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Proposal: Chain of Custody Group Certification Eligibility Requirements in Canada

FSC Canada is in the process of revising its Group Chain of Custody eligibility criteria to help provide small to medium sized enterprises better access to FSC certification.

Taking the socio-economic findings in Canada, and the urgent need to eliminate FSC oriented barriers to global markets, increasing the thresholds would help make COC group certification available to a larger number of small forest product businesses.

Current Eligibility Criteria:

FSC's group certification was developed to help smaller enterprises achieve FSC certification by joining together to become certified under one certificate and as a result reducing the costs and administrative requirements of certification.

FSC's current Standard for Chain of Custody of Multiple Sites (FSC-STD-40-003 V2.1) considers small enterprises eligible to be included in a group certificate if they have:

1. No more than 15 employees (full time equivalent); OR
2. No more than 25 employees (full time equivalent) and a maximum total annual turnover of US \$1,000,000.

Proposed Revision:

Groups of independent "small" enterprises (participating sites) are eligible to be included in the scope of a Group COC certificate if they conform to the following eligibility criteria:

Each participating site shall qualify as "small" as defined by:

1. **\$5 million CAD in annual forest product turnover; OR**
2. **No more than 25 employees (full time equivalent).**

FSC Canada also proposes that the turnover criterion be tied to adjustments by FSC to the AAF for COC certificate holders, i.e., when the AAF goes up by a certain percentage, the maximum turnover criterion would be increased by the same amount. Increased eligibility through the proposed threshold changes would allow more small businesses to pursue group COC certification with the support and lowered costs that group programs offer, and a link to increases in the AAF would avoid the need for increasing the turnover criterion for a while.