

THE FSC PLANTATIONS REVIEW POLICY WORKING GROUP FINAL REPORT

To be presented to the FSC Board of Directors

October 20, 2006

1. INTRODUCTION

The purpose of this introduction is to describe, in as few words as possible, the journey the Plantations Policy Working Group has taken during the last eighteen months, as well as where we ended up in our conclusions. No doubt many of you will want to jump straight to the recommendations to see whether your specific issue has been addressed. We urge you not to do this, but to invest some time reading this introduction, as it sets the framework and context for everything that follows. Of course, even after reading the introduction, it is possible you may not agree with our recommendations. However, at least you will understand much better why we made them.

Our Grateful Thanks

We would like to begin by thanking everyone who has been involved in this process:

- All those who provided written and verbal feedback. We are grateful for the time and effort you put in, sometimes at quite short notice;
- The staff team at FSC International Center in Bonn who did a fantastic job of fundraising and supporting the group;
- The FSC Board of Directors, who trusted to the process from the outset, even when the Group looked at issues that appeared outside its terms of reference;
- The funders, whose confidence in FSC encouraged them to invest in an extensive, democratic process;
- The partners and colleagues of group members who have supported and covered for us throughout the last eighteen months.

So What's the Problem?

Our task was to review FSC's policies and procedures relating to the certification of plantations. We all know there have been problems and concerns with certification, and that many members and stakeholders have been severely frustrated, though not necessarily by the same issues.

So, in keeping with our mandate, we began working our way through the points raised by various stakeholders, trying to understand why and where the policies and procedures, including the Principles and Criteria, were failing us.

However, the deeper we went into the issues, the more we were convinced that the root of the problem does not lie primarily within the documented policies but in the certification process as a whole, and our lack of agreement, as a membership, about what we are trying to achieve through them. In this respect, the plantation review became a microcosm of many issues facing FSC overall, prompting us to consider subjects that were, on the surface, outside of our original brief.

So What's The Answer?

There are a number of specific and practical recommendations within this report which, we hope, will combine to improve the plantation certification process.

But we believe there are other changes to be made as well, which are more fundamental than the wording of certification policies and procedures and which are likely to reach deep into the whole of the FSC operation, and therefore likely to apply to forests as well as plantations. They are of such a fundamental nature that they require us to develop a new mindset and approach.

A New Mindset

As members of FSC, we are all engaged in building something quite exceptional. We are creating an organisation, for which there are few models for us to learn from. And, in so doing, we have chosen a highly challenging organisational model. When, as we do, you deliberately bring together people and organisations with very different needs, aspirations and views, it is almost guaranteed to result in conflict, which can be either positive or negative.

We need powerful principles to deal with the natural conflict that comes of bringing Chambers together. Without them, our discussions will be driven by sectional self interest with each party seeking to exert their power over another. Within this scenario, our policies and processes will be designed to 'stop/limit' others rather than build the organisation, and future, we want.

In Durban we used the term highest common denominator to describe how we need to operate for the future, using conflict as a multiplier or lever for better outcomes, rather than a wedge to come between us. How else can we deliver a system that is economically viable, environmentally sustainable and socially just? Aiming for anything less than the highest common denominator will simply put us in conflict with ourselves, and we will likely all lose out.

The Group would therefore like to propose the following principles which will enable us to achieve that highest common denominator together, rather than just arguing our own corner or fixing the next set of problems that happen to crop up.

Prevention is better than cure

We should invest more in preventing things going wrong, rather than trying to 'undo' damage once it has been done. This is not just a restatement of the precautionary principle but an extension beyond its current environmental niche so that it underpins all our activities.

For example, the lack, or inadequacy, of community consultation and engagement has been a major issue for many FSC stakeholders. So, following 'prevention is better', we propose that the plantation manager has responsibility for reaching out to the community and making sure community involvement happens. We believe that making the manager responsible will prevent local relations breaking down and, more positively, create opportunities for dialogue and debate that can lead to resolution.

The shift to prevention would also be reflected in where we invest our very limited resources. For example, we currently focus the effort of our audit function to ensure we stop people doing the wrong things. We should invest more in the creation of guidelines and advice on how to do things right and how the three Chambers can best work together. This is not to negate the need for checking, which provides essential evidence of managers' commitment to the FSC system, but to open up the possibility of new options through a shift to 'prevention'.

And though we are extending the niche of the precautionary principle, we can confirm it still applies to issues such as ecosystem integrity where the manager, once they have voluntarily entered into the FSC system, has an obligation to prevent problems from developing, rather than fixing them after they have happened.

Trust is Essential

We should act in ways that make us more deserving of each other's trust. Why? Because without it we are likely to retreat into our respective Chambers and argue our sectional interests, rather than creating the kind of organisation we want for the future. We all know that trust must be earned. How? Well, amongst other things by taking deliberate action to prevent things going wrong. Trust will be given when others accept that our performance warrants it.

On the other side of the coin, we can imagine nothing worse within the FSC than a member/chamber taking an action which damages trust within the membership, or the public trust in the FSC brand. We cannot afford members who would knowingly jeopardise our internal relationships or external reputation which are both so important and yet so fragile. We believe there should be significant sanctions against those whose actions can be shown to demonstrate they are not deserving of others' trust.

Invest in Relationships

During the last 18 months of dialogue and debate, members of the PWG have come to realise the importance of relationships in building trust and creating the organisation we want.

Why are relationships so important? Well, on the one hand, people out of relationship might have a tendency to obstruct each other. More positively, because they are fundamental to moving things forward together. This point was eloquently made by one member of the group "At first I did not believe a lot of what the other chambers were saying. But as time went on I began to listen more carefully and I began to respect others' points of view. The issue is not who is right or wrong but how we work together to address any shortcomings and inequities within the FSC"

We do not underestimate the time and effort it takes to build solid relationships you can depend on for 'problem-solving'. As we have grown, and the issues become more complex, so our relationships have become strained, and we have not always had the resources to sustain them. Nowadays, we might have better technology but we do not necessarily have the quality of relationship that underpinned the organisation back in 1994.

And how to generate better relationships? Well, we believe the key lies in the contents of the previous paragraphs. At a local level managers have the capacity to improve relations by getting to know and appreciate their community. Internationally, the FSC can ensure guidelines which, because they are about getting things right first time, prevent the break down of relationships through unnecessary and negative conflict. But perhaps the most important step is for each group within the FSC to consider how they can improve their communication with their key stakeholders.

Both/And, Not Either/Or

The nature of our ambition means we face choices which, on the surface, appear to be contradictory. So at first sight the temptation is to choose for one or the other. But in fact, we regularly need to find the common ground between the two options. For example, responsibly managed, economically viable plantations can provide social benefits. At the same time, many local and/or indigenous communities depend heavily on natural forests for much of their livelihood. Treating these realities as necessarily mutually exclusive is an unproductive exercise. To become established as the forest and plantation certification system of choice, FSC needs to embrace a wide spectrum of operations, making specific efforts to promote the access of small and community-based operations.

Conclusion

We feel privileged to have served on this Working Group and to have received sufficient resources to invest in a highly democratic and consultative process. We have used our very best efforts at our extensive meetings in Stockholm, Bonn, Madrid, Durban and again Bonn, to put before you recommendations and the new 'mindset' we believe will strengthen the certification process and FSC as a whole. We commend the report to the membership.

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2. Executive Summary

During discussions in Durban, the working group said it wanted to see FSC establish a new paradigm of forest and plantation management practice in the world and, within that, to be the forest and plantation management standard of choice.

This wonderful ambition requires a paradigm shift in our approach and thinking, both of which are summarised below.

Social Issues

Our intention has been to:

- Integrate, more systematically than before, social issues into FSC structures and processes;
- Place social management on an equal footing with the economic and environmental aspects of forest and plantation certification;
- Elevate the status of social issues, so that they are no longer the 'poor relation' of the three pillars of sustainability as they are expressed within the FSC system as a whole;
- Ensure that any negative impacts of plantation management on local communities are prevented, remedied, mitigated or compensated for;
- Increase opportunities for, and contribute to, positive local sustainable development with an emphasis on reduction of poverty.

Ecosystem Integrity

Our intention has been to:

- Address the inconsistency of interpretation, which has been a concern of stakeholders, through a model for evaluating Criterion 6.3 for plantation management;
- Change the obligations on the manager away from 'fixing' problems as they arise to prevention;
- Shift the emphasis on maintaining ecosystem integrity towards the management unit level and from there to the landscape as a whole;
- Structure conservation/restoration obligations on the manager in ways that are based on impacts, rather than developing mandatory thresholds;
- Consider the use of field trials as a way to continuously improve measures at the stand level.

Stakeholder Consultation

Our intention has been to:

- Change consultation mechanisms within the FSC certification process from the currently 'passive' model of stakeholder-system interaction to active stakeholder engagement and participation;
- Change the onus of responsibility in the relationship between the manager and stakeholders so that:
 - The manager is responsible for meaningful engagement with such parties before the commencement of the formal certification assessment processes;

- The certification body audits, according to a set of new guidelines, the manager's success at engagement;
- Clearer and more systematic guidance and support are provided to managers, stakeholders and certification bodies.

Pesticides and Chemical Use

Our intention has been to:

- Develop a creative approach that honestly faces the difficult issue of ongoing use of pesticides and chemicals versus the clear aspiration amongst all parties to phase out their broad scale use.

Practically improving the certification process

Our intention has been to:

- Suggest improvements that could overcome lack of trust in the procedures of certification;
- Point to the need for FSC to agree a common membership vision and common strategies that relate to FSC's growth and aspirations;
- Stress the important role of national initiatives where they exist or are feasible, and the importance of direct FSC support to areas without national initiatives;
- Strengthen the capacity of Accreditation Services International to monitor and supervise the performance of certification bodies and to ensure consistency and continuous improvement;
- Improve training of auditors, certification bodies' complaints procedures and implementation of corrective action requests.

Conversion

Our intention has been to:

- Highlight the lack of clarity in current policies and the way they may conflict with each other;
- Prioritise getting the Plantations Policy up and working;
- Ensure that indigenous peoples' rights take precedence where there is a conflict between P 3 and P10.9;
- Ensure any decision relating to the 1994 cut off date is based on detailed analysis of the implications of such change.

One common set of Principles and Criteria

Our intention has been to:

- Recommend FSC to adopt one common set of Principles and Criteria for all management units;
- Appreciate that the difference between plantations and natural forests is not an obstacle to them both living within FSC;
- Ensure that the certification process prevents the transformation of a natural forest into a plantation regime

3. Rationales and Recommendations

Items 3.1 - 3.6 were developed as consensus rationales and recommendations from the Group. The recommendations of items 3.7 were voted upon and supported by ten out of twelve members in the Group.

3.1 Social Issues

Rationale

It is the opinion of the Group that social issues have not received enough attention in the past. This may be partly because social issues are scattered among several of the FSC Principles and Criteria (P&C), and there is no coordinated framework for handling them. Regardless of the reason, the Group agreed that the social components of the FSC system must be up-graded so that the legitimate agenda of the Social Chamber has the same level of priority as the other two Chambers. While of particular importance for certification of plantations, the Group considers the need to upgrade the social aspects to hold true also for certification of forest operations.

Recommendations

In order to upgrade the emphasis placed on the social elements of forest and plantation management, and to bring the focus on social issues to an equivalent level to that of the other elements of FSC certification, managers shall adopt a systematic approach to addressing the social aspects of certification, which certification bodies would then be able to audit. The objectives of this approach are to:

- Ensure “good neighbour” relationships with local communities and other stakeholders;
- Increase opportunities for, and contribute to, positive local sustainable development with an emphasis on reduction of poverty;
- Uphold the legal rights of workers, ensure worker’ rights to organise and maintain or improve workers’ health and social security;
- Uphold the legal and customary rights of indigenous peoples to own, use and manage their lands, territories and resources.

Such a systematic approach, implemented through a Social Management System, tailored to the scale and intensity of the operation and to the local socio-economic context, should include:

- Analysing¹ and mapping socially important features in the landscape, such as habitations, areas that provide resources to local communities, etc.;
- Identifying, in cooperation with affected stakeholders, the social objectives of the management unit in relation to employees (including contractors and sub-contractors), the local community and indigenous peoples;
- Systematic management of personnel, including local employment policies and actions related to employees, contractors and subcontractors;

¹ For example through general methodologies developed for social diagnostics
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- Detailed, participatory social assessments of positive and negative impacts of the plantation management on the local community;
- Clear strategies for preventing, remedying, mitigating and/or compensating local communities in the event of negative impacts;
- Locally appropriate actions to participate, together with other stakeholders, in improvement of livelihood, local development and poverty reduction.

Addressing social issues is clearly linked to stakeholder consultation and these topics need to be considered together.

To assist implementation, FSC shall produce a handbook for forest and plantation managers that can also be used by certification bodies for auditing purposes.

3.2 Ecosystem Integrity (Criterion 6.3)

Rationale

In the absence of agreed national standards, the interpretation of P&C 6.3² in relation to plantations has been unclear and inconsistent. The inconsistency of interpretation has been a source for FSC stakeholder concern.

Recommendations

In the absence of national standards that outline how to ensure ecosystem integrity, the Group recommends that Criterion 6.3 should be interpreted as follows, with the intention of clearly distinguishing FSC certified operations from those that are not:

1. The management of an FSC certified plantation shall take an active approach to prevent, mitigate and if needed, remedy / restore for any environmental effects of its management on ecosystem integrity. Consequently, a higher level of impact shall correspond with higher conservation efforts to maintain ecosystem integrity. The focus of maintaining ecosystem integrity is at the management unit level, bearing in mind the impact of the plantation management at the landscape level.

The Group recommends a technical phase to develop procedures and criteria for managers to assess the environmental impact of a given management practice and the corresponding prevention, mitigation and remediation measures at the management unit level. Such procedures and criteria shall take into account:

- Provision of environmental benefits in production stands and set aside areas;
- Local / regional conservation needs;
- Local community needs in terms of natural resources;
- Practical sphere of influence of the manager over the landscape;

² P&C 6.3: Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem)

- Potential off-site measures;
- Time frame for restoration / compliance.

To assist implementation, the Group recommends a technical phase to develop a generic model that clarifies the effects of the management system as well as the measures taken to prevent, mitigate and, where needed, compensate, impacts. A starting point for further elaboration is provided as an annex to this report.

2. The management of an FSC certified plantation shall adopt a proactive conservation strategy within its management unit, characterised by identifying, safeguarding and optimising the design and implementation of:

- Areas and features of high conservation value;
- Areas of representative ecosystems, rare ecosystems and habitats for rare species;
- Riparian zones of native vegetation, conservation corridors and other elements of landscape connectivity.

Implementation and continuous improvement of the strategy shall also include considering measures at stand level. In order to optimise its strategy, a certified operation or a cluster of operations shall undertake field trials - appropriate to size, scale and knowledge - that may include:

- Various levels of retention of native tree species and structure at stand level in areas where the natural vegetation is forest;
- Various conservation area designs;
- Retaining structures and properties characteristic of natural ecosystem dynamics;
- Adapting the size and spatial distribution of managed stands within the plantation management unit.

The field trials shall be continuously assessed, monitored and where relevant, the knowledge gained shall be integrated into the management of the plantation. The group expects the technical phase to develop further guidance on conducting and assessing field trials, as well as on systems for monitoring and integrating the results into plantation management.

The above recommendations provide a model for evaluating Criterion 6.3 for plantation management. However, they are not intended as a policy tool to determine the balance of emphasis between natural forest management and plantation management in the FSC system. The group recommends that FSC develops goals and strategies related to this balance as part of an overall vision for its future.

3.3 Stakeholder Consultation

Rationale

Although stakeholder consultation is a generic issue for FSC certification the Group has found it necessary to make recommendations since it was identified as a root cause of conflict. The current guidance on stakeholder involvement and consultation in all aspects of FSC certification is inadequate and needs to be addressed. As with all the policy issues discussed, the Group recognised that solutions to this issue must work for all parties involved.

Stakeholder consultation is an essential part of certification, promising improved community relations through social dialogue. The Group acknowledges the potential for conflict within the FSC certification process and believes that demonstrably robust stakeholder consultation will best serve the interests of all parties. Improved consultation and dialogue should provide the foundation for a stronger and more engaged relationship between the operation and the community. It is an integral part of the shift to a preventive management approach recommended by the Group.

Recommendations

The group recommends that FSC ensures that the manager applying for plantation certification, and/or re-certification, is properly addressing consultation. To that end, the Group is clear that the responsibility for engaging affected parties rests with the manager. In the absence of a national standard, the manager is also responsible for demonstrating how the concerns expressed by other interested parties have been taken into account.

At the same time, the Group interprets consultation as being one aspect within a broader context of participation, recognising that 'engaging' implies a level of involvement between the plantation or forest managers and affected communities.

Consultation is inherent in several of the Principles and Criteria. Nevertheless, the aggregated parts must result in a whole that translates into a demonstrable commitment to stakeholder involvement and dialogue.

The Group judges commitment to have been demonstrated when, according to the size of the operation:

- The manager has implemented a clear and robust consultation process³ which covers pre- and ongoing certification periods;
- There is a similarly recognised conflict resolution process in place.

The Group recommends that certification bodies evaluate certification applicants according to whether they are fulfilling all the requirements of the consultation / conflict resolution processes they have adopted. The evaluation evidence will go a long way to ensure that the manager retains the confidence of everyone involved in those processes.

The technical phase shall develop⁴ a document which supports the implementation of the stakeholder consultation process proposed here for future FSC plantations certification. Some of the aspects of a good stakeholder consultation process include:

³ Large scale operators might adopt internationally recognised processes such as ISO

⁴ Drawing on e.g. work by ISO

- The manager has identified and documented any significant conflict;
- The manager is able to demonstrate actions taken to resolve the conflict and communicate with the affected parties;
- The manager is being sufficiently proactive in reaching out to the community, for example going to them at the operation's cost, rather than expecting the community to come to the manager at the community's cost;
- The manager's consultation has involved relevant affected parties;
- Delegations of rights by indigenous peoples and local communities are based on prior, informed consent;
- The certification body is able to evaluate the managers actions against the P&C, standards and guidelines;
- The certification body is able to determine if consent has been 'manufactured'.

As part of this work, the following terms should be clearly and consistently defined:

- 'Affected' and 'interested' parties as outlined in the report from the 3rd Policy Working Group meeting⁵;
- Stakeholder;
- Rights holder;
- Consultation;
- Participation.

The Group recommends that FSC synthesises the final guidelines into a handbook that provides practical guidance on improving managers' consultation and conflict resolution processes, as well as guidance to affected and interested stakeholders on how to get involved and participate in these processes. The handbook needs to be applicable to a wide range of geographical contexts and include considerations of Small and Low Impact Managed Unit operations.

3.4 Use of Chemicals

Rationale

The Group believes that the current FSC policy on chemicals fails to adequately address important specific issues such as:

- Systems for integrated pest management;
- Monitoring of long term health and environmental effects.

The Group also believes that openly acknowledging the reality of chemical use within certified plantations, rather than simply expressing a desire for minimal usage, would go some way to ensuring their better management and control, as well as adding to the overall credibility of FSC.

⁵ "The Policy Working Group identified three different situations of stakeholder involvement in the FSC system and suggested that it may be useful to make a distinction between directly affected (local) stakeholders and interested (regional/national/international) stakeholders".

Recommendations

While the Group finds it hard to envisage the phase out of chemical usage in certified plantations within in the next ten years, it believes there are many proactive steps the FSC can and should take to significantly reduce usage and the negative impacts on people and the environment, and that managers shall demonstrate the improvements made. The improvements shall provide a foundation for considering practical solutions for the phase out of regular, broad scale pesticide use over time.

Certified operators shall adopt a consistent best practise integrated chemicals management approach, which includes:

- That chemical application remains site specific, and eliminates significant downstream and adjacent effects;
- Full declaration of chemical usage – quantities; types; frequency; and protocols;
- The adoption of procedures and mechanisms to avoid, mitigate and provide fair compensation for negative impacts of pesticide use on workers, local communities, and the environment;
- The monitoring of, and reporting on, such safety, health and quality controls;
- Managers having to demonstrate the results of efforts they have made to avoid or reduce pesticides use;
- The demonstrable ongoing investigation into, and evaluation of, chemical free alternatives to pest control;
- The active provision of information to local communities and workers about use and application of pesticides.

The Group recommends that FSC develops guidelines for integrated chemicals management in the context of the Pesticides Review based on the recommendations above, taking into account the limited capacity of Small and Low Impact Managed Units to investigate and evaluate alternative measures.

3.5 Practically improving the Certification Process

Rationale

The Group recognizes that the issues addressed under this heading are of a general nature and not limited to plantations certifications. However they need to be addressed to overcome the root causes of the plantations related controversies.

FSC is experiencing fast growth in an increasingly complex and dynamic environment. The P&C are intrinsically complex and policies are continually changing. The FSC system might not keep pace with that dynamic. This situation leaves room for inconsistencies and different interpretations of principles, criteria and policies. The lack of sufficient resources also has a negative impact on the system.

The Group observes a lack of trust regarding certification bodies' motives and performance. The Group is not able to establish the extent to which these perceptions are justified. However these concerns are corrosive to the system and may undermine the credibility of FSC.

The certification process should be analysed from this perspective, considering two major aspects:

- Relationship within the system;
- Technical issues.

The Group considers that many concerns about certified operations are the result of insufficient guidance to certification bodies, compounded by their own interpretations of that guidance. The Group judges that improvements related to these areas could have a rapid and significant impact. The Group also notes that the majority of certification controversies have occurred in the absence of national standards. This indicates the importance of balanced, well-functioning national initiatives within the FSC system. It also illustrates the importance of implementing the Group's recommendations in order to overcome current controversies in the interim.

Recommendations

Vision, strategy, and certification

FSC has not yet developed a clear, common vision for its future that translates into an effective and practical reality within the certification system. It is vitally important that the ongoing FSC Vision and Strategy exercise engages and embraces the full membership, and that the process is finalised as soon as possible. The current vision and strategy vacuum leaves room for misinterpretation and frustrations that are causes of inconsistencies.

The Group deems that at this stage of development, FSC should devote more of its resources to improve the system rather than to policies development. The consequences and costs of policies should also be carefully evaluated prior to their introduction.

Networking for regional support

Where national initiatives are feasible, they must be established as a matter of urgency. Where they exist, their role needs to be significantly upgraded, and this implies a need for substantial additional resources and support. This upgraded role should include:

- Providing support in the form of annual regional workshops to present existing and new policies, guidelines, strategies, and follow up to national stakeholders;
- Providing more support, advice and assistance in the resolution of disputes related to certification bodies that arise during the certification process;

- An obligation to monitor complaints. To achieve this, national initiatives need both to be notified of complaints, and to have mechanisms through which they can be involved;
- Providing a forum for the development of more effective relationships among other stakeholders.

Where national initiatives are not feasible, FSC International Center (FSC IC) should provide direct support to national stakeholders as a priority. However, the Group was sceptical about the added value of establishing regional offices.

The Group also judged that there was a role for the FSC IC in relation to the establishment of national initiatives including:

- To ensure there are up to date standard procedures, guidance and documentation for national initiatives (some of which already exists);
- To ensure that mediation processes are initiated promptly, wherever they are required to maintain well-functioning national initiatives and processes.

Accreditation & Certification Process

There is an important role for Accreditation Services International in ensuring that future performance of certification bodies supports the recommendations in this report. The Group judges that the following actions are necessary to achieve this:

- To robustly analyse the system and what is accomplished in the field;
- To perform more thorough and frequent audits to monitor the quality and variation in performance of certification bodies and set targets for their continuous improvement;
- To hasten the implementation of developments underway to incorporate regular unannounced spot checks into the accreditation surveillance audit procedures;
- To improve the training of auditors and ensure that auditing teams have equal capacity to deal with economic, social and environmental issues in the contexts where their clients are operating;
- To require that auditors within a certification body are rotated in relation to their clients;
- To analyse the complaints procedures, and if necessary undertake corrective actions and measures to ensure that these are well and consistently implemented;
- To certify / verify the performance of Accreditation Services International against ISO standards as a means to increase the credibility of FSC.

3.6 Conversion

Rationale

The Group recognises that Conversion is one of the most sensitive issues within the FSC, and acknowledges the concerns and frustrations expressed by stakeholders on this topic during the Group's consultations. If FSC gets its policy on this issue right, it

will be recognised as being part of the solution to deforestation. If we get it wrong, the organisation will be seen as part of the problem and criticised accordingly.

One interpretation of the rules which prevent conversion is that P10.9 is not just about protecting forest but rather to prevent perverse outcomes on both natural forest generally and High Conservation Value non forest ecosystems. This view sees preventing conversion as part of good forest and plantation management. Another interpretation is that the FSC conversion rules were established to avoid conversion of forests into plantations and to halt deforestation.

The P&C are also unclear in terms of potentially conflicting requirements of different Principles. In addition, some stakeholders have perceived that the current cut off date is arbitrary and suggest that systems other than cut off dates may be better suitable to achieve overall objectives.

Recommendations

The Group recommends maintaining the cut off date of 1994 until it can be demonstrated that the new plantation policy is implemented and working. The Group also asks a technical phase to provide a document preparing a future decision to retain or change the cut off date. This document shall outline the rationale and the assumptions for and against a change and may form the basis for future consideration of reviewing the cut off date.

The Group also recommends that FSC and a technical phase clarify what the term “normally” in P10.9 means and which exceptions are already permissible under the current arrangement. They shall also clarify which process is currently used and which procedural mechanisms should be used in the future. The Group recommends that in case of conflict between indigenous peoples’ rights in P3 and requirements of P10.9, indigenous peoples’ right to control forest management on their lands and territories should be accorded higher priority (subject to NI approval, or in the absence of an NI, subject to approval by FSC IC).

The Group notes that the 2005 General Assembly discussed the expansion of the term High Conservation Value Forest in Principle 6.10 to include other ecosystems of High Conservation Value, and expects FSC to clarify how such ecosystem should be dealt with in relation to conversion.

3.7 One Common Set of Principles & Criteria

Rationale

The FSC Principles and Criteria are an essential part of the certification process and the 2005 General Assembly passed a motion to set up a separate process for reviewing them. While the Group has primarily focused on other, more immediate changes necessary to overcome current controversies around certification of plantations, the Group is keen to contribute input to the P&C review process from a plantation perspective.

The Group has considered the key question of whether there should be one, integrated and common set of P&C that would apply to all types of managed units, rather than the current structure with a common set of nine principles and a separate Principle Ten for plantations.

Recommendations

The Group recommends that FSC develops one integrated set of common Principles and Criteria for all management units.

(This decision was taken following the rules for voting outlined in the procedures for this Review and supported by ten out of twelve of the Group members constituting a majority from each chamber. One social and one environmental representative voted against. The main reasons given were fear of obliterating the distinction between certification of forests and plantations; concerns of 'converting by management' certified forests to plantations; concerns that certified productive plantations will still be at an advantage compared to less productive managed natural forests; and a general feeling that the recommendations from the Group - and the new policies that will flow from them - should be tested and evaluated before structural changes are made to the P&C.)

It is the understanding of the Group that such a common set of P&C still leaves room for national initiatives to develop standards for specific sub-sets of forests and/or plantations, should they wish to do so.

Secondly, the Group recommends that FSC certification be open to operations across the whole continuum from low-impact management of natural forests, to high-intensity, short-rotation plantations. However, to maintain ecosystem integrity and avoid incentives for managers to gradually transform natural forests to plantation regimes, requirements that differ as a function of the position along the continuum must be consistently complied with.

The Group also recommends that FSC:

- Refers to 'forest' and 'plantation' as separate categories in its database so that, in recognition of the marked environmental, social and economic differences that characterise the ends of the continuum, plantations are not called forests;
- Uses more inclusive or neutral terminology, such as 'forests and plantations' or 'management units', for formulations in P&C, standards and guidelines that refer to all management units.

Annex to the Final Report from the FSC Plantation Policy Working Group

Model for communicating a certified operation's management and conservation strategy at the Management Unit level

Introduction

The Group's recommendations on ecosystem integrity [Principle 6] must be applicable to biomes with a wide range of ecological characteristics. Using the model approach outlined below appeared to be more promising than attempting to establish generic thresholds that would need to be meaningful for a wide variety of ecological characteristics⁶. Trying to set generic thresholds would inevitably end up in a lowest common denominator approach and would risk becoming a negative benchmark i.e. referred to as a sufficient qualifier rather than a minimum qualification parameter.

The aim of this model is to contribute to the development of a common approach and common language used within the FSC to describe how the overall management strategy of a management unit contributes to maintaining ecosystem integrity. Above all it is intended as a tool to enable the manager to discuss and explain the certified operation's strategy to maintain ecosystem integrity through the combined use of management practices and set-aside measures. This tool can be used internally at the management unit level when developing, implementing and monitoring its strategy or in communication/consultation with stakeholders.

In the absence of national standards, using the model approach for describing the overall management strategy at the management unit level provides a framework and language that will improve the possibilities of exchanging experience between certified operations. It may also be a means of promoting "Best Practise" within a region or biome. It is possible to include both qualitative and quantitative parameters in the concept of best practise, based on the model.

Using a common model approach to describe how the overall management strategy of a certified operation contributes to maintaining ecosystem integrity would also facilitate the verification process of the certifying bodies. It will further provide an improved basis for the Accreditation Services International to ensure more consistency in certification bodies' assessments of the management strategies adopted by certified operations.

The Group recommends a technical phase of the Plantations Review to further develop and elaborate this model as a tool within the FSC system. The Group recommends that each operation seeking certification shall quantify this model for their management unit and shall attach it as part of its management plan. The certification body shall examine the adequacy of provisions contained in the proposal, especially with respect to provisions of P6.3, before certification is granted.

In accordance with the mandate, the Group specifically discussed the use of the model in the context of plantations, and recommends that it is applied in future FSC certification of plantations. However, the proposed model is generic and should in

⁶ The Group has developed recommendations for the technical phase that will help to implement the model.

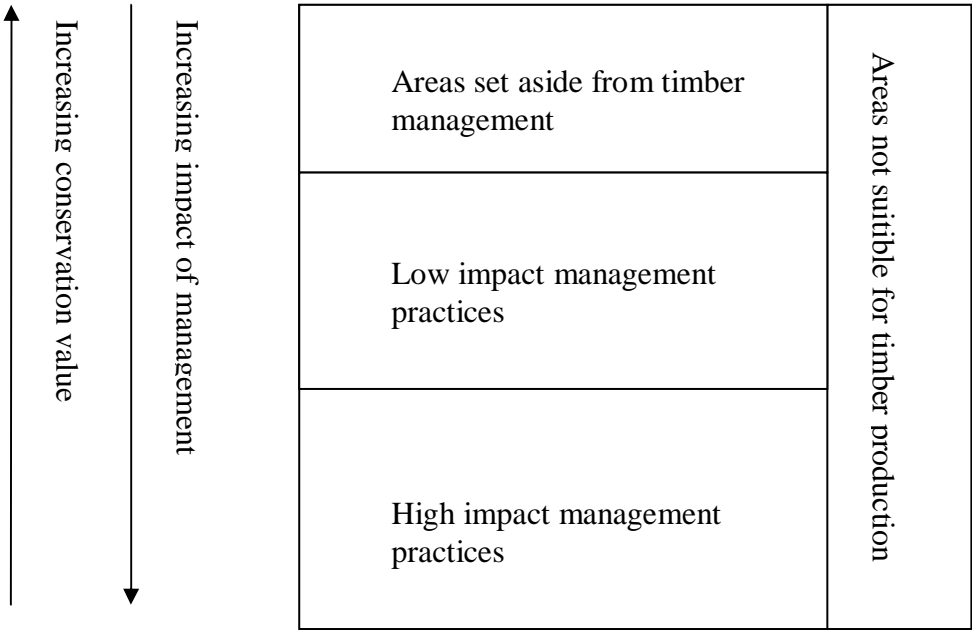
principle be applicable both to natural forest management and plantation management.

The model

The model is intended to describe the potential and actual impacts of the applied management practices on the ecosystem and how these effects are prevented, mitigated or remedied. It also describes how the choice of management practise is linked and tailored to existing conservation values.

The management unit is schematically described as a square. The square represents the total area of the unit. The higher up an area is placed in the square, the higher its existing conservation value. The impact of the management practices increases from the top to the bottom of the square. It is reasonable to expect that in an FSC certifiable operation there is an inverse correlation between the conservation value and the impact on the ecosystem of management. It should be kept in mind that management practices that aim to improve biodiversity can have a high impact, e.g. the use of fire in boreal and grassland ecosystems

Since there are areas that are not suitable for timber production, due to natural, practical or legal requirements, there is a possibility to visualise these areas as a separate category, provided that this is relevant to the description of the management strategy. It should be kept in mind that areas in this category may have high conservation values.



In describing the strategy to maintain ecosystem integrity within a management unit, the management practices should be listed and slotted into the model according to their level of impact on the ecosystem, with the corresponding relative area in which the practise occurs. The ranking is by necessity somewhat subjective but will in most cases provide a good illustration of the distribution and the level of impact of management practices across the unit.

For each management practise, a description should be attached explaining the practise, its nature and as precisely as possible the level of the actual or potential impact. Each impact should be linked with a description of how and where in the management unit the impact is prevented, mitigated or remedied. This is the qualitative side of the conservation measures.

The qualitative descriptions will also outline quantitative aspects of the conservation strategy. These quantitative aspects need to explain for example why a certain percentage of set aside areas is appropriate to maintain ecosystem integrity or why a certain level of retention of trees after harvesting has been chosen.