

Report on Motion 20 on Large Operations and Motion 21 on Plantations Policy

Prepared for the Forest Stewardship Council, IC

Timothy Synnott
Third draft, 24 May 2012
Saltillo, Mexico
timsynnott@prodigy.net.mx

Table of Contents

1	Introduction.....	3
2	Summary	3
3	Terms of Reference, and scope of this report.....	4
4	Motions 20, 21 and 34:	4
5	Motion 20 and options for Large Size and High Intensity.....	5
	5.1 Size and Intensity in “large operations”	6
6	Motion 21: Progress in fulfilling the PPWG recommendations..	10
7	Next steps for requirements of Motions 20 and 21.	14

1 Introduction

This report has been prepared at the request of FSC to advise the Policy & Standards Unit and the International Generic Indicators Working Group (IGI WG) about how the elements of Motions 20 and 21 from the 2011 General Assembly are reflected in the new FSC P&C, and how they may be treated during the IGI process in 2012 – 2013. The motions indicate that FSC should take other measures, in addition to their implications for the P&C and IGI, and this report makes some recommendations. This is not an official statement of FSC policy, and the IGI WG may form its own conclusions separately.

Words from other documents, such as motions and FSC documents are printed *in italics*.

2 Summary

The conclusion of this report is that the new FSC Principles and Criteria reflect all the recommendations of the Plantation Policy Working Group (PPWG, October 2006) which could potentially be addressed in the P&C. In addition, recommendations from sections 3.3 and 3.4 of the PPWG report on consultations and chemicals may be considered for inclusion in the IGI (see section 5 below). This satisfies the relevant elements of Motion 21. The new P&C do not necessarily follow the exact wording or conclusions of the PPWG, but all the relevant recommendations were considered in detail by the P&C WG and during consultations with stakeholders, so it is concluded that all have now been addressed and resolved at the level of Criteria. The IGI WG may therefore work on the basis of the new P&C, with confidence that all relevant recommendations of the PPWG are embraced by the Criteria.

Many of the PPWG recommendations deal with matters outside the scope of the Principles, Criteria and Indicators, covering details of FSC policies and of the standards for accreditation and certification (See section 4).

This report considers the options available for treating the impacts of large operations, as required by Motion 20. The recommendation is that this problem is best addressed by enabling National Standards to develop national indicators, including size-categories appropriate for national circumstances; by efficiently and effectively applying the concepts of Scale, Intensity & Risk in assessing compliance with Indicators; and/or by tightening some of the requirements of FSC-STD-20-007, to reduce the risks associated with lower sampling intensities during CAB assessments of large MUs. This report recommends against creating a new international category of mega-forests, requiring their own Indicators.

Many of the implications of these two motions, and of the recommendations of the PPWG, are being satisfied by the output and procedures of the P&C and IGI Working Groups, and by the associated consultations. The requirements for “*best practice indicators*” (Motion 20) and for “expert input and stakeholder consultation” (Motion 21) are covered by work

in progress. A large part of the requirement for “*practical guidance and support tools*” (Motion 21) are also covered by the new P&C, the Explanatory Notes, the *FSC Guide to integrated pest, disease and weed management*, and the work in progress on IGIs.

Motion 34 stresses the paramount important of “*field performance*”. This report concludes that the P&C WG complied with the aims of Motion 34 by avoiding (whenever possible) requirements for documentation or other work needed only to demonstrate compliance, rather than work needed to improve the quality of field performance. The IGI WG is encouraged to apply the same aims.

All three motions call for studies that are beyond the scope of the P&C, and are assumed to be beyond the scope of the IGI WG. Section 5 analyses these elements, and recommends that they be addressed by a specific study of the problems of large certified MUs and how to resolve them; by developing FSC Guidance for considering Scale, Intensity & Risk in each certified MU; and by promoting Risk Management as a basic tool of forest management.

3 Terms of Reference, and scope of this report

ToR:

To produce a report on motion 21 on Plantations and motion 20 on large operations. This report should scope out the motions and then focus on the elements which can be covered by the IGI Process in order to inform the PSU team and the IGI Working Group. The report needs to be delivered by end May in order to feed into the IGI WG meeting in mid June. The report should also reflect on Motion 34 on field performance. The report needs to be brief and to the point.

This report will cover the spirit and intentions of these three motions, as reflected in the statements of Purpose and Additional Information provided at the GA. It will therefore also consider the recommendations and conclusions which emerged from the Plantations Policy Working Group (PPWG) and the four Expert Teams, while recognising that they have not been formally accepted as FSC policies or decisions. It will also take account of the Explanatory Notes and Rationales provided by the P&C WG, associated with the newly approved FSC P&C. From this base, this report will aim to provide guidance for the development of Generic Indicators and other issues.

4 Motions 20, 21 and 34:

The following motions were approved at the FSC General Assembly in 2011:

Motion 20 *The GA requests FSC to commission a participatory study of the social and environmental landscape level impacts of large operations, with recommendations of best practice indicators and procedures.*

Motion 21 *The FSC shall develop and provide practical guidance and support tools on mitigating impacts of intensive management in line with the agreed recommendations of the Plantations Policy Working Group. The development of the guidance and tools shall include expert input and stakeholder consultation.*

Motion 34 *We, the members of FSC, hereby encourage the FSC boards and all the FSC institutions at all levels to emphasize the importance of field performance as the primary emphasis in implementing the FSC certification program. Therefore we, the members of FSC, hereby state that:*

- *The FSC shall ensure that forest management performance, true to the FSC Principles and Criteria for responsible forest management, is the primary focus of FSC certification;*
- *The FSC accredited certification bodies verifying an FMU's compliance with the FSC requirements shall focus primarily on evaluating the FMU's compliance with the standards based on field performance.*
- *The first priority of Accreditation Services International (ASI) responsible for accrediting the certification bodies shall be to pay special attention to the quality of the certification bodies' verification of field compliance of certified operations.*
- *The FSC National Initiatives responsible for developing regional or national standards, as well as the ASI responsible for endorsing national and regional standards, shall focus on developing indicators that promote and favor good field performance of the FMU's,*
- *The Policy and Standard Unit (PSU), FSC Board and others involved in developing policies, guidance, standards and other FSC requirement shall ensure that FSC requirements are primarily focused on favoring good field performance.*
- *Auditor training shall be focused on field performance and the core issues that are most important to the mission and the credibility of the FSC system.*

5 Motion 20 and options for Large Size and High Intensity

Motion 20 was based on a recognition that FSC has developed “*special procedures and standards*” for SLIMFs, and that new rules may be needed, as recognised by the statement of Purpose and/or Additional Information in support of Motion 20 at the General Assembly:

“In the case of large-scale operations, the mere application of the standards and procedures for field review and consultations with stakeholders is not sufficient to ensure that the operation fully meets the letter and spirit of FSC certification. ... it is necessary to analyze the certification of these large operations in more detail to see whether or not it is necessary to add some elements to the standards and procedures...”

The spirit of this motion is therefore based on the belief that FSC may need to develop special rules for large operations, because of their particular circumstances. These circumstances include:

- 1) the clear reality that large operations often have the inherent capability of creating larger social, environmental and economic impacts (negative and positive) than small operations and SLIMFs, and
- 2) the fact that the intensity of CAB assessments in large operations, in terms of man-days / hectare, is typically lower than in small operations, so increasing the risk that some failures of compliance may be missed.

The spirit of the motion 20 is here interpreted as a measure to increase the reliability and credibility of certification in large operations, and is emphatically not intended to penalise or prejudice against them.

Up to now, this motion has been addressed in the following ways:

- The development of new and improved P&C, and the ongoing development of IGI. These respond to the requirement of motion 20 to develop “*best practice indicators and procedures*”. The improved clarity and precision of the P,C&I will go a long way to maintaining and improving the quality of FSC certification, and avoiding unacceptable negative impacts in operations of all sizes.
- Recommendations for defining large size and high intensity. It is essential to use terms that are clearly understood in the same way, to avoid continued confusion in discussions.

5.1 Size and Intensity in “large operations”.

Motion 20 refers to size, not intensity. Motion 21 refers to intensive management, in the framework of the Plantations Policy. This report will embrace the elements of large size as well as high intensity, and will refer to any ecosystems covered by the FSC certification system, not only those covered by the FSC definition of plantations. For brevity, these are here called Large and High-Intensity Managed Forests, LHIMFs. The PSU and the IGI WG may decide in due course whether or not to adopt this term.

During several years, FSC has had many discussions about the possibility of new rules for large and intensive operations, but there has been no consensus about the definition of these categories. There appear to be at least three options in current FSC documents:

- a) FSC’s published drafts of Suggested Generic Indicators have assumed that Indicators for large or intensive operations will be applied to all those that are not small or SLIMF, as stated in FSC-GUI-20-002 (2009) and in FSC-GUI-60-004 (2010). This would be the simplest solution for the IGI, maintaining only two defined categories. In other words, **any MU that is not a SLIMF is automatically a LHIMF.**
- b) In national situations where stakeholders agree that special rules are needed for particular forms of large or high-intensity MUs, the option remains to develop national Indicators with appropriate thresholds. Such thresholds may vary for different

ecosystems, ownership and management systems, but would not require international generic indicators.

- c) An alternative set of categories is used in section 3.1.1 FSC-STD-20-007¹, Forest Management Evaluations, for identifying entities in which a pre-evaluation must be carried out by the CAB. This ruling effectively created three size categories: SLIMF MUs, Medium MUs, and Large / High Intensity MUs. However, the ruling applies only to this one issue of pre-evaluations: the IGI WG is not obliged to apply the same sizes for rulings on Indicators.
- d) Some documents refer to mega-forests, but this does not appear to be an official FSC-recognised category.

In this study, it is not possible “to analyze the certification of these large operations”, but it is possible to identify some of the main options for Size and Intensity, and to make recommendations:

Option 1 Adapt the FSC Suggested IGI, and allow for national adaptations

Follow the scheme of the current FSC Suggested Generic Indicators, in FSC-GUI-60-004 (2010). The IGI WG may recommend more Indicators to be applied to non-SLIMFs, while accepting that National Standards may include Indicators and Means of Verification appropriate to national circumstances. This has the advantage of initial simplicity, while allowing full flexibility for national stakeholder engagement.

Option 2 Create a new category of LHIMFs

The IGI WG may recommend a new category of LHIMF MUs, perhaps using the size categories of FSC-STD-20-007 or some other categories. A new set Indicators will then be applied in this category. National Standards should still be able to develop Indicators and Means of Verification appropriate to national circumstances.

Option 3 Scale, Intensity & Risk

These elements are included explicitly in many Criteria of the new P&C, and apply implicitly to all of them. They require managers to specifically analyze the risks of their activities, in relation to their scale & intensity, and to plan and execute specific measures to avoid, repair or mitigate negative impacts; and they require that CABs assess each case. This has the advantage of requiring case-specific measures, tailored for each situation, rather than simply adding new Indicators for a particular arbitrary category. However, more guidance is needed to promote the effective application of these concepts, even though scale & intensity have appeared in the P&C since FSC’s earliest days.

¹ 3.1.1 The certification body shall complete a pre-evaluation in accordance to the requirements in Section 3 of this standard prior to the main evaluation of any FMU of the following categories:

a) Plantations larger than 10,000 ha; b) All non-plantation forest types larger than 50,000 hectares, unless the whole area meets the requirements for classification as a “low intensity managed forest” (see FSC-STD-01-003 SLIMF eligibility criteria); NOTE: the thresholds in a) and b) refer to the total area included in the scope of evaluation (either as a single FMU or as multiple or group FMUs). c) FMUs containing high conservation value attributes, unless the whole area meets the requirements for classification as a “small forest” (see FSC-STD-IMF eligibility criteria).

Option 4 Tighten up the certification system

According to data from FSC, the intensity of certification assessments, in terms of days/hectare, is usually much lower in large MUs than in small ones, because of the difficulties of access and cost. Non-compliances are often more difficult to detect in large MUs, so a low sampling intensity increases the possibility that CABs may miss some of them. This risk can be reduced by increasing the intensity of the annual CAB assessments, for example by increasing the number of Principles which must be audited, or by increasing the intensity of stakeholder engagement or expert consultation or on-the-ground inspections, or by promoting new systems such as Transparent Forests or Environmental Risk Assessment. This option will increase the costs of certification in LHIMFs, but will not necessarily increase their costs of forest management, while increasing transparency, credibility and confidence. CABs may also be encouraged to request better and more up-to-date maps, survey data or remote-sensing imagery from Organizations, according to the CAB's perception of the risks, and to increase stakeholder confidence, without making them automatic obligations.

The IGI WG should make a choice between these and other options for defining these categories. The choice should not be made until there is a decision about its implications. If new and significant Indicators are to be applied to "LHIMFs", then the definition of LHIMFs must be appropriate for the selection of Indicators that will be applied. This report recommends that the decision should not be taken during the first few months of discussions, so as to allow time for different options and opinions to emerge.

The recommendation of this report is for the simultaneous application of Options 1, 3 and 4. Ideally, managers will be encouraged to consider the implications of scale, intensity & risk in all elements of their management operations, and to take appropriate measures. Rather than setting rigid thresholds which would automatically trigger a set of new requirements (like the pre-evaluations of STD-20-007), FSC would identify situations where there is a presumption that certain measures would be taken to reduce risks of negative impacts, such as the use of Earth Observation data for the detection and mapping of annual changes, increased consultations, increased sampling intensities during annual audits etc. Where these measures are not carried out, a clear explanation would be required of what measures are taken to reduce the risks of negative impacts.

Option 2 is not recommended, since it implies three categories requiring separate indicators: Small, medium and large size, with low, medium and high intensity. This will add a new element of complexity, with thresholds which are inevitably arbitrary (why 10.000 and 50.000 ha?), with the implication that a different quality of management is expected in a medium MU than in a large MU.

Arguments for and against (a) creating a new category of LHIMFs with special requirements and (b) promoting the case-by-case assessment of SIR and its implications:

LHIMFs with a size threshold:

Advantages:

- Easy for managers, CABs, ASI and FSC Members to identify each case requiring the application of new rules.
- A clear signal that *something* is being done to address the issues of large size and high intensity.

Disadvantages:

- The thresholds are obviously arbitrary, invented by FSC, and they do not address the problems of operations just below the size limits.
- The rule is based on size, not on a specified management problem, so it appears to be an administrative requirement for *certification*, not necessarily a requirement for *good forest stewardship*.

SIR assessment and management, case by case:

Advantages:

- Decisions and assessments are made and justified by managers according to specific local circumstances, which may vary year by year (just like other management decisions for HCVs, consultations, etc etc.), rather than being based on an arbitrary threshold.
- The whole business becomes a component of continuous risk management, open to continuous change, improvement, consultation...

Disadvantages:

- SIR is not very easy to explain, assess, manage or monitor, and will require more guidance from FSC and more skill and care from managers and CABs (just like P9 and HCVs) in order to ensure consistent results.
- SIR systems do not offer the easy, simplistic feature of targeting only the “mega-operations”, because they recognise that high risks and negative impacts may also occur in smaller MUs.

This report cannot satisfy the requirement of Motion 20 for a “*participatory study of the social and environmental landscape level impacts of large operations*”. Recommendations for this requirement are in Section 7.

6 Motion 21: Progress in fulfilling the PPWG recommendations.

The report of the PPWG of 20 October 2006 included a large number of conclusions and recommendations, stated formally and informally. This section considers them in turn, with some conclusions about the extent to which they have been satisfied in the new P&C (therefore now requiring Generic Indicators) and how far they may need other measures. Each recommendation is given a section number from the PPWG report.

- Introduction (page 3)

"We propose that the plantation manager has responsibility for reaching out to the community and making sure community involvement happens". In the P&C, the obligations of all Organizations (not only plantation managers) for stakeholder engagement have been clarified and strengthened. This is particularly clear under Principles 3 & 4, is covered in Criteria 1.6, 3.1, 4.1, 4.5 and 7.6, and is implicit for all management activities affecting Indigenous Peoples, communities, workers and others. Indicators may provide more specific guidance for each relevant Criterion.

- Section 3.1 Social Issues.

"...managers shall adopt a systematic approach to addressing the social aspects of certification..." The P&C WG interpreted this as requiring explicit measures in planning and in operations, dealing with the actual and potential, positive and negative impacts of forest stewardship (not only of certification as such), including externalities (Criterion 5.3). The PPWG envisaged a Social Management System, but did not explicitly recommend a separate document such as a Social Management Plan. The P&C WG (after extensive consultations) did not consider that such a separate document would be appropriate as an obligation, and concluded that the planning and management of social elements should form part of the Management Planning documents. The P&C now include specific requirements for social elements to be considered explicitly at the planning stage, to be assessed in relation to operations, and to be used for adaptive management. These elements are found especially under Principles 3, 4 and 8.

The PPWG recommendations include several "objectives". One of them is mainly aspirational ("ensure good neighbour relationships"). Three are now explicitly covered in Criteria, although not with the exact wording of the PPWG report:

"Increase opportunities for, and contribute to, positive local sustainable development ...", cf. Criteria 5.1 and 5.4.

"Uphold the legal rights of workers ...", cf. Criteria 1.3 and 2.4

"Uphold the legal and customary rights of indigenous peoples...", now clarified and strengthened in all Criteria of Principal 3.

The recommendations also included a list of measures which should be included in addressing the social aspects, *"tailored to the scale and intensity of the operation"*. The P&C WG treated some of these items as options, which may be appropriate in some circumstances, not requiring Criteria for all Organizations, while others are requirements in all Organizations (except, perhaps, SLIMFs). The items mentioned by the PPWG were as follows:

1. *“Analysing and mapping socially important features in the landscape, such as habitations, areas that provide resources to local communities, etc.”* The P&C WG considered that neither Criteria nor Indicators should specify precise details for mapping requirements, but relevant aspects are covered in Criterion 7.2 (see Explanatory Notes). The identification and analysis of such areas are also covered by several Criteria of Principle 3 and 4.
2. *“Identifying, in cooperation with affected stakeholders, the social objectives of the management unit in relation to employees (including contractors and subcontractors), the local community and indigenous peoples”*. The identification and explanation of *social objectives* is covered in Criterion 7.1. However, the gathering of the information on which these objectives should be based is covered in numerous Criteria of Principles 2, 3 and 4. The process of turning the objectives into plans, targets and monitoring programmes is covered in Criteria 7.2, 7.3 and elsewhere. This recommendation from the PPWG justifies the strengthening of the new C.7.1 and its Explanatory Notes.
3. *“Systematic management of personnel, including local employment policies and actions related to employees, contractors and subcontractors”*. This is a rather broad recommendation, but different elements of it are addressed in Criteria 7.2, 7.3, 7.4 and others, derived from the management objectives developed for Criterion 7.1.
4. *“Detailed, participatory social assessments of positive and negative impacts of the plantation management on the local community”*. These elements, including economic and environmental impacts as well as social impacts, and including all management practices as well as plantations, and including externalities as well as direct impacts, are covered in many Criteria. Several criteria require social engagement in identifying socially important rights and resources, and in developing plans (see above), but social engagement in impact assessment would play a specific role in Criteria 2.6, 4.5 (which covers indigenous peoples as well as other communities), 5.3 (externalities of all kinds), 6.1 & 6.2 (environmental values, including those important to local communities), 7.6 (planning and monitoring), and all socially-important elements of Principle 9. Social engagement is also often relevant for compliance with other Criteria (cf. E.N.4 of Criterion 10.9).
5. *“Clear strategies for preventing, remedying mitigating and/or compensating local communities in the event of negative impacts”*. These items are clearly covered in Criteria 2.6 (workers), 4.5 and 4.6 (which cover indigenous peoples as well as other communities), 6.3 and 7.4.
6. *“Locally appropriate actions to participate, together with other stakeholders, in improvement of livelihood, local development and poverty reduction”*. This aspect is mainly in Criteria 4.3, 4.4, 5.1 and 5.4.

The PPWG also made the following recommendation: *“To assist implementation, FSC shall produce a handbook for forest and plantation managers that can also be used by certification bodies for auditing purposes”*. A handbook on social issues in forest management and certification would be a major undertaking, but does not appear to be an issue for the IGI WG.

- Section 3.2 Ecosystem Integrity (Criterion 6.3).

This item was focussed on the application of the previous Criterion 6.3, which is now replaced by Criterion 6.6 and others. The PPWG made two specific recommendations:

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.”*

This recommendation goes beyond the requirements of the old Criterion 6.3. The maintenance of environmental values is now covered in numerous criteria, while the requirements for mitigation and repair are covered in Criteria 6.3, 6.7, 10.6, 10.7, 10.8, 10.10 and elsewhere. The words used by the PPWG referring to the *“environmental effects of its management”* conform to the current requirements in the P&C that Organizations are responsible for repairing negative impacts caused by themselves, but not necessarily for repairing impacts caused previously, or in the historic or pre-historic past. The second sentence of the PPWG recommendation matches the repeated explicit and implicit references to Scale, Intensity and Risk throughout the P&C.

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 HCV;*
 - * *Areas of representative ecosystems, rare ecosystems and habitats for rare species;*
 - * *Riparian zones of native vegetation, conservation corridors and other elements of landscape connectivity.”*

The P&C WG considered that all these elements are now clearly covered in Criteria, especially in Criteria 6.5 (representative sample areas), 6.7 (riparian zones and their connectivity), 6.8 (landscape elements), and under Principle 9 for HCVs. Many Criteria also include these elements together with the broader inclusion of biodiversity and other environmental values in general. All these Criteria apply to all ecosystems, not only to plantations.

In addition, the PPWG made some broader policy recommendations: The group recommended that FSC develop goals and strategies related to the balance between natural forest management and plantation management in the FSC system, as part of an overall vision for the future, and also recommended a technical phase to develop further guidance. A technical working group was set up (Group B), but it appears that there was no clear final report and the work was put on hold when the P&C WG started work.

- Section 3.3 Stakeholder Consultation.

“The group recommends that FSC ensures that the manager applying for plantation certification and/or recertification is properly addressing consultation”

This recommendation is addressed by all the instances dealing with engagement, in the P&C. These refer to all ecosystems, not only plantations, and they refer not only to applications, but also to annual assessments. The PPWG refer especially to consultation processes and to conflict resolution processes. The report includes the following section:

“Some of the aspects of a good stakeholder consultation process include:

- 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’.*

The IGI WG may wish to consider these items when drafting Indicators, under the appropriate Criteria.

- Section 3.4 Use of Chemicals.

“Certified operators shall adopt a consistent best practice integrated chemicals management approach...”

The PPWG listed several items to be included in this approach, and recommended that *“FSC develops guidelines for integrated chemicals management”*. These have now been published as the *“FSC Guide to integrated pest, disease and weed management in FSC certified forests and plantations”* of 2009.

It would be appropriate for the IGI WG to use this FSC Guide as a basis for drafting Indicators, especially under Criterion 10.7, since it is a professional work, formally endorsed by FSC.

- Section 3.5 Practically improving the Certification Process.

This section calls for improvements in FSC’s vision and strategy, and for strengthening of national stakeholders, national initiatives, and the accreditation and certification processes. The PPWG considered that *“FSC should devote more of its resources to improve the system rather than to policies development”*. These items are certainly extremely worthy of consideration by FSC. New IGI can be considered as contributing to these improvements.

- Section 3.6 Conversion.

The PPWG commented on the importance of FSC rules against conversion of forests to other land uses, and also on the anomalies in the rules, including the current cut-off date of 1994. The report included the following specific recommendations:

- *“...maintaining the cutoff date of 1994 until it can be demonstrated that the new plantation policy is implemented and working”,*
- *“... a technical phase...”*
- *“... in case of conflict between indigenous peoples’ rights in Principle 3 and requirements of Criterion 10.9, indigenous peoples right to control forest management on their lands and territories should be accorded higher priority...”*

For the first of these recommendations, the 1994 cutoff date has been maintained in the new P&C.

For the second of these recommendations, a technical working group was established and produced its report in August 2009 (Expert Team D). Unfortunately, the group was not able to fully develop and test its ideas, so its proposals did not achieve general acceptance during the consultations carried out by the P&C WG. Its recommendations are therefore not reflected in the new P&C.

For the third of these recommendations, the implications are unclear. It is appropriate that FSC National Offices should propose circumstances under which conversion in the lands and territories of indigenous peoples may be compatible with FSC certification for forest management and/or controlled wood. Neither the new P&C nor current approved FSC policies require international indicators on this point.

- Section 3.7 One common set of Principles & Criteria.

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

“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”.

These recommendations received widespread (although not universal) support from stakeholders during consultations, and are now fully reflected in the new P&C.

The group also made recommendation for the use of the words forest and plantations in databases and standards. The new P&C now includes explanatory definitions for *natural forests* and *plantations*, as well as *forests* which include both categories and the whole continuum.

7 Next steps for requirements of Motions 20 and 21.

This report argues that many of the implications of these two motions, and of the recommendations of the Plantation Policy WG, are being satisfied by the output and procedures of the P&C and IGI Working Groups, and by the extensive consultations associated with their work. Specifically, the requirements for “best practice indicators” (Motion 20) and for “expert input and stakeholder consultation” (Motion 21) are covered

by work in progress. A large part of the requirement for “*practical guidance and support tools*” (Motion 21) are also covered by the new P&C, the Explanatory Notes, the *FSC Guide to integrated pest, disease and weed management*, and the work in progress on IGIs.

However, as indicated in earlier sections of this report, some of the wording of Motions 20 and 21 require other actions, beyond the work of the P&C and IGI WGs. These should be addressed as follows, as contributions to improvements of FSC certification in large operations, in plantations, and in all others:

*** Recommendation 1: a study of large operations and their implications:**

Motion 20: “...a participatory study of the social and environmental landscape level impacts of large operations...” “...analyze the certification of these large operations...” This wording requires a study explicitly focussed on large operations, especially certified large operations. This requirement seems to be based on the belief that there is something special about large operations which makes it harder for CABs to ensure compliance with the standards, and which provokes more serious negative impacts. These concerns have been raised frequently throughout FSC’s history. They are central to the suggestions that some extra rules should be applied to large operations (such as the requirement for pre-evaluations in STD-20-007).

FSC may usefully use this motion to finally address some elements of these controversies, by commissioning a specific study, with the following elements:

- 1 Collect 10-15 case-histories where large certified or candidate operations have been associated with high levels of either non-compliance (as identified by CABs) or controversies (as identified by stakeholders and complaints). In each case, summarize the elements where there was good evidence of failings at the level of Criteria or Indicators (i.e. excluding criticisms which are unjustified or beyond the remit of FSC).
- 2 Analyze these examples, to determine which failings were associated with weaknesses in the certification processes because of their large size (e.g. failure to detect non-compliance because of low sampling intensities or restricted consultations), and which failings were associated with the management practices typical of large sizes (e.g. aerial spraying instead of hand-application of chemicals, impacts on whole communities instead of on individuals, large landscape level impacts...).
- 3 Determine whether the patterns of failings would be best managed by (a) a solution based on rules with arbitrary thresholds of sizes, or a case-specific consideration of Scale, Intensity & Risk, and (b) a solution based on rules for certification (sampling intensities etc) or on rules for forest management (with different rules for different situations). If there is a case for a threshold based only on size, the report should suggest options and arguments.

*** Recommendation 2: Guidelines for considering Scale, Intensity & Risk:**

Motion 21 The statement of “Purpose and/or additional information” for this motion refers to “*an impact-based approach*” and “*the need to clarify the requirements of scale and intensity and therefore impact and risk*”.

This is fully consistent with the concept of Scale, Intensity & Risk (SIR), now applied throughout the P&C. The SIR concept was based on “*expert input and stakeholder consultation*”, and contributes to satisfying the motion. However, further guidance is required, to make sure that the elements of SIR are effectively and efficiently assessed and managed. The SIR concept includes individual assessments of the risks of negative impacts, but full Risk Management goes further. It should be built into the design and operation of each complete forest management system. FSC should provide guidance on how much attention should be given to SIR to satisfy FSC’s requirements.

Therefore, as recommended above, in order to fully comply with motion 21, FSC should commission an FSC guidance document, building on the non-normative paper on SIR produced by the P&C WG.

*** Recommendation 3: Development of Risk Assessment:**

Motion 21 requires “*support tools on mitigating impacts of intensive management*”.

The identification of actual and potential risks is an essential component of any system for managing and mitigating impacts. A new tool has been developed for assessing the risks or dangers of negative impacts in FSC-certified forests: Environmental Risk Assessment, ERA, <https://sites.google.com/site/environmentalriskassessment>

If FSC approves the use and development of this system, it will provide a powerful tool for implementing Motions 20 and 21. The system has already been tested in five countries, and demonstrated to FSC and ASI staff, and to two of the annual CB meetings in Bonn. The next pending step is for an ASI-CAB field trial. This step has been agreed by the ED of FSC and the head of PSU and of ASI, but awaits implementation.

At present, ERA applies only for environmental values in natural tropical forests. The system may be adapted for temperate and plantation forests, and perhaps for social values

None of these recommendations require formal FSC Working Groups. They can be addressed by an individual, with a mandate to consult widely with CABs, stakeholders and the presenters of these two motions.

Motion 34 clearly emphasizes “*field performance*” as a key element of standards and of certification decisions. This matches the views that were strongly expressed during the P&C consultations, to avoid developing Criteria that require more documentation or administrative requirements. So, this spirit already pervades the new P&C and should be reflected in the Indicators.