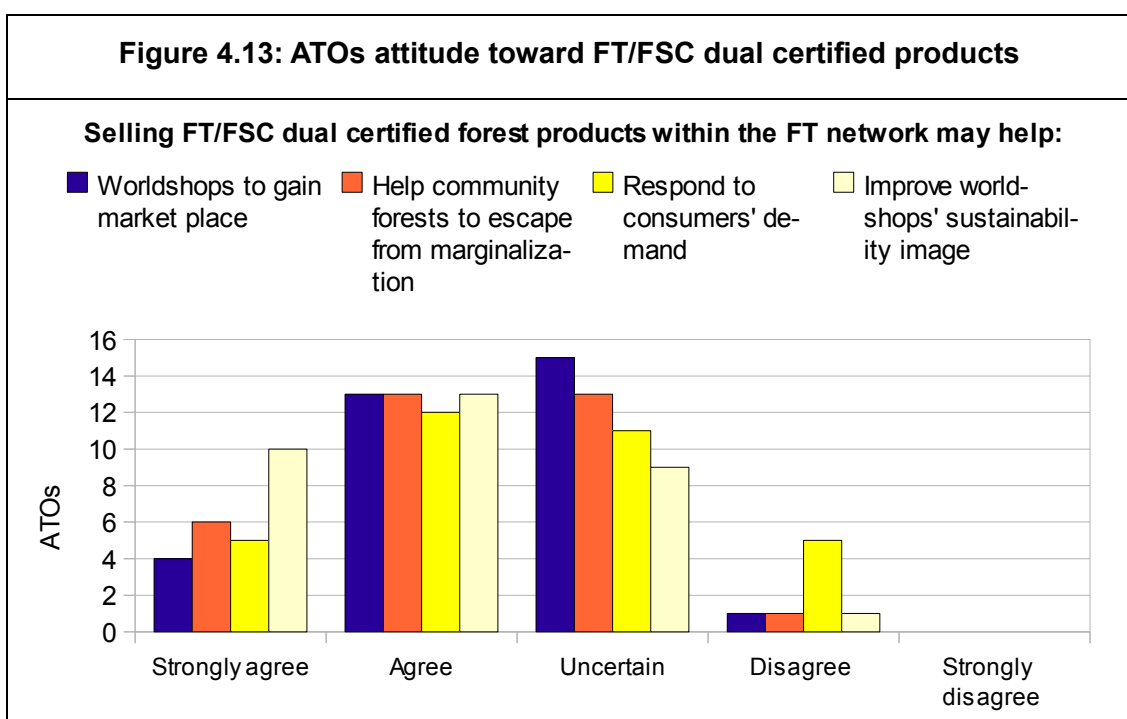
This is a quite interesting aspect, in fact, the comparison between graph 4.14 with 4.15 and 4.16, shows how interviewed ATOs are interested to buy and to pay for dual certified FPs despite of their low perception of consumers demand and WTP. We can draw that the reason of their interest is not consumers oriented.

The ATOs WTP is represented in figure 4.17 which shows the WTP by product category with different price level. Almost a 30% is always not willing to pay, but there is a general WTP that change relatively by price/product category.

Just low price product categories have gain a premium price higher equal to 50% more. The general WTP is distributed between 5% and 10% of premium price. Although, the results can not be taken as representative of a true WTP, the question was made to put ATOs in front of a practical decision.

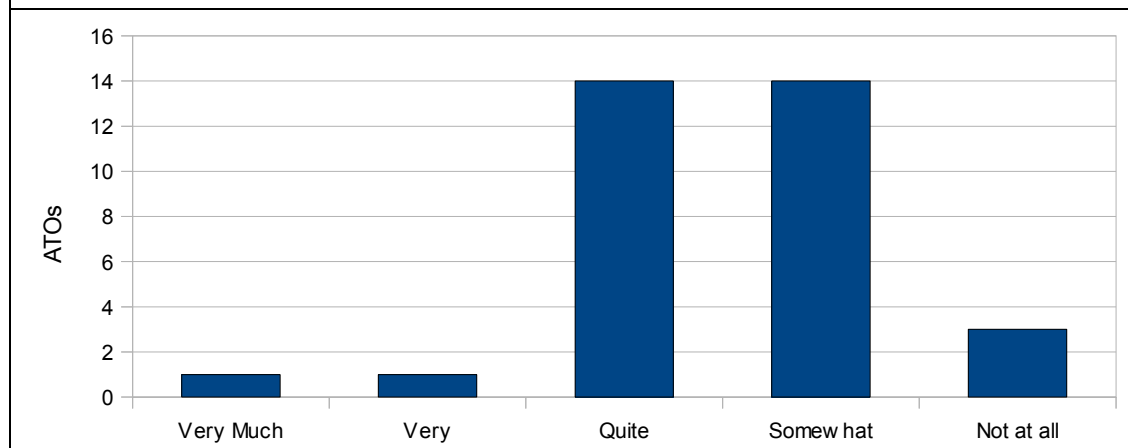
When asking which kind of dual certified products ATOs would like to trade, the range of product is the same ATOs are already selling. The interest seem to be quite equally distributed among wood products, NWFPs, and paper products. There was a certain interest on office material like pencil and pens.

Dual certification is not demanded just for finished timber products. Some comments suggest that they are interested in selling NWFPs ingredients and essential oils, sawn-wood and parts of furnitures. Finally a comment said that they are "looking for the right producers not the right product". It means that in the case they will source dual certified forest products they will do so with a certified organization, according to WFTO.



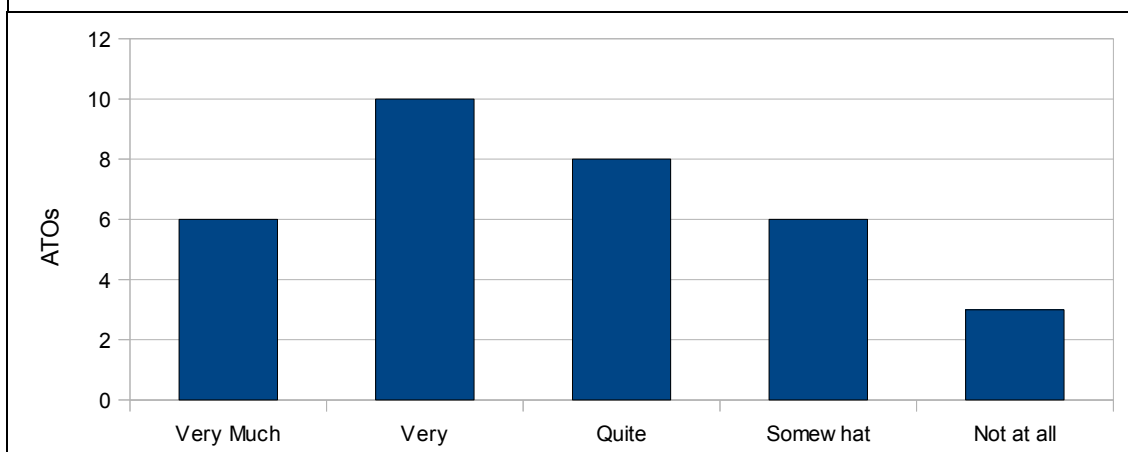
Source: own elaboration

Figure 4.14: ATOs perception on consumers' WTP for Dual Certified FPs



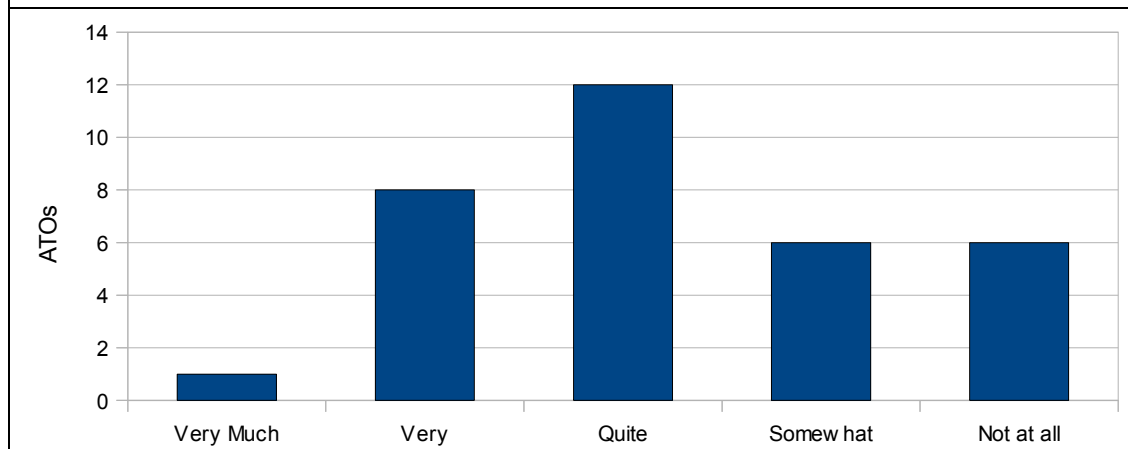
Source: own elaboration

Figure 4.15: ATOs WTP for Dual Certified FPs

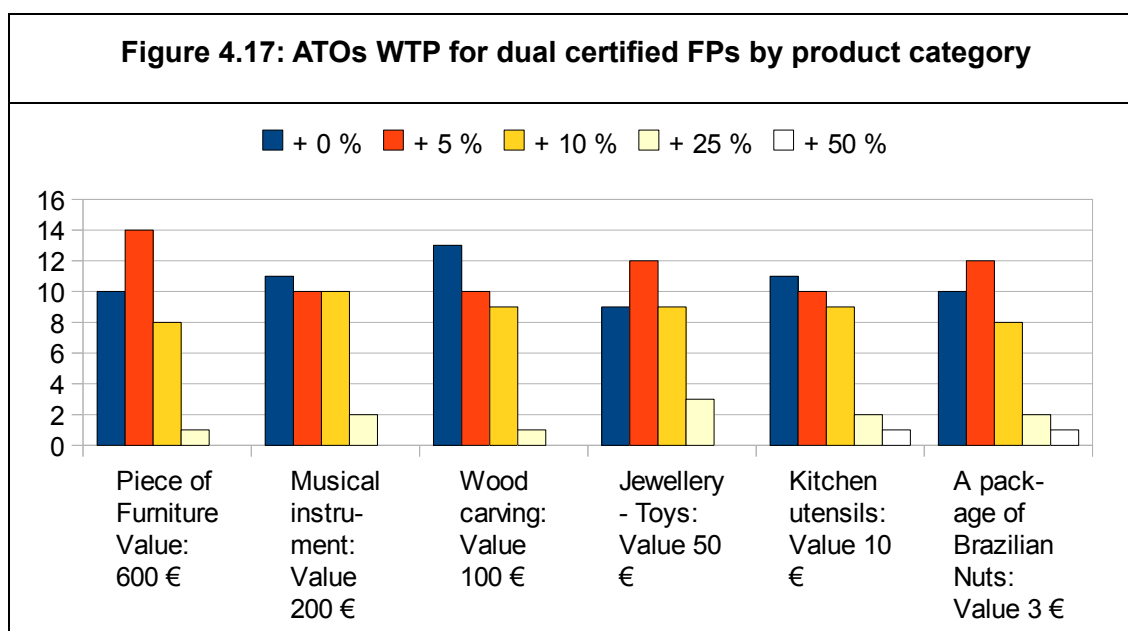


Source: own elaboration

Figure 4.16: ATOs interest on buying FT/FSC dual certified FPs

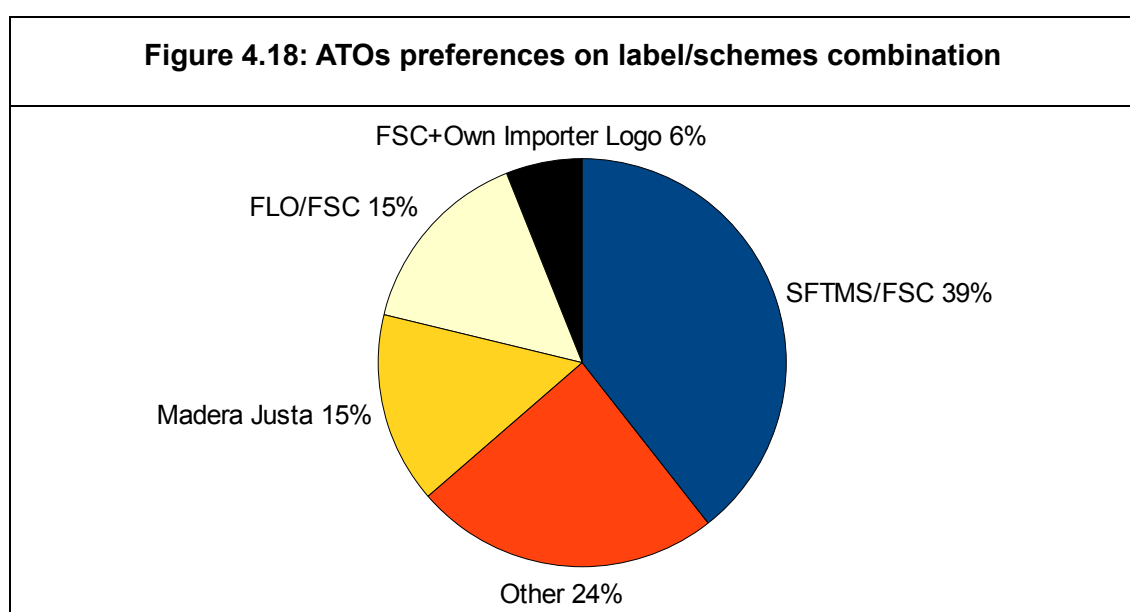


Source: own elaboration



Source: own elaboration

When asking ATOs preferences on label/schemes combination for dual certification, almost 40% of respondents choose the SFTMS/FSC option. Just two of the 9 Spanish ATOs state they would prefer a label like *Madera Justa*. The idea of a specific label like that of *Madera Justa* was preferred by other 3 ATOs, for a general percentage value of 15 %. As it was expected, among ATOs the FLO/FSC approach had just the 15%. One of the biggest world wide importers chose the option where the FSC logo is accompanied by the importer's logo (Figure 4.18).



Source: own elaboration

The option "other" had the 24%, resuming the comments received, some importers disagree with the idea of dual certification because they are against the new policy of WFTO which would go toward on product label approach: they said that there are too many labels already and it gets too complicated for the common customer, there are other ways of marketing the ideas and products. Moreover, they have several doubts about the new SFTMS. Other respondents stressed the point that it is not adequate to put FSC together with FT marks because the image of FSC is too weak. Moreover, there would be the need to promote dual certification at national and international level to make it a success.

Mainly, the other comments were all directed to purpose other system to obtain dual certified forest products, for example: "there could be the option to put FSC with the AGICES³¹ (National FT platform) that is the organization which certifies ATOs in Italy".

The results are really encouraging, the proposal of this thesis was to investigate the possible link between FSC and FT, and the selected option SFTMS/FSC for standard integration was also the more appreciated by ATOs. On the other side, from this data, we can draw that there is a multitude of possibilities to link FSC with FT, depending on the context and the organization that we want to serve. To reduce the FT/FSC link to one option only would mean to loose possible synergies and possible way forward.

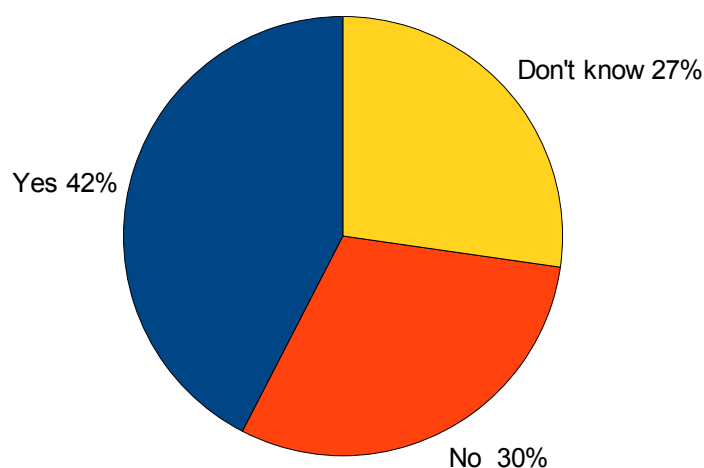
ATOs willingness to get involved

When asking if ATOs are willing to test dual certified FPs we can observe that more than 40% is willing to do so (figure 4.19). This is also really encouraging, also because the 30% that said "No" is mainly composed by those ATOs which do not sell FPs. These data also reflect the previous Likert scale on ATOs attitude toward dual certification. Some ATOs wrote that they should study the proposal, by evaluating the quality of the products, kinds of products, product development necessity, availability from current suppliers, how the certification is done, costs, bureaucracy, price, product and market potentials. All this has to be known before a decision can be taken.

On the other side, some ATOs reported the necessity to have a system for dual certification and to promote such products through sensitization campaign to obtain more WTP from the side of consumers.

31 Italian General Assembly of Fair Trade <http://www.agices.org/it/>. It certifies ATOs and its certification system is certified by ICEA <http://www.icea.info/>

Figure 4.19: ATOs interest to test FT/FSC dual certified FPs

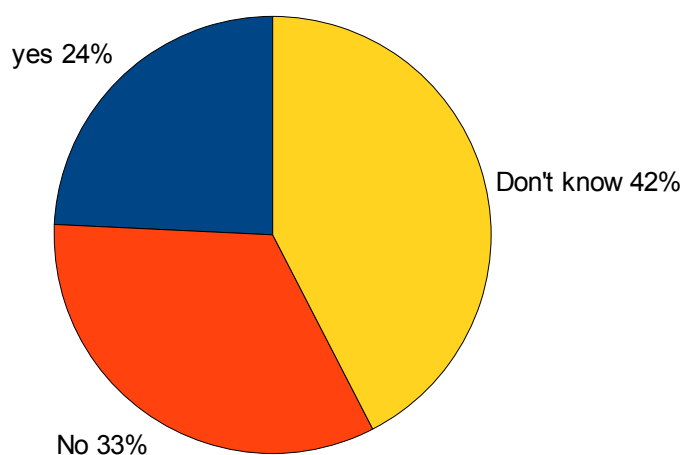


Source: own elaboration

Respect to the figure 4.20 below, just 40% of the interviewed ATOs have market relations with large retailers. Just 24% would be willing to cooperate with large retailers, supermarket, wholesalers in order to promote dual certified FPs. 42% responded "Don't know" and the 33% "No". Those 24% that agree to cooperate with No-FT actors are composed by (8) ATOs which are the biggest importers in the sample and they are part of the 40% which has market relations with large retailers etc.

Hence, half of interviewed importers are willing to cooperate with other no FT actors to promote dual certified FPs. This is really encouraging because the proposed model between FSC/SFTMS would not work without FT importers.

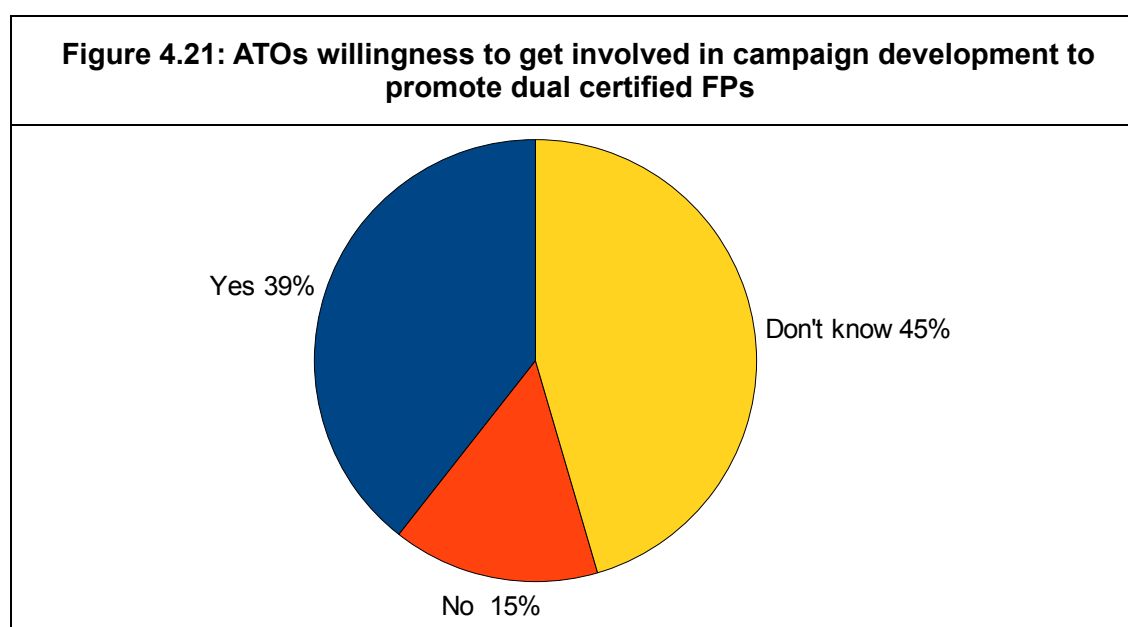
Figure 4.20: ATOs willingness to cooperate with No-FT actors to promote dual certified FPs



Source: own elaboration

Again the comments from "don't know" answer reported that is not so easy to work with large retailers, some of ATOs have already negative experiences mainly due to the bargaining power and unwillingness to cooperate of large retailers. A proposal for promoting Dual Certified FPs within No-FT actors through FT network would need big FT importers which may have more bargaining power toward other actors.

When asking: "Would your organization be interested in taking action in a campaign (like *Madera Justa* in Spain) that increases civil society, private and public sector awareness on purchasing FT/FSC dual certified forest products?" around the 40% said yes, 45% said "Don't know" and just the 15% said "No" (Figure 4.21). These results support the idea, presented in the previous paragraph, which state that FSC would gain more from a partnership with WFTO because of the great capacity of ATOs to reach and sensitizing consumers.

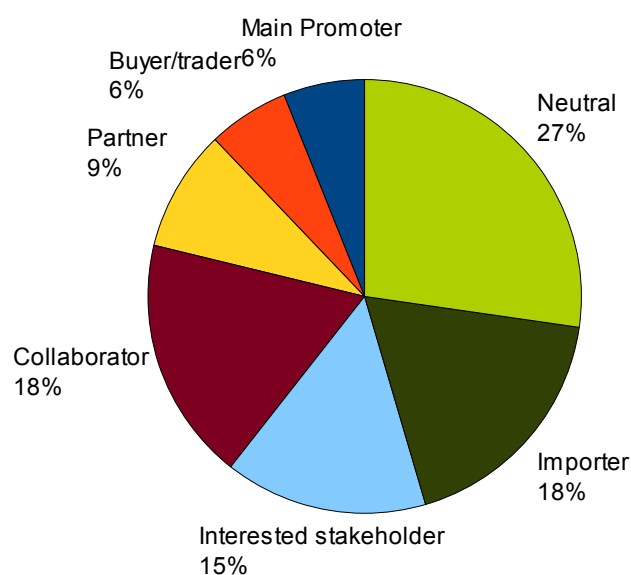


Source: own elaboration

When asking "which kind of role would your organization like to have in the campaign development" the results are shown in figure 4.22. The group of "other" was added to the neutral group as all "other" responded "none". ATOs which would have a neutral role represent 27% of the total. Almost 60% would actively take part in the campaign development. Just 15% of them would be "interested stakeholder".

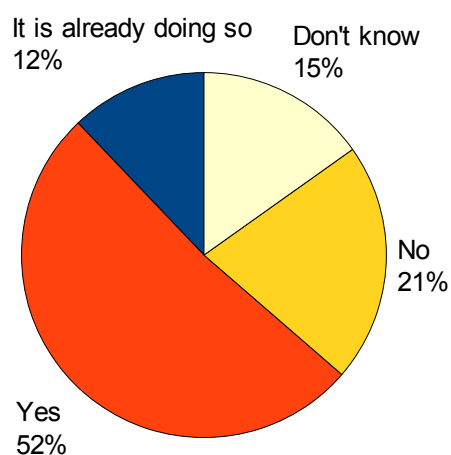
It was also considered important to ask about the interest on using FSC packaging, boxes etc. for FT products. Again, the results are very encouraging, just the 12% is already doing so, but the 52% would like to do it. Just the 21% said "No" and the 15% said "Don't know" (Figure 4.23).

Figure 4.22: Hypothetical ATOs role in campaign development



Source: own elaboration

Figure 4.23: ATOs interest on using FSC packaging, boxes etc. for FT products



Source: own elaboration

The comments received mainly agree to use FSC certified materials as a means to improve worldshops' coherence. Comments also report ATOs interest on FSC materials as a mean for improve worldshops' coherence and the lack of information on prices and contact with the FSC network or suppliers.

In the following chapter the conclusion of this market analysis are presented and integrated with the findings from the case study, standard analysis and qualitative interviews.

5 - CONCLUSIONS

Poverty reduction and environment protection are both on the top of the international agenda. In chapter two we saw how dealing with forest related poverty can be more challenging due to specific features of timber/forest sector. Although the concept of sustainability should be at the basis of every forest development project, it is still hard to conciliate social, environmental and economic dimension. One of the most recognized market based instruments to promote a better forest governance, which conciliate the three dimension of sustainability, is the third party forest management certification. Among others, forest certification empowers southern producers to express their responsible practices in the market by offering products that can be recognized by responsible consumers through a specific logo.

At the moment, as explained in the paragraph dedicated to forest certification, the Forest Stewardship Council is the most spread in southern countries. In fact, increasing responsible forest management in tropical countries, as to enhance the certified forest area managed by smallholders, is a priority in the FSC global strategy.

Almost a quarter of the global forest area is owned or managed by communities, especially in the Southern countries. Since they have to face with basic problems dealing with surviving, responsible forest management is, on the contrary, the last among their priorities.

On the other side, Fair Trade is an organized social movement and market-based approach that aims to help producers and their associations in developing countries. Its specific features, already mentioned in chapter 2, make Fair Trade a preferential channel to trade also forest products from the south to the north of the world.

In fact, communities forests and related activities might be a vehicle for overcoming poverty and unsustainable forest management practices just if they can get tangible benefits from managing and trading in a proper way their forest resources.

FSC basically lacks of a returning benefits for smallholders. On the other side, FT lacks on experience in forest and related business.

The link between FSC and FT might be one of the possible solutions to benefit smallholders while contributing to increase responsible forest management and fair trading principles among smallholders in tropical countries.

As stated, the study aims to give a more practical contribution to improve the knowledge around the possible links between FSC and FT certification.

Respect to the first research question/objective stated in the paragraph 1.1, from the results it is clear that there is not just one scenario that may apply for dual certification. ATOs demand different options for dual certification, although the majority of them prefer a SFTMS/FSC option. To reduce the FT/FSC link to one option only would mean to loose possible synergies and possible ways forward.

The existing initiatives are running from both sides of FT: "product certification route" and "integrated route". Depending on the geographical scope, type of organizations and the market that we want to reach, there might be different options to offer dual certified forest products.

It is impossible to define which option is the best one, but for sure FSC is, at the moment, the only forest certification scheme that may apply for a partnership with FT, when working with SMFEs and CFs in the tropics.

Nevertheless, the option SFTMS/FSC was chosen and studied in-depth because it has not been previously investigated and it might bring some new positive implications. Moreover it was the most appreciated among interviewed ATOs.

With respect to the certification schemes selection and comparison analysis, the following are the main reasons for supporting a SFTMS (WFTO) / FSC dual certification for forest products:

- both Forest Stewardship Council and WFTO work globally. An option in favour of SFTMS/FSC dual certification system would be valid all around the world;
- an option in favour of SFTMS/FSC dual certification system would allow forest entities to sell timber and NWFPs and environmental services with both labels;
- community forests, workshops or SMFEs might use the SFTMS as a tool to go toward a step-wise approach to FSC Group Certification;
- a SFTMS/FSC dual certification approach would be in favour of an intermediation between producers and private companies. Mediators would guarantee a producers oriented market chain relationship and would promote sensitization and promotional activities in the Northern countries;
- the SFTMS will allow on product label also carrying the producer's name;
- FSC would definitely gains high visibility from entering in FT worldshops, reaching consumers that already have a feeling for responsible purchasing but so far do not know FSC.

Respect to the organizational issue related to the integration between the SFTMS and FSC main standards, since the SFTMS is not completely developed, an exhaustive analysis between certification systems was not possible. Standards are already available so that the study has drawn the following conclusion based on the findings from the Annex 1:

- according to WFTO feedbacks and the SFTMS specific features a proposal for integration would considered the FSC standards for Group Certification. In so doing, we should assume the equivalence with the Forest Group entity in FSC group standards and Producers organization in SFTMS;
- FSC standards cover all the main management procedures required by the SFTMS, no additional efforts are required;
- the Forest Management Plan would became the Fair Trade Forest Management Plan (FTFMP) which would bring all information required by FSC standards more FT lacking information;
- when respecting FSC standards, a community forests or workshop which trade with a FT importer wouldn't have to make additional efforts to be certified according to SFTMS;
- a community forest or a group of workshops should be organized together with an NGOs which would form the "Group entity" or "producers organization". The NGOs will carry out most of the administration activities related to certification, including FTFMP, procedures development, training and internal group auditing;
- FT importers which would buy and sell dual certified forest products would need of a CoC certification. In order to reduce certification costs, it is recommendable that a FT importer should specialize its business activity on dual certified forest products by opening a cooperative in each country to be closer to worldshops and FSC National Initiatives.

These last considerations might be used to create a framework for a deepen analysis when the WFTO will complete the whole SFTMS.

Given that, it is worth to consider that Fair Trade is evolving rapidly although it still lacks of a real coordination on certification matter between different countries.

SFTMS intends to build a worldwide standard for FTOs but it is facing some difficulties and oppositions among the WFTO members themselves. Besides, the SFTMS seems to have several weak points that might raise some doubts and have to

be seriously taken into account:

- WFTO has already certified the first FTOs when a certification system is not in place, yet;
- at this initial phase, a single auditor, accredited by EMAS is considered as a certification body;
- the SFTMS does not consider the general framework of ISO rules, for instance, respect to the use of the word "Sustainability" (ISO STD 14021);
- the standard is tailored for any type of organization and it does not give any specific rules depending on the business sector;
- the concept of "third party" certification is still not clear since there is not a clear plan for setting an accreditation system, yet.
- the SFTMS will find several problem concerning ATOs standard acceptance because it purpose its system and its logo, when at national level, each ATOs or FT national platform has its own system, logo and corporate identity.

The SFTMS needs additional public consultation to obtain broader public acceptance and consensus. The comments received from the on-line survey and direct interviews support this statement. Moreover, the WFTO might need more help within the certification system/standard setting process. An agreement with FSC would also help the WFTO to face several technical point, related to standard design, third party certification, etc.

Despite these last considerations, the study contributes to enrich the literature on the possible link between FSC and FT, and to explore an option which has not been previously investigated. Besides, during the thesis work, the SFTMS/FSC dual certification proposal was presented to several interested organizations, which all have given positive feedbacks. Feedbacks from key stakeholders are summarized in Annex 4.

Respect to the second research question/objective stated in paragraph 1.1, the collected data both from the on line survey and the case study analysis detected that a market demand for FSC/FT dual certified forest products already exists. The evidence for this is represented by the fact that there is already a market for such products and that on going initiatives are raising up future demand.

The problem is, on the contrary, from the supply side: how to provide other products, different from the existing ones, and how to respond to the demand once created and potentially increasing.

The demand is currently directed to timber and NWFPs. Environmental services such as tourism and carbon offset projects deserve special attention for future research studies. Definitely, an option for dual certification should take into account the multifunctional role of forests and their communities.

As regards forest-based products (goods), interviewed ATOs and companies are interested to buy and to pay for dual certified FPs despite of their low perception of consumers demand and WTP. We can draw that the reason of their interest is not consumers oriented. Both for ATOs and private companies dual certification represents a way to improve sustainability image and to have a CSR instrument for their marketing strategies.

For sure, at the moment it is a niche market, but with the right promotional tools the demand is likely to be higher than the existing production, as we have seen in COPADE case study. Economic actors, NGOs, ATOs, while promoting dual certified FPs should pay specific attention on how to guarantee the created demand in agreement with producers' groups.

Interviewed ATOs seem very interested on dual certification (preferring products proceeding from SFTMS/FSC option) and a significant part of them would actively take part of promotional campaigns for dual certified FPs.

On national basis, FSC National Initiatives should try to collaborate with FT networks and to create initiatives able to raise the demand for dual certified FPs coming from community forests and their workshops. While doing so, building partnerships with private companies and public authorities could be the success factor of joint campaign action, where both FSC and FT can gain media and public attention.

The demand from private companies depends on how much ATOs and FSC NIs will get involved into the promotional side. Companies are willing to buy if they can count with a NGO which would take care of the relationships with producers and promote a kind of "partnership instrument" within internal CSR policies.

The demand from public authorities is related to how much FT and FSC network will be able to create a joint action to promote both FSC and FT criteria in green and socially responsible public procurement policies.

Finally, the study has found that there is a great demand for using FSC certified

materials (office, packaging, pallet) within the FT network. This can be seen as a first step to create a mutual knowledge between the FSC and FT realities. In fact, if the demand for dual certified FPs is strongly related to a joint FSC/FT promotion of such products, the possibility that FSC and ATOs can work together at national basis, is strongly related to the mutual trust of such organizations.

If FSC will be able to better deal with poverty alleviation, through a partnership with FT, for sure it will gain more political and consumers attention in the global *scenario*. Forest certification will work as a market based instrument to help the world be aware of the importance of forests as ecological systems but also as resource useful for poverty reduction and sustainability.

Future research are needed to improve the basis formed by this thesis. Particularly, when the SFTMS will be completed there will be additional inputs to analyse a specific structure for a dual certification system. Nevertheless, the present study, a part from the limitations stated in chapter 3, is worldwide the first one to bring such innovative qualitative and quantitative data on the research topics. The collected data might contribute to a kick-off decision making process within the interested organizations such as Forest Stewardship Council and the World Fair Trade Organization in the near future.

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FLO (2009)	FAIR TRADE MINIMUM PRICE TABLE
FLO (2009)	GENERIC TRADE STANDARD
FLO (2009)	PRODUCER STANDARD FOR SMALL - SCALE PRODUCERS
FLO (2008)	STANDARDS FOR HIRED LABOUR
FLO (2007)	PROHIBITED MATERIALS
FSC-STD-30-005 (V1-0) (2009/b)	FSC STANDARD FOR GROUP ENTITIES IN FOREST MANAGEMENT GROUPS.
FSC-STD-01-001 (V4-0) (2002/a)	FSC PRINCIPLES AND CRITERIA FOR FOREST STEWARDSHIP
FSC-STD-01-003 (V 1-0) EN (2004/a)	SLIMF ELIGIBILITY CRITERIA.
FSC-STD-01-003a (2009/c)	SLIMF ELIGIBILITY CRITERIA – ADDENDUM
FSC-STD-20-007 (V2-1) (2004/b)	FOREST MANAGEMENT EVALUATION
FSC-STD-20-006 (V 2-1) (2004/c)	STAKEHOLDER CONSULTATION FOR FOREST EVALUATION
FSC-STD-40-004 (V 2-0) (2008/b)	FSC STANDARD FOR CHAIN OF CUSTODY CERTIFICATION
FSC-STD-20-005 (V 2-1) (2004/d)	FOREST PRE-EVALUATION VISITS
FSC-GUI-60-001 (V1-0) (2009/d)	GUIDANCE ON THE INTERPRETATION OF FSC PRINCIPLES AND CRITERIA TO TAKE ACCOUNT OF SMALL SCALE AND LOW INTENSITY.
FSC-POL-30-401 (2002/b)	FSC POLICY: FSC CERTIFICATION AND THE ILO CONVENTIONS
FSC- POL-20-001 (1998)	GROUP CERTIFICATION – FSC GUIDELINES FOR CERTIFICATION BODIES
FSC-STD-40-201 (V 2.0) (2004/e)	FSC ON-PRODUCT LABELLING REQUIREMENTS
FSC-POL-40-002 (2004/f)	GROUP CHAIN OF CUSTODY (COC) CERTIFICATION: FSC GUIDELINES FOR CERTIFICATION BODIES
SFTMS (2009)	SUSTAINABLE FAIR TRADE MANAGEMENT SYSTEM, DRAFT 2, (WFTO)

List of consulted Web sites (2009)

AGICES	http://www.agices.org/it/
COPADE	http://www.copade.org/
DAP	http://www.dap.de/
EFTA	http://www.eftafairtrade.org/
FLO	http://www.fairtrade.net/
FLO-CERT	http://www.flo-cert.net/flo-cert/index.php
Forcert	http://www.forcert.org.pg/
FSC	http://www.fsc.org/
FT Institute	http://www.fairtrade-institute.org/
FTAO	http://www.fairtrade-advocacy.org/
IAF	http://www.iaf.nu/
IIED	http://www.iied.org/
ISEAL	http://www.isealalliance.org/
ISO	http://www.iso.org/iso/home.htm
<i>Madera Justa</i>	http://www.maderajusta.org/
NEWS!	http://www.worldshops.org/
PEFC	http://www.pefc.org/internet/html/
PROFOREST	http://www.proforest.net/
WFTO	http://www.wfto.com/
WWF	http://www.panda.org/

Annex 1: A proposal of an Integration between Sustainable Fair Trade Management System (SFTMS) and FSC standards

SFTMS	FSC	Std.
Requirements for the Sustainable Fair Trade Management System		
5 – Planning		
5.1 – The Organisation’s publicly available Mission Statement about Fair Trade		
Written policy signed by the Organisation’s senior management which shall:	1.3 – The Group entity shall have a written public policy of commitment to the FSC P&C	FSC-STD-30-005
state its adherence to Fair Trade principles and its respect for relevant international conventions;	Principle 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 P&C. 1.3 – In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions,, ITTA, and Convention on Biological Diversity, shall be respected. - UN Declaration on the Rights of Indigenous Peoples.	FSC-STD-01-001 see also FSC-POL-30-401
state its commitment to continuous improvement of all its operations and commit to the allocation of adequate human resources to implement Fair Trade with its producers;	1.4 - The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC Standards.	FSC-STD-30-005
state its commitment to addressing all significant environmental issues in its supply chain;	All FSC P&C 1- 10	FSC-STD-01-001
state its commitment to retain community and cultural identity through the product, where appropriate	FSC P&C 2-3-4	FSC-STD-01-001

SFTMS	FSC	Std.
5.2 – Facing the Market: Inventory of customer, market and legal requirements		
	<p>Principle 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.</p> <p>7.1 The management plan and supporting documents shall provide: (a-b-c-d-f-g-h-i)</p>	FSC-STD-01-001
The Organisation shall have a procedure for identifying the significant social, environmental, health and safety aspects linked to all its activities. Specific production and product related quality and compliance issues that are relevant to its product range must be identified	4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups (both men and women) directly affected by management operations	FSC-STD-01-001
A comprehensive and concise inventory must be documented and updated.	12- Outsourcing - The organization shall record the names and contact details of all contractors used for the processing or production of FSC-certified materials. 12.1 Pre-conditions for outsourcing 12.2 Maintaining traceability and paper trails - 12.3 Records - 12.4 Invoicing	FSC-STD-40-004
The Organisation must communicate the requirements and resulting obligations to the producers in a non-technical way. It shall assist and enable them to comply with these market and regulatory requirements in the extent of its capacities	3.2 Supplier validation	
	3.2.1 The organization shall establish and maintain an up-to-date record of all suppliers who are supplying material used for FSC product groups including: (a-b-c)	
The Organisation must formalize with its suppliers and producers the willingness to comply with the obligations identified in the inventory and the Fair Trade principles.	3.2.2 The organization shall verify the validity and scope of the supplier's FSC certificate for any changes that might affect the availability and authenticity of the supplied products	FSC Product Class – FSC Species terminology

SFTMS	FSC	Std.
5.3 – The initial Baseline assessment	Forest pre-evaluation visit to be conducted by the CB (FSC-STD-20-005)	
The Organisation shall carry out an initial evaluation of its current work practices and those of its producers with regard to the requirements and criteria of this Standard. The process of evaluation and the criteria used must be described and documented.	3.4 – The Group entity or the certification body shall evaluate every applicant for membership of the Group and ensure that there are no major non conformities with applicable requirements of the Forest Stewardship Standard, and with any additional requirements for membership of the Group, prior to being granted membership of the Group.	FSC-STD-30-005
The evaluation will include participatory assessments at its own and its producers' workplaces taking into account:		
efforts made to apply Fair Trade principles throughout the supply chain, including, to the furthest extent possible, the sourcing of raw materials;		
environmental issues including, but not limited to, natural resource use, waste generation and disposal, and climate change;		
international and local regulations on social, environmental, health and safety protocols;		
business capability, product design and quality, producer wealth, indigenous resources, skills and knowledge.		
5.4 – Facing the supply chain: the Inventory of significant aspects and areas for improvement		
The Organisation shall list in a concise document all significant social, environmental, health, safety and product related aspects identified in the baseline assessment.		
This list shall be reviewed on at least an annual basis. It should contain two sections of information: one focusing on the Organisation itself, the other on the workers or producers/groups and supply chains. Relevant information should be communicated in a non-technical way. Information derived from the inventory of significant aspects shall form the basis of the improvement programme and certification process.	Principle 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. 7.1 The management plan and supporting documents shall provide: (a-b-c-d-f-g-h-i)	FSC-STD-01-001

SFTMS	FSC	Std.
5.5 – The long-term improvement Programme with Objectives and Targets		
The baseline assessment will form the basis of the improvement programme to be implemented in the Organisation and its producers.	3 – Group entities procedures	FSC-STD-30-005
The organisation must have a 3-year plan and in each of the three years will establish a yearly improvement programme with realistic, measurable objectives and targets. The plan is designed to improve the Fair Trade, social, health & safety, environmental, commercial and economic performance of the Organisation and its producers. The organisation and its producers shall identify the people and resources required to achieve these objectives and targets.	All criteria stated in Principle 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.	FSC-STD-01-001

SFTMS	FSC	Std.
6 – Implementing and structuring		
6.1 – Allocation of human resources and responsibilities	Responsibilities	
<p>The Organisation must designate a senior member of its management team as the person responsible for administering the SFTMS. Appropriate resources must be allocated to enable staff at all levels of the organisation to take an active part in the various functions of the management system.</p>	<p>1.1.1 The organization shall appoint a management representative as having overall responsibility and authority for the organization's compliance with all applicable requirements of this standard.</p> <p>1.1.2 All relevant staff shall demonstrate awareness of the organization's procedures and competence in implementing the organization's Chain of Custody management system.</p>	FSC-STD-40-004
	<p>2.1 – The Group entity shall appoint a management representative as having overall responsibility and authority for the Group entity's compliance with all applicable requirements of this standard.</p>	FSC-STD-30-005
	<p>1.4 The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC standards.</p>	

SFTMS	FSC	Std.
6.2 – Capacity Building and Empowerment for the Organisation and its Producer Groups		
<p>The organisation must identify and document a Yearly Training and Support Programme to assist producer groups in their business skills, environmental stewardship and organisational development. The objectives shall be derived from the baseline assessment and any other relevant requirements. The organisation shall provide adequate human and financial resources to deliver the training and support programme. The organisation's internal staff shall also have access to education, training and development programmes specific to their job.</p>	1.3 Training	
	<p>1.3.1 The organization shall establish and implement a training plan according to the qualifications and/or training measures defined for each procedure.</p> <p>1.3.2 The organization shall keep records of the training provided to staff in relation to implementation of this standard</p>	FSC-STD-40-004
	<p>2.3 – Group entity staff and Group members shall demonstrate knowledge of the Group's procedures and the applicable Forest Stewardship Standard.</p> <p>1.4 - The Group entity shall define training needs and implement training activities and/or communication strategies relevant to the implementation of the applicable FSC standards.</p>	FSC-STD-30-005

SFTMS	FSC	Std.
6.3 – Sustainable Business Processes and Procedures	Group entity's procedures	
The Organisation must develop in writing or visual form a set of working rules governing its internal and external operating and business practices.	3 – The Group entity shall establish, implement and maintain written procedures for Group membership covering all applicable requirements of this standard, according to scale and complexity of the group including:	FSC-STD-30-005
This covers key aspects of the Organisation's day-to-day work. It includes, but is not limited to, Environmental Routines, Capacity Building, Design of Products, Health and Safety issues, Export Activities, Packaging, Transport, Green Procurement, Organisation of Events and Trade Fairs. All stakeholders should understand the rules governing operating and business practices. The producer groups should be encouraged to mirror this good practice by developing their own codes of good housekeeping, effective operational procedures and internal control practices appropriate to their organisational culture.	I. Organizational structure; II. Responsibilities of the Group entity and the Group members including main activities to fulfil such responsibilities (i.e. Development of management plans, sales and marketing of FSC products, harvesting, planting, monitoring, etc); III. Rules regarding eligibility for membership to the Group; IV. Rules regarding withdrawal/ suspension of members from the Group; V. Clear description of the process to fulfill any corrective action requests issued internally and by the certification body including timelines and implications if any of the corrective actions are not complied with; VI. Documented procedures for the inclusion of new Group members; VII. Complaints procedure for Group members.	FSC-STD-30-005
	1.2 Procedures 1.2.1 The organization shall establish, implement and maintain procedures and/or work instructions covering all applicable requirements of this standard, according to its scale and complexity. 1.2.2 The organization shall define the personnel responsible for each procedure, together with the qualifications and/or training measures required for its implementation.	FSC-STD-40-004

SFTMS	FSC	Std.
6.4 – Fair Price and Wage Policy		
6.4.1 – The Organisation shall have a documented procedure to demonstrate how the agreement on prices is reached with trading partners	<p>FSC CERTIFICATION AND THE ILO CONVENTIONS This FSC policy is based on the following premises: 1. Forest managers are legally obliged to comply all ILO Conventions which have been ratified in that country. 2. forest managers are expected to comply with the eight core (fundamental) ILO conventions in all ILO member countries, by virtue of their country's ILO membership, even if not all the conventions have been ratified. 3. FSC's policy for voluntary certification expects managers to comply with all the ILO conventions that have an impact on forestry operations and practices, in all countries (including countries which are not ILO-members, and have not ratified the conventions). This policy will NOT be used to discriminate against countries where basic salaries and working conditions are not well enforced. However, FSC must play its part to ensure that the rights of indigenous peoples are respected, and that workers have fair living wages, safe working conditions and respect for their rights as human beings and workers.</p>	
This procedure shall be based on a transparent and verifiable calculation of costs and profit margins along the value chain in the country of origin.		
The Organisation shall ensure that a fair wage is always paid to its employees and encourage this process with its producer groups.		
It must provide documentary evidence of fair wage practices. A resulting social dividend to be used by the final producers of the goods / products for community development or business development has to be demonstrated.		

FSC-POL-30-401

SFTMS	FSC	Std.
6.4.2 – Moving producer groups up the value chain		
<p>If the existing stage of development of a producer group or the price of its products does not currently allow minimum wages to be achieved, the Organisation shall demonstrate the existence of a programme designed to:</p> <ul style="list-style-type: none"> • improve skills in the producer group, or • move products up the value chain, so that they are capable of providing a minimum wage within a time period mutually agreed between the Organisation and the producer group. The period in which the minimum wage shall be achieved shall not exceed 3 years. 	<p>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.</p> <p>5.1 Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.</p> <p>5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.</p> <p>5.3 Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</p> <p>5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</p> <p>5.5 Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.</p> <p>5.6 The rate of harvest of forest products shall not exceed levels which can be permanently sustained.</p>	FSC-STD-01-001

SFTMS	FSC	Std.
6.5 – Trading Practice with Producer Groups		
6.5.1 – The Organisation shall ensure that payments are made within a time period mutually agreed with its producer groups. Cash payments may be made to small suppliers on delivery.		
In situations where the costs of production put an unreasonable burden on producers, the Organisation must offer interest free pre-financing to them. The terms of pre-financing must be mutually agreed.		
6.5.2 – The Organisation shall negotiate with its producer groups a mutually agreeable contract period for deliveries.		
6.5.3 – Contract periods for deliveries shall not be altered except by negotiation and mutual Agreement.		
6.5.4 – Where the Organisation produces direct copies of existing designs that have not been produced by its own designers, it obtains and retains documentary evidence that the copying of a design is agreed upon by the original designer or producer group.		
6.5.5 – The Organisation shall implement a policy regarding the cancellation or rejection of orders and products which should be communicated to, and understood by, producer groups. Where orders are cancelled through no fault of the producer group, the Organisation shall provide adequate compensation for all completed work, and purchase of raw materials in cases where prepayment has not been undertaken.		
6.5.6 – In trading relationships with main stream wholesalers and retailers the organisation shall ensure the correct use of the logo which may not support branding of non-certified organisations.	Several standards norm and so avoid the misuse of the trademark: FSC-POL-40-002 (2004) EN, FSC-STD-40-201, FSC-STD-50-200-01.	
6.5.7 – Contracts must be elaborated within business relationships if Fair Trade principles are compromised in the supply chain.		

SFTMS	FSC	Std.
6.6 – Internal communication		
On a regular basis the Organisation shall communicate in an appropriate way the results of its trading activities and any variations of its trading policy to its staff and workers.	4.1 – The Group entity shall provide each Group member with documentation, or access to documentation, specifying the relevant terms and conditions of Group membership.	FSC-STD-30-005
6.7 – Communication with relevant Stakeholders		
The organisation shall communicate in an appropriate manner and at regular intervals with its suppliers, producers and/or artisan groups.		
Information on general contract performance, capacity building achievements and any changes in market requirements shall be provided.		
In order to demonstrate its commitment to continuous improvement, the organisation shall plan and execute a program of producer visits. Visits shall occur at least once a year with national producers and at least once every two years in the case of international business relationships.	8.1 - ii - Regular (at least annual) monitoring visits to a sample of Group members to confirm continued compliance with all the requirements of the applicable Forest Stewardship Standard, and with any additional requirements for membership of the Group.	FSC-STD-30-005

SFTMS	FSC	Std.
6.8 – Records and record Keeping		
The Organisation shall have effective procedures for writing, amending and archiving all documentation, including performance records and trading contracts.	5.1 – Record Keeping - The group entity shall maintain complete and up-to-date records covering all applicable requirements of this standard.	FSC-STD-30-005
It shall keep copies of documentation in order to provide an effective audit trail and to verify information if required by stakeholders.	8.2 - Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody." 8.5 - While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators	FSC-STD-01-001
	1.4 Records 1.4.1 The organization shall maintain complete and up-to-date records covering all applicable requirements of this standard. 1.4.2 Retention time for all records and reports, including purchase and sales documents, training records, production records, volume summaries, and trademark approvals, shall be specified by the organization.	FSC-STD-40-004
Records should either be kept in secure storage in hard copy, or in a secure and suitably backed-up electronic form. The records shall be kept for a minimum of 3 years.	5.2 – Group records shall be retained for at least five (5) years.	FSC-STD-30-005

SFTMS	FSC	Std.
6.9 – Preventive Management of Incidents and accidents		
The Organisation shall develop and apply good management practices to prevent and manage environmental pollution.	All Criteria stated in Principles 6 – 9 – 10	FSC-STD-01-001
The Organisation shall provide support to all its workers or producer groups on the management and prevention of risks, especially where good management practices are not yet in place.	All Criteria stated in Principle 4 - Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.	FSC-STD-01-001

SFTMS	FSC	Std.
7 – Managing and Monitoring		
7.1 – Monitoring, Performance Indicators and Internal audit	8 – Internal Monitoring Requirement	
7.1.1 – The Organisation shall develop a system to monitor and evaluate its achievements against targets on a periodic basis. Meaningful Key Performance Indicators shall be identified and used.	8.1 – The Group entity shall implement a documented monitoring and control system that includes at least the following:	FSC-STD-30-005
7.1.2 – Internal audits shall be undertaken at least annually. The frequency must reflect the risk of the activities involved. The Organisation shall also audit a representative sample of its supply chain on an annual basis.	- Written description of the monitoring and control system; - Regular (at least annual) monitoring visits to a sample of Group members to confirm continued compliance with all the requirements of the applicable Forest Stewardship Standard, and with any additional requirements for membership of the Group.	FSC-STD-30-005
The Organisation shall develop an annual internal audit plan which must be supported by adequate resources.	8.2 – The Group entity shall define criteria to be monitored at each internal audit and according to the group characteristics, risk factors and local circumstances.	

SFTMS	FSC	Std.
7.2 – Continuous Improvement of Fair Trade Management practices	3 – Group entity's procedures	
The Organisation shall have a procedure in place to identify and correct failures in compliance with system requirements, achievement of targets and objectives and daily working practices. Non-conformities may provide opportunities for improvement and for appropriate changes to procedures. Corrective and preventive actions must be recorded and reviewed by management at appropriate intervals to support continual improvement.	V - Clear description of the process to fulfill any corrective action requests issued internally and by the certification body including timelines and implications if any of the corrective actions are not complied with;	FSC-STD-30-005
7.3 – Feedback from Workers, Producers, and their Stakeholders in the Supply chain		
The Organisation shall have a procedure in place to obtain feedback at least once per year from all significant stakeholders. The results shall be considered in the management reviews and provide inputs to the continuous improvement process.	8.8 - Additional monitoring visits shall be scheduled when potential problems arise or the Group entity receives information from stakeholders about alleged violations of the FSC requirements by Group members.	FSC-STD-30-005
	4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups (both men and women) directly affected by management operations.	FSC-STD-01-001

SFTMS	FSC	Std.
8 – Annual review and external communication		
8.1 – The Management review		
At least annually, the Organisation shall review the outcomes of its internal audit and producer group feedback, and assess its progress against objectives and targets.	7.2 The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.	FSC-STD-01-001
The Organisation's senior management shall:		
review the effectiveness of the SFTMS;		
assure that corrective action is undertaken;		
ensure that any necessary changes to policy objectives and targets are implemented;		
agree to the information to be published in the Fair Trade report;		
ensure that continual improvement is sustained.		

Annex 2: Fair Trade - FSC Dual certified Forest Products Market Demand: Introduction Letter

Introduction to this market research

More than a quarter of the world's population rely on forest resources for their livelihoods and the majority of them live in extreme poverty. Forests can provide significant contributions in overcoming marginalisation but - as for agricultural commodities - the international market gives no or just limited chances for small & medium forest enterprises (SMFEs) and community forests. Fair Trade (FT) has great experience in supporting small farmers organizations but so far it did not explored the forest sector in detail yet. In fact, timber and other forest products are sold in world shops in small quantities, without any strong environmental recognition and on product label.

The Forest Stewardship Council (FSC) is the leading forest certification scheme in developing Southern countries and FSC brings people together to promote responsible forest management and to find solutions to the problems created by bad forestry practices. Its mission is to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests. One of FSC's aims is to differentiate community produced forest products in the marketplace in order to benefit smallholders. Moreover FSC seeks to give stronger social performances along the market chain.

Hence, new initiatives are being developed to build a partnership between FT and FSC Forest Certification, following past positive experiences like those of Fair Trade in connection with Organic Farming Certification.

New initiatives

In 2009, FSC and Fairtrade launched a dual certification pilot project to develop a certification model for dual FSC/FLO certified forest products. At the same time, IFAT recently turned into the World Fair Trade Organization (WFTO), is setting and testing the new Sustainable Fair Trade Management System (SFTMS), that will be available from 2010. It aim to be a new worldwide standard for FT organizations which enable FT certified organizations to use on product label according to WFTO rules. In this way craft and other wood furniture or products sold within the FT network will bring the new logo. FSC certified community forests may joint the newly established SFTMS to increase their market access and provide FSC/FT dual certified products. On the other hand, FT forest producers might use SFTMS as a tool to go toward a step-wise approach to FSC certification. In Spain, Comercio Para el Desarrollo (COPADE), an Alternative Trade Organization (ATO) based in Madrid (Spain), working with community forests in Bolivia and Honduras, sells FSC community sourced timber products with COPADE's logo as well as with the FSC one.

Moreover, COPADE together with FSC-Spain has launched a high level sensitization campaign called *Madera Justa* that means "Fair Timber": it aims to enhance civil society, public and private sector awareness on purchasing timber products under both FSC and FT criteria, in order to ensure high environmental and social performances. Meanwhile new opportunities to extend and adapt the campaign to other EU countries are being explored.

Dual FT/FSC certification means stronger recognition by consumers and enables producers and ATOs to explore new market channels within the mainstream market for large retailers and public procurement. In order to explore this market potential, the research needs your experience and insights. So please help, by responding to this short questionnaire.

Please, go directly to the [On line survey](#)

Annex 3: Fair Trade - FSC Dual certified Forest Products Market Demand: a survey among Alternative Trade Organizations

Section 1) About your organization

[1] - What kind of organization do you represent? *

Please choose all that apply and provide a comment:

☐ Importer

☐ Worldshop

☐ NGO

☐ Cooperative

Other:

[2] - How much do you know about Forest Stewardship Council (FSC) and its certification standards? *

Please choose at most 1 answers:

☐ At least once I had a contact with FSC network or FSC certified producers/traders

☐ I just know about FSC

☐ I heard something about FSC

☐ I've never heard about FSC

[3] - In your opinion, certifying forest enterprises and their operations according to FSC can: *

Only answer this question if the following conditions are met:

° Answer was NOT 'I've never heard about FSC' at question '2 [2]' (How much do you know about Forest Stewardship Council (FSC) and its certification standards?)

Please choose the appropriate response for each item:

	Strongly agree	Agree	Uncertain	Disagree	Totally disagree
guarantee equitable use and sharing benefit derived from the forests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
reduce tropical deforestation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
maintain forest biodiversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
guarantee respect of indigenous and forest workers rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[4] - Does your organization sell forest products like timber crafts, furniture, musical instruments, Non Timber Forest Products*, etc.? *

Please choose only one of the following:

- ☐ Yes
- ☐ No

* The term NTFPs indicates products derived from forest but that are not composed by woody material such are brazilian nuts, seeds, rubber gum, honey, guaraná etc.

[5] - Which kind of forest products does your organization sell?

Only answer this question if the following conditions are met:

° Answer was 'Yes' at question '4 [4]' (Does your organization sell forest products like timber crafts, furniture, musical instruments, Non Timber Forest Products*, etc.?)

Please choose all that apply:

- ☐ Crafts
- ☐ Furnitures
- ☐ Paper Products
- ☐ Non Wood Forest Products (Brazilian Nuts, rubber gum ballons)
- ☐ Accessories – jewellery
- ☐ Musical instruments
- ☐ Wood carving
- ☐ Kitchen utensils
- ☐ Toys
- ☐ Other:

(multiple choice)

[6] - What is the approximate share value of your forest products sales on the total? *

Only answer this question if the following conditions are met:

° Answer was 'Yes' at question '4 [4]' (Does your organization sell forest products like timber crafts, furniture, musical instruments, Non Timber Forest Products*, etc.?)

Please choose only one of the following:

- ☐ between 0% and 10%
- ☐ between 10% and 20%
- ☐ between 20% and 50%
- ☐ more than 50%

Make a comment on your choice here:

Section 2) Market demand for Dual FT/FSC certified forest FPs

[7] - Selling FT/FSC dual certified forest products within the fair trade network may help:*

Please choose the appropriate response for each item:

	Strongly agree	Agree	Uncertain	Disagree	Totally disagree
workshops to gain marketplace	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
community forests to escape from marginalization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
respond to consumers demand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
improve worldshops sustainability image	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[8] - In your opinion, how much your customers could be interested in FT/FSC dual certified forest products? *

Please choose only one of the following:

- ☐ 5 - Very Much
- ☐ 4
- ☐ 3
- ☐ 2
- ☐ 1 - Not at all

[9] - In your opinion, how much your costumers are willing to pay an higher price for FT/FSC dual certified forest products? *

Please choose only one of the following:

- ☐ 5 - Very Much
- ☐ 4
- ☐ 3
- ☐ 2
- ☐ 1 - Not at all

[10] - In your opinion, how much is your organization interested in buying FT/FSC dual certified forest products? *

Please choose only one of the following:

- ☐ 5 - Very Much
- ☐ 4
- ☐ 3
- ☐ 2
- ☐ 1 - Not at all

[11] - Which kind of forest products would you like to trade? *

Only answer this question if the following conditions are met:

° Answer was NOT '1 - Not at all' at question '10 [10]' (In your opinion, how much is your organization interested in buying FT/FSC dual certified forest products?)

Please choose all that apply:

- ☐ Crafts
- ☐ Furnitures
- ☐ Wood carving
- ☐ Paper Products
- ☐ Non Wood Forest Products (Brazilian Nuts, rubber gum ballons)
- ☐ Accessories – jewellery
- ☐ Musical instruments
- ☐ Toys
- ☐ Office materials (Pencils and pens)
- ☐ Other:

12 [12]In your opinion, how much is your organization willing to pay an higher price for FT/FSC dual certified forest products? *

Please choose only one of the following:

- ☐ 5 - Very Much
- ☐ 4
- ☐ 3
- ☐ 2
- ☐ 1 - Not at all

[13] - Approximately, how much by product category? *

Please choose the appropriate response for each item:

	+ 0%	+ 5%	+ 10%	+ 25%	+ 50%
Piece of Furniture Value: 600 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Musical instrument: Value 200 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wood carving: Value 100 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jewellery - Toys: Value 50 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kitchen utensils: Value 10 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A package of Brazilian Nuts: Value 3 €	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

[14] - Think about FT/FSC dual certified forest products, what combination of certification schemes/label do you find most appropriate?*

Please choose only one of the following:

- ☐ A product with both FSC and FLO label
- ☐ A product with both FSC and WFTO label (the new one provided by SFTMS for FT organizations)
- ☐ FSC labelled products sold by a FT certified organization (with its own label)
- ☐ A product with *Madera Justa* label which comply with both FSC and WFTO criteria
- ☐ Other (please precise)

Make a comment on your choice here:

Section 3) Willingness to get involved

[15] Would your organization be interested to test FT/FSC dual certified forest products in its shops? *

Please choose only one of the following:

- ☐ Yes
- ☐ No
- ☐ Don't know

If not, why? Make a comment on your choice here:

[16] - Does your organization have market relationships with large retailers? *

Please choose only one of the following:

- ☐ Yes
- ☐ No

[17] - Would your organization be willing to cooperate with large retailers, supermarket/wholesalers to promote FT/FSC dual certified forest products within mainstream market?

*

Please choose only one of the following:

- ☐ Yes
- ☐ No
- ☐ Don't know

Make a comment on your choice here:

[18] - Would your organization be interested in taking action in a campaign (like *Madera Justa* in Spain) that increases civil society, private and public sector awareness on purchasing FT/FSC dual certified forest products? *

Please choose only one of the following:

- ☐ Yes
- ☐ No
- ☐ Don't know
- ☐ It is already doing so

Make a comment on your choice here:

[19] - In your opinion, which kind of role would your organization like to have in the campaign development?*

Please choose at most 1 answers:

- ☐ Main Promoter
- ☐ Partner
- ☐ Collaborator
- ☐ Interested stakeholder
- ☐ Buyer/trader
- ☐ Importer
- ☐ Neutral
- ☐ Other:

[20] - Is your organization interested in using FSC certified packaging (boxes, pallets, etc.) for fair trade products sold in the shops?*

Please choose only one of the following:

- ☐ It is already doing so
- ☐ Yes
- ☐ No
- ☐ Don't know

Make a comment on your choice here:

21 [22]Please, type your contacts*: *

Please write your answer(s) here:

Area of work - position:

E - mail:

Country:

Name of the organization that you represent:

*If you wish to win the products sample, please provide your contacts. Your contacts are required also for survey results sharing.

Annex 4 - Entrevistas directas a los socios privados de la Campaña Madera Justa

Objetivos:

Hacer una entrevista para cada socio privado de la campaña Madera Justa con el objetivo de:

- hacer un DAFO de campaña Madera Justa;
- conocer las expectativas de los socios;
- entender porqué las empresas han adherido a esta campaña y no a otras;
- producir material de texto para la campaña.

Preguntas:

1. ¿Cuál es tu percepción respecto a la demanda del consumidor de productos con criterios sociales y ambientales?

2. Entre las diferentes opciones, ¿cuál consideras más importante para tu actividad económica?

- ☐ responsabilidad social
- ☐ responsabilidad legal

- ☐ responsabilidad ambiental
- ☐ una combinación entre ellas

3. ¿Por qué has decidido apoyar a la campaña?

4. ¿Cuáles fueron los factores que influyeron a la hora de tomar la decisión en su empresa?

5. ¿Ha detectado si la adhesión de su empresa a la campaña Madera Justa se ha traducido en algún beneficio para su empresa?

6. ¿En su opinión, cuáles son las fortalezas de la campaña?

7. ¿Qué mejoraría de la campaña? ¿Algún punto débil reseñable?

8. ¿Percibe alguna amenaza -externa a la campaña?

9. ¿Percibe alguna oportunidad que podría derivar de la campaña?

10. ¿Tiene propuestas concretas, nuevos proyectos, ideas que te gustaría proponer a los promotores de la campaña?

Annex 5: Feedbacks from key stakeholders

The proposal of a dual FSC/SFTMS certification was presented to Javier Fernandez, director of COPADE which originally, would have launched a private logo for *Madera Justa*. The director agreed on the purposed, especially because COPADE has an interest on expanding the campaign all around Europe. A *Madera Justa* label, would not have fit with the European campaign development and an additional label would have damaged both FSC and FT. By launching a private logo for *Madera Justa* COPADE would have raised up conflicts with both FSC and FT respective organizations.

The proposal was also presented to Elisa Pardo, FSC-Spain, who seconded Motion 19 - Community Label, approved in the FSC 2008 GA. Several features of the SFTMS/FSC dual certification match with the aims of policy 19. She said that there could be the possibility that policy 19 would go toward the FSC/SFTMS proposal. The second option proposed by Elisa Pardo, is to propose a new motion for dual certification between WFTO and FSC. Elisa Pardo, agreed on the proposal and she will work to promote a new FSC motion.

During the e-mails exchange, between FSC-IC, COPADE and FSC-Spain, Shoana Humphries FSC-IC - Social Program, wrote that FSC and FLO are testing the concept of dual certification with the FLO/FSC pilot project, after a while they will decide how to proceed. If FSC will go on with dual certification, the dual SFTMS/FSC certification could be an option for another pilot project for marginalized forest communities.

After testing the FSC interest on a SFTMS/FSC dual certification proposal, the the findings of this thesis were presented at the WFTO board. The board said that there was the basis for considering the proposal and wanted to read more about the research. The board was interested to know more about the FSC group certification which captured their interests.

According to the standard analysis and the positive feedback there are the basis for a negotiation between FSC and WFTO about a dual certification system. While waiting for SFTMS to be finished, it's important to build a field of mutual understanding. For this reason, a meeting was held in Bonn at FSC-IC. The author of the present study, FSC-Spain, COPADE, WFTO-Europe and FSC-IC gathered together in Bonn with the aim to present *Madera Justa* campaign and to verify the governance compatibility of the present proposal. The discussion put the basis for a next meeting between FSC and WFTO to explore possible ways forward on dual certification, capacity building for smallholders and cooperation for promotional campaigns.