



# PLANTED FOREST & SMALLHOLDERS CERTIFICATION FUNDAMENTALS, STATUS, ISSUES & OPPORTUNITIES

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# RZD HISTORY

1. Bachelors of Arts in Latin American History & Romance Languages (Spanish & Portuguese)
2. Masters of Science in Natural Resources Management
3. 2.5 years Peace Corps Volunteer in Paraguay, working in public health, potable water & sanitation for rural areas (including watershed protection)
4. 7 years with for-profit international consulting firm
5. 4 years directing BOSCOA project in Osa Peninsula, Costa Rica @ Fundación Neotropica with WWF/US support, working with smallholders, native & exotic tree species, agroforestry, natural forest management, NTFPs & wood processing
- 6. 2 years independent consulting helping set up FSC**
- 7. 27 years as Chief of Forestry, SmartWood Director & Senior VP @ Rainforest Alliance (non-profit), conducted/supervised forest audits in all biomes**
- 8. 3.5 years (since July 2019) independent forest advisor to non-profits (ENGOs, certification systems, conservation & development groups, associations), for-profits (banks, retailers, brands, forestry management & restoration companies), government & science**

# WORKING DEFINITIONS

- **Smallholder** – In agriculture or forestry the definition depends on context, in USA typically 250 acres or less (100 hectares), globally typically between 5-50 hectares (12-125 acres), can be as small as a hectare or two (e.g., forest gardens in Indonesia)
- **Equitable Access**- Having open & equal access to resources, rights & technology regardless of ethnicity, socio-economic status, age, physical ability, or any other quality

# CERTIFICATION FUNDAMENTALS

1. **Public standards**, typically developed through stakeholder consultation
2. **Standard structure** – Principles, criteria, indicators, means of verification
3. **Implementation** – audited by independent, 3<sup>rd</sup> party certification body (CB)
4. **1<sup>st</sup> & 2<sup>nd</sup> Party Audits** – May be done in preparation
5. **Audit Frequency** – Typically annual audit by , but adjusted for risk & often less
6. **FMU Field Audits Strategy** – Random & non-random stratified samples in field
7. **Group FM/COC Audit Strategy**- Square root of # of properties in group for initial assessment to obtain certification, e.g., 100 properties in group = 10 properties to evaluate), some years may be "desk audits"
8. **Public summaries of Audit Results** – Typically done by CBs, details vary
9. **Auditing of Auditors** – also known as "accreditation audits", also annual

# KEY ISSUES – YOU MAY HAVE OTHERS

## Certification System Issues

- How standards are developed & increasing role of risk assessment
- Costs of meeting requirements (group vs. individual properties)
- Costs of audits
- Benefits?
  - Value for selling timber & non-timber products (premium?)
  - Positive perceptions of management

## Technical Issues

- Proving secure tenure/ownership
- Species selection
- High Conservation Values (HCVs)
- Chemical Use
- Ease of models for carbon & other ecosystem services for added value

## SOME MODELS/OPTIONS – VERY DYNAMIC RIGHT NOW

- **Group models for smallholders and SMEs** (small & medium sized enterprises) for FM & COC, created in 1990s by Rainforest Alliance & others, but now used in many systems (agriculture, aquaculture, fisheries, mining, etc.)
- **Smallholder Access Program (SAP) landscape certification approach** – created by Rainforest Alliance w FSC around 2016, properties <100 hectares in southern Appalachians
- **Standalone FSC Smallholder Standard** for southeast Asia
- **FSC Smallholder & Community Forestry Continuous Improvement Procedure** for global application, starting in Central & South America
- **Logger or forest contractor certification** – Master Logger Certification & SmartLogging
- **New Jurisdictional model** – American Hardwood Export Council or AHEC, requirements to be built upon state level “risk assessments” for 33 hardwood producing/exporting states in USA

# CERTIFICATION NOT A “STAND ALONE



- Central Sumatra smallholders averaging 1-5 hectares
- "Forest gardens" cultivation with rubber, cocoa, coffee, spices, essences, honey trees & bushes, trees for construction/building
- Subsistence & marketing/sales goals
- Group certification building on their already established cooperative group business entity
- Open to international markets, but really focused on local, regional/island & national markets



# PILOT PEAT RESTORATION ACTIVITIES WITH COMMUNITIES FOR LARGE & SMALLHOLDER FORESTS IN INDONESIA



- **2022 FSC Conversion Remedy Requirement (M37 & M45)**
- **Conversion between 1994-2020** requires environmental & social remedy with communities & indigenous groups
- **Environmental remedy** includes, in this case, peat dome restoration on island of Sumatra, with **social remedy including involvement of** local people as tree planting contractors + participation in species selection + "rewatering" of peat





# MASTER LOGGER - *a performance-based logger certification*



## **The Purpose:**

- ❖ Recognize high achieving logging companies
- ❖ Raise the bar in the logging industry
- ❖ Provide benefits for those who achieve the status

## **The Process:**

- ❖ A performance standard- Not training based
- ❖ Meet or Exceed Nine goals
- ❖ Internal Audits performed by Independent Professional Foresters Annually
- ❖ Third-Party Certification by the RainForest Alliance.

## **Updates:**

- ❖ Contractor Certification
- ❖ FSC Award

Master Logger improves the overall practice of forestry and logging while also enhancing the opinion of landowners and the public.



## 2 LOGGER CERTIFICATION REQUIREMENTS EXAMPLES

### **Smart Logging/Preferred by Nature (CB)**

1. Legal Requirements
2. Harvest Planning and Monitoring
3. Harvest Practices
4. Community Values
5. Occupational Health and Safety
6. Business Viability
7. Continuous Improvement and Innovation
8. Silviculture and Reforestation

### **Master Logger**

1. Document Harvest Planning
2. Protect Water Quality
3. Maintain Soil Productivity
4. Sustain Forest Ecosystems
5. Manage Forest Aesthetics
6. Ensure Workplace Safety
7. Demonstrate Continuous Improvement
8. Ensure Business Viability
9. Uphold Certificate Integrity



## Southern and Central Appalachian Region



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# Appalachian Woodlands Alliance: The Smallholder Access Program

An FSC Pilot Evaluating a New Certification Model for Small Woodland Owners with Fewer than 250 Acres in the Southern and Central Appalachians Using Critical Criteria and Heightened Auditing Intensity

# SMALLHOLDER ACCESS PROGRAM (SAP)

- Original request to design SAP in 2016 came from pulp & paper, plywood & packaging companies sourcing from smallholders (<250 acres)
- This included Avery Dennison, Clearwater Paper, Columbia Forest Products, Domtar, Evergreen Packaging, Kimberly Clark & Staples – all needing supply & sustainability filter
- Financial came from these companies & US Forest Service
- SAP initially designed separately, then accepted as part of FSC International "New Approaches" initiative

# WHY SMALLHOLDERS CRITICAL?

- US Southeast 128 million acres (approx. 52 million hectares) of forests in private ownership
- 60% of forests in pilot region privately owned
- 75% in ownerships < 250 acres
- 50% of commercial wood supply from this ownership category (as high as 90% for some buyers)
- To date, no certification has reach more than 10% of family forest owners



# NEW PILOT CERTIFICATION FOR SMALLHOLDERS

- Focused on **point of harvest** activity
- Methodology used risk assessment & regional audits experience to identify **critical criteria & indicators**
- Pilot then focused auditing by 3<sup>rd</sup> party CBs & other independent reviewers on based on critical criteria & indicators selected from FSC menu



## **SAP Standards – Context Specific**

- Robust harvest plan (not forest management plan)
- Point of harvest plus 6 months, plus monitoring
- Explicit landowner acknowledgement/participation
- Protect RTE (rare, threatened & endangered) & HCVs
- Disallow high-grading
- Regionally specific clearcut limits & retention
- Water quality protection
- Ensure worker safety (especially use of PPE)
- Control invasive species
- “Keeping forests as forests” explicit, shared goal

## **FSC INTENTION:**

Improve common practice for this class of landowner (“should look like a typical FSC operation”)

### FSC requirement:

Required FSC Group FM certification; expanded scope to SAP approach; builds on that experience & credibility since they are already engaged with FSC & know FSC forest management quality expectations

# OTHER EXAMPLES WORTH EXAMINING

1. “Outgrower “schemes associated with pulp and paper companies
2. FONAFIFO example in Costa Rica that started by incentivizing tree plantations & now incentivizes natural forest conservation, climate-friendly forestry practices
3. Tepercaya approach linking producers (including smallholders) with regional governments (provinces & districts) “greening business” policies in Indonesia
4. Family Forest Carbon Program in USA with American Forest Foundation (AFF) & The Nature Conservancy (TNC), can carbon compete with timber as marketable NTFP?
5. SODRA combined mill & forest landowner approach in Sweden
6. Quebec programs linking communities’ forest tenure & economic development
7. Successful smallholder or farmer cooperatives in forestry & agriculture anywhere (remembering that 50% of all businesses fail)



# SMALLHOLDER ISSUES AT PLAY

1. Lesson learned - Certification is one tool & NOT a stand alone “one size fits all” solution for sustainability, markets/economics or climate needs of smallholders
2. Lesson learned - Risk assessment & 30+ years of auditing experience must be used to simplify & focus on key issues in any given context (landscape or jurisdiction)
3. Certification can also complement government tools, policies & actions, but be careful...let's discuss
4. Whether certification or another initiative is chosen as tool for improving smallholders' sustainability or viability, responsibility needs to be clear – buyers/investors, government & civil society, even smallholders themselves need that
5. Shouldn't benefits require directly engaging market players to provide benefits and/or incentives; are certification systems “fit for purpose” for delivering all benefits? Note climate opportunity.
6. Can certification be a useful, complementary tool to reinforce smallholder & community organization's capacity?



# FOR YALE CLASS SESSION ONLY RZD PERSONAL PHILOSOPHY

1. Actions speak louder than words, but words do matter
2. “Walk in other peoples’ shoes”
3. Politically independent
4. Foreign languages are windows of understanding to cultures & mindsets – for me Spanish, Portuguese & Guarani
5. Given finite resources, invest in leaders (introverts or extroverts) in all sectors – they are the “agents of change”
6. Be open-minded & non-dogmatic – in fact, question dogma
7. Question authority but be respectful & respect wisdom
8. Welcome surprises, embrace innovation
9. On certification – as a co-founder of FSC, the FSC idea wasn’t just developed as a market instrument, but also to be able to identify & give recognition to well-managed forest operations who couldn’t gain respect otherwise