Local Learnings and Global Transformation
FSC Priority Project: Streamline the Normative Framework

Critical Result Area 1.1 – Streamline the normative framework: ‘FSC will improve certification uptake, cost-effectiveness and outcomes by stabilizing and simplifying FSC policies, standards and procedures while maintaining system integrity, transparency, and credibility’.

Critical result area 1.2 – Increase quality and consistency in practice: ‘FSC will improve certification processes to increase the quality and consistency of the application of standards and policies, both internally and via accredited certification assessment bodies’.
National Forestry Stewardship Standards (NFSS) and FM certification:

✓ Improve cost-efficiency
✓ Increase quality and consistency of application
✓ Improve positive outcomes

Looking for on the ground innovatives ideas:

✓ Call for case studies
Case 1 – South Africa: Applying a risk assessment to FSC certification

Case 2 – Russia: Credibility project: definition, auditing and monitoring of critical and key criteria

Case 3 – UK: For a better use of law content and level of enforcement in NFSS

Case 4 – US: Streamlined assessment tool in the Appalachian context
Applying a risk assessment to FSC certification
D. Everard, S. Germishuizen, G. Marais & M. Moodley

Efficient Sustainable Forest Management should focus on what is important, however, FSC certification requires us to deal with a welter of detail. Consequently we get lost and achieve little improvement:

Evidence:
• Some certified FMU’s have turned out to be unsustainable;
• Analyses of most of the non-conformances raised in S.A.
• Resultant incorrect behaviour by certificate holders in response to these findings;
• Difficulty of developing an appropriate NFSS for plantation in S.A. using the generic FSC P’s, C’s & IGI’s.; and
• No smallholders certified in S.A. – most stable with least impact.
Approach

- Assess risks of activities to the values underpinning SFM
- Efficient auditing
- Identify important issues (criteria and indicators) Keystones underpinning sustainability
- Focus on the important issues Adapted auditing
- Risk assessment undertaken for FMU
- Verification of RA by certification body
- On site audit of n.b. issues

Recommendation
Conclusions

• It was relatively easy to do the risk assessments and during verification agreement was quickly reached between manager and CB.
• Large scale high intensity operations have many more issues to manage and audit than smallscale and less intense operations. **Certification will become more accessible to smallholders.**
• All indicators in the standard are assessed during the risk assessment.

Required Improvements:
• The format and presentation of the Risk Assessment
• The output of the risk assessment – relative importance of issues
• How to deal with indicators that are of low importance

Current show-stoppers that need to change:
• Acceptance that one size does not fit all – acceptance of approach by FSC
• Normative documents , i.e FSC-STD20-007, FSC-STD-20-007a and FSC-STD-30-005
Questions for clarification
Case 1 – South Africa: Applying a risk assessment to FSC certification

Case 2 – Russia: Credibility project: definition, auditing and monitoring of critical and key criteria

Case 3 – UK: For a better use of law content and level of enforcement in NFSS

Case 4 – US: Streamlined assessment tool in the Appalachian context
Credibility crisis in Russia in 2010-2012

- All together about 60 FM CH’s from 100 FM CH’s were questioned by key stakeholders
- Different disputes appr. 10 CH’s, including some lasting for 6 years
- Terney Les complaint by WWF (120 pages). TL complaint that Russian FSC standard is contradicting law
- One CB direct involvement in organizing CH’s and Regional government authorities against FSC Russia

<table>
<thead>
<tr>
<th>Total CH’s</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debts</td>
<td>= 9</td>
</tr>
<tr>
<td>Illegal logging</td>
<td>= 33</td>
</tr>
<tr>
<td>Reforestation</td>
<td>= 15</td>
</tr>
</tbody>
</table>

FSC NO and SH’s blames ASI in inadequate surveillance
SH’s blames Dispute Resolution system as virtually non-working
ASI blames FSC Russia standard as vague (even ASI/ABU accredited it!!)
CB’s and CH’s blame NO/SDG in absence of methodics and data (Pr. 6, Pr. 9 et al)
Risk categories in NFSS: key and critical indicators

Selection of key indicators
Selection based on impact of indicators on FM system, environment and social (SDG and/or experts selection)

Necessary to check and report every CB audit, subject of a monitoring (by a NP, RO, FSC Int)

Selection of critical indicators
Selection based on focus (regularity of complaints) of key stakeholders (SH’s selection)

Definition of CH’s in risk groups (together with ASI), new certification & surveillance approaches: eg. desk reviews, compliance audits, Remote sensing et al

25 indicators of Russian NFSS:

**14 Environment:** 6.6.1-5.6.3, 9.1.1, 9.1.2, 9.2.1-9.2.3, 9.3.3-9.3.6,

**11 Socio-economic:** 1.2.2, 2.3.4, 4.4.4, 4.5.5, 7.4.1, 7.4.2, 8.5.1, 8.5.2, 9.2.4, 9.3.14, 9.4.2

4 indicators of Russian NFSS:

**1.2.2:** payments, fees, royalties, taxes and other charges

**1.5.1:** illegal and unauthorized activities

**5.6.3:** sustainable forest management

**9.3.3:** IFL
## Risk categories in CB’s work

Designing and implementation of an enhanced accreditation / CB’s assessment system

<table>
<thead>
<tr>
<th>Options</th>
<th>Critical indicators</th>
<th>Key indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who?</strong></td>
<td>For all CHs- implemented by ASI and/or NP</td>
<td>For CH’s in risk groups (geographies or sectors) – implemented by ASI and/or NP’s</td>
</tr>
<tr>
<td><strong>When?</strong></td>
<td>Annually, in case of major CAR’s - quarterly</td>
<td>Regularity depends on results of Internet incidents screening, Remote Sensing, other info. Generally more often than annually</td>
</tr>
<tr>
<td><strong>What?</strong></td>
<td>New tools: incidents data base (ASI and/or NP), assessments of some indicators using GIS, Remote Sensing; establishing of impact monitoring system, informing CB’s about incidents, results of assessments; annual consultation with ASI, CB’s and SHs.</td>
<td></td>
</tr>
<tr>
<td><strong>Where?</strong></td>
<td>In CB’s reports, ASI assessments, NP’s impact assessments</td>
<td>In CB’s reports, ASI assessments, NP’s impact assessments</td>
</tr>
</tbody>
</table>
Risk categories: example of ASI operations

ASI already is implementing some risk based approaches in their operations and they are ahead FSC in this area. In some countries (Russia, Ukraine, Sweden et al) there is cooperation with ASI, CB’s, network partners and stakeholders, aimed to improve the credibility of certification. That include:

- **Calibration of interpretation** of NFSS with SDG and CB’s (calibration workshops)
- **Joint definition of key and critical indicators** for further surveillance
- **Joint maintaining of national incident database**
- **ASI Desk reviews** for selected indicators, incl. use of Remote Sensing for IFL’s and HCVF’s
- **Regular ASI contacts with CBs on incidents**, monitoring of CB’s actions to address incidents
- **ASI lead definition of risk group** of CH’s by priority indicators
- **Flexible type of audits** (compliance, witness, surveillance) depending on risks
- **Annual plan discussed** with NP’s and SHs

*It is necessary for CB’s and ASI to present the results in transparent form to enable FSC impact assessment by NP’s or SH’s. Impact assessment should transform from scientific into everyday policy and communication tool of FSC*
Questions for clarification
Case 1 – South Africa: Applying a risk assessment to FSC certification

Case 2 – Russia: Credibility project: definition, auditing and monitoring of critical and key criteria

Case 3 – UK: For a better use of law content and level of enforcement in NFSS

Case 4 – US: Streamlined assessment tool in the Appalachian context
In a heavily regulated country, some indicators in the National Forest Stewardship Standard (NFSS) may duplicate or overlap with legal requirements or published best practice.

If these laws are widely respected and/or robustly enforced, this may mean that FSC is adding very little value in these areas.

Duplication of legal requirements in standards may frustrate certificate holders or make certification appear more daunting, and thus pose a barrier to certification.

It may also divert the energy of auditors and stakeholders away from issues which may be of greater importance in the national context.

How can our knowledge of the contents and enforcement of national laws influence NFSS development to minimise redundant indicators and focus on issues where FSC adds most value?
• Gap analysis of legislation (e.g. as already required for Criteria 2.1, 2.2 and 2.3)
• Assessment of enforcement (may overlap with controlled wood risk assessment)

• Simplify indicators/refer to legislation, OR
• Use passive indicators which are not proactively audited, OR
• Omit indicators altogether

• Audit against legal requirements/best practice, OR
• Audit less frequently, OR
• Accept assessments by legal authorities

• Monitor changes in the contents and enforcement of laws
• Monitor auditing of passive indicators
• Monitor complaints involving issues where indicators have been omitted
There are plenty of questions to answer, for example:

• How exactly should legislation gap analysis be carried out?
• Is it appropriate to rely on controlled wood risk assessments regarding enforcement?
• How does this interact with other sources of information, such as CAR analysis?
• Is robust enforcement of relevant laws sufficient reason not to audit a requirement of the Principles and Criteria?
• What expertise and capacity is required for the development of requirements and for monitoring?

The main disadvantage of this approach is that it requires constant scrutiny of legislation, best practice and enforcement activities which are all outside FSC’s control.

The main advantage is that it may allow national standards to be shorter, simpler and more focussed on issues where FSC can add value and make a real difference to standards of responsible forest management.
Questions for clarification
Case 1 – South Africa: Applying a risk assessment to FSC certification

Case 2 – Russia: Credibility project: definition, auditing and monitoring of critical and key criteria

Case 3 – UK: For a better use of law content and level of enforcement in NFSS

Case 4 – US: Smallholder Access Program in the Appalachian context
39 million hectares in the southern U.S. are in ownerships less than 100 hectares

Unlike many places in the world, smallholders do not solely make their livelihood from the woodlands

Natural regeneration, relatively simple silviculture

Landowners and not land managers
Globally significant conservation values

Globally significant resource base
Values from FSC P&C

Context Assessment

- Privately non-industry owned less than 100 ha
- Central and Southern Appalachia, hardwood forests
- Low intensity, infrequent harvest

Non-applicable
- GMO use, Plantation management, Use of exotic species

Low Risk at Regional level
- Chemical use, Tenure, Annual allowable cut, Representative Sample Areas, Monitoring and adaptive management, HCV 2, Worker rights, Legality

Site-level Indicators
- Water and soil quality, Residual stand conditions, habitat and wildlife, special sites (env and social), HCV 3, worker safety, keeping forest as forest
Pros

1. Biggest innovation - Point of Harvest Evaluation
2. Strong regional foundation for critical criteria approach
3. Fits well with procurement efforts

Cons

1. Equity issues
2. Field Test reveals standard still above common practice
3. FSC Chain of Custody issues remain
Questions for clarification
What can we learn from those case studies?

✓ Be more efficient

✓ Focus on what is important for national stakeholders

✓ Focus on issues where FSC create positive impact

✓ Improve credibility

✓ Increase uptake

4 steps
Assessment of Risk

Risk of non-compliance to P&C
Sensitive issues perceived by stakeholders

- FM activities vs. values
- Legislation
- Stakeholders engagement
- Forest owners behavior
- CAR analysis
Development of requirements

Calibrate according to risk category
Ensure clarity on what success looks like

Key and critical indicators
Increase detail for high risk
Simplify for low risk

Interpretation & Guidance
Other roles for FSC?
Adapted auditing

Audit according to risk category
Ensure coordination and calibration

- Refine risk assessment
- Intensity and frequency
- Silencing requirements
- CBs calibration
- Adapt accreditation
Monitoring

Monitor the risks
Monitor the efficiency of requirements and auditing
Take corrective actions

Changes in context
CAR analysis
Complaints

Coordination
FSC/CBs/ASI
Targeted revisions
Outstanding questions:

➢ Tolerance for risk?

➢ Impact to FSC credibility and mission?

➢ Balance responsibility and capacity?

➢ Impacts to FSC structure?
Discussion
Thank you!