

FSC Plantations Review

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FSC PLANTATIONS REVIEW – FINAL REPORT FROM FOURTH POLICY WORKING GROUP MEETING

Howick, Durban, South Africa, April 5th -7th (8th), 2006

Participants:

Policy Working Group (PWG):

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Luis Astorga (Chile, Southern Social)
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Others:

Anders Lindhe, Facilitator of FSC Plantations Policy Review
Rodger O'Connell, LEVELheaded, Meeting facilitator
Matthew Wenban-Smith, Oneworldstandards, former Head of FSC Policy and Standards Unit

Introduction:

At the outset of the meeting, the facilitator asked the Group to reflect on a significant paradox of FSC. On one level, the FSC is built on the energy sparked by conflicts/different views between the three Chambers. At the same time however, each Chamber acknowledges that the FSC could not work effectively without the other two. Indeed, each Chamber acknowledges its need of the others to work well. The analogy used to describe the relationship was that of a three-legged stool, where the stool simply does not work if the one of those legs is missing.

Having agreed that each Chamber needs the others, members of the Group also accepted they had a choice, within the meeting, about the way in which they would pursue the legitimate interests of those they represented. They could either seek to protect the specific narrow interests of their constituency, rather than the overall needs of the FSC. Or they could choose to be bold and work in partnership with their colleagues in the different Chambers, seeking a solution that satisfies everyone's needs.

The Group judged that pursuing narrow interests alone would result in 'lowest common denominator' compromises, where few people are truly happy with the outcome. Instead the Group felt the most effective approach for the FSC was to pursue highest common denominator agreements wherein the interests of all Chambers can be satisfied. Fundamental to this approach was the agreement that, whatever its flaws, the FSC makes a positive contribution to forests and plantations, and to the lives of those connected to them.

The Working Group's Vision for FSC

There is considerable research evidence to demonstrate that conflict within organisations is caused more by people working to a different vision, and within unclear structures, than because of personality clashes. Therefore, the Group decided to agree its own vision for the future of FSC, before getting into the detail of its discussions. It should be stressed that the Group undertook this exercise to facilitate its own work, rather than commit FSC to a particular future. That said, the Group found the exercise to be very valuable and invite others to give feedback on what they have produced in Durban.

To support its visioning exercise, the Group conducted a SWOT exercise to explore the impact of 'raising the bar' in relation to large scale monoculture plantations. At the conclusion of this exercise, the Group agreed it was better for all concerned to have plantations certified within the standards of the FSC system, particularly where that system is expected to be continuously improved.

Within ten years, the Group wants to see a certification system and process which sets a new paradigm for forest and plantation management practice, by:

1. Establishing the FSC Principles and Criteria as the forest and plantation management standard of choice
2. Creating a significant public demand for certified forest products
3. Ensuring there is demonstrable improvement of the environmental values in the plantations estate
4. Promoting community-based ownership so that a significant proportion, circa 25%, of FSC certified plantations are community operated
5. Promoting harvested wood and non-timber products from well managed forests and plantations
6. Promoting the maintenance of ecosystem functioning at the landscape level, and ensure this at the FMU level
7. Building national consensus in order to resolve conflicts surrounding forestry
8. Providing a well recognised system for social dialogue and improvement in community relations
9. Contributing to the reduction of poverty and supporting a more balanced distribution of wealth

10. Ensuring social issues such as worker health and welfare are dealt with as systematically as environmental and economic issues
11. Guaranteeing to halt the expansion of those plantations within its system which are poorly managed
12. Working to prevent the expansion of poorly managed plantations worldwide

The Group's strap-line for this vision became "Raising the Bar" and the PWG representatives saw it as the best option for addressing concerns and crisis in confidence related to the certification system and process. The Group therefore wishes to give members notice that it will be urgently recommending the review of certificates awarded to forest managers whose actions are publicly perceived to be jeopardising the reputation and brand value of the FSC.

Gauging Success

The Group noted a couple of measures against which the success its vision could be judged:

- **The management practices of FSC certified forest plantations would not be attracting adverse publicity or notoriety**
- **Communities would consider FSC is a helpful tool/institution to improve their situation**

The Root of the Problem

The Group identified a number of fundamental policy issues which, over the years have been interpreted differently by different parties, to the point of significantly eroding confidence in the whole FSC system. The Group prioritised these policy discussions over detailed examination of the Principles and Criteria. The Group agreed that taking a clear position on these issues would go a long way to 'Raising the Bar', as well as rebuilding confidence in FSC and the certification process.

1. How can the FSC system be improved so that Social Issues are given equal priority alongside Economic and Environmental Issues?
2. Should the maintenance of ecosystem integrity be judged at the FMU or Stand level?
3. How can involvement of stakeholders, and stakeholder consultation, be meaningfully achieved?
4. What guidance is needed on the use of pesticides?
5. Under what circumstances is it acceptable to 'convert' other land uses to plantations?
6. Should FSC adopt an integrated, common set of Principles & Criteria applicable to all types of management units?
7. What actions should be taken to improve the certification process on the ground e.g., the role of the CB's, within the relatively short term?

The Group invested time and effort in identifying robust FSC positions that would meet the needs and aspirations of all three Chambers, and look forward to receiving feedback from the FSC membership on the results of its discussions.

Social Issues

Problem Statement

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 P & Cs, and there is no coordinated framework for handling them. Whatever the reason, the Group agreed 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.

Proposal

The FSC should introduce a *Social Management System* for managers to use to address social issues in forest and plantation management, which certification bodies would then be able to audit.

How the Proposal Links to the Vision

- Solving conflicts
- Social dialog and community relations with the FMU manager
- Contribution to reduction of poverty
- Balanced distribution of wealth
- Community based ownership

Components of the System

The *social management system*, which will need to be appropriate to the scale and intensity of the operation, and the local context*, should include:

- **A detailed mapping of the social landscape, identifying its important features**
- The social objectives of the FMU in relation to employees (including contractors and sub-contractors), the local community and indigenous peoples
- **A personnel management system, including local employment policies and actions**
- A detailed, participatory social assessment which clearly shows the impacts of the FMU on the local community, both positive and negative
- **A clear strategy for preventing, eliminating, mitigating and/or compensating local communities in the event of negative impacts**
- **Explicit actions to participate in, and strengthen, the local economy**

There are clear and obvious links between Social Issues/Social Management System and Stakeholder Consultation so they should be considered in conjunction with each other.

* to be further defined in Bonn

Ecosystem Integrity

Problem Statement

In the absence of agreed national standards, the interpretation of P&C 6.3* in relation to plantations has been unclear and inconsistent. This has:

- Created an uneven playing field for forest and plantation certification
- Decreased the efficiency of conservation measures
- Opened the door for criticism of the FSC system

Proposal

PWG recommends that 6.3* should be interpreted in the following way, with the intention of clearly distinguishing FSC certified operations from those that are not.

**(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)*

An FSC certified plantation will take an active approach to optimising its conservation strategy. The focus of maintaining ecosystem integrity is on the landscape and FMU level. Optimising the conservation strategy at this level includes optimising the design of:

- Areas of representative ecosystems, HCV (High Conservation Value) areas, rare ecosystems and species
- Streamside zones of native vegetation and other elements of landscape connectivity
- Design of conservation corridors

At Stand level, the focus is on maintaining streams and wetlands at various scales.

Appropriate to its size and scale, a certified operation, or a cluster of operations, undertake research aimed at advancing its understanding of how best to optimise its conservation strategy. Such research might include:

- Experimenting with various levels of structural and native tree species retention at stand level in areas where the natural vegetation is forest
- Experimenting with various conservation area [set-aside] 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 research is continuously monitored and assessed and where relevant, the knowledge gained is integrated in the management of the FMU.

*** Where a national standard does exist, it determines / describes / outlines the applicable strategy to ensure ecosystem integrity.**

Stakeholder Consultation

Problem Statement

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.

Relationship to the Vision

Stakeholder consultation is an essential part of the new paradigm, promising improved community relations through social dialogue. The Group acknowledges the potential for conflict within the FSC certification process and believe that demonstrably robust stakeholder consultation will best serve the interests of all parties. Such consultation and dialogue should provide the foundation for a stronger and more engaged relationship between the operation and the community.

The Proposal

In relation to plantations, the Group would like FSC to ensure that consultation is properly addressed by the manager applying for certification, and/or re-certification. To that end, we are clear the responsibility for engaging affected parties clearly rests with the manager.

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

The subject of consultation may surface in several of the principles, and their criteria. Nevertheless, the aggregated parts must result in a whole that translates into a demonstrable commitment to stakeholder involvement and dialogue.

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

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

*large scale operations might adopt internationally recognised processes such as ISO 14001

The Group recommend that CBs 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 ensuring the manager retains the confidence of everyone involved in those processes. Further, the Group also recommends that FSC provides practical guidance on how managers' consultation and conflict resolution processes can be improved.

In the absence of a National Standard, the manager is responsible for demonstrating how the concerns of other interested parties have been taken into account.

The PWG recommends that further technical elaboration of Guidelines include investigations of established international models for stakeholder consultation (e.g. ISO14001). Some of the issues a good process would pick up on include whether:

- The manager has identified and documented any significant conflict

- The manager is able to demonstrate what action they have taken to resolve the conflict and communicate with the affected parties
- The CB is able to evaluate the managers actions against the P & C's and standards, documents, guidelines
- The CB is able to determine if consent has been 'manufactured'
- The manager is being sufficiently proactive in reaching out to the community e.g., 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 research into the local community has identified all affected parties
- Delegations of rights by indigenous peoples and local communities are based on prior, informed consent

The PWG also requests that, during the technical phase, the following terms are clearly and consistently defined:

- 'Affected' and 'interested' parties (using the Madrid report for guidance: "The PWG identified three different situations of stakeholder involvement within 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").
- Stakeholder
- Rights holder
- Consultation
- Participation

Use of Chemicals

Problem statement

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 pesticide 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.

Proposal

While the Group finds it hard to envisage the phase out of chemical usage within certified plantations in the next 10 years, it believes there are many proactive steps the FSC can and should take to reduce usage and the negative impacts on people and the environment.

In order to make the use of chemicals acceptable, certified operators should adopt a best practise approach, which will include:

- Integrated Pest Management
- Phasing out aerial spraying
- Full declaration of chemical usage – quantities; types; frequency; protocols
- The adoption of safety, health and quality controls covering workers and the environment
- The monitoring of, and reporting on, such safety, health and quality controls
- Managers having to demonstrate the programme 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

In addition, the PWG recommends that FSC develop:

- Guidelines for integrated pest management

As a further step, the PWG recommends a review of the FSC chemicals policy to ensure it is in keeping with the vision in this document.

Conversion

Problem Statement

The Group recognises that Conversion is one of the most sensitive issues within the FSC. If the organisation gets it right, it will be recognised as being part of the solution to deforestation. If not, the FSC will be seen as part of the problem and criticised accordingly.

As things stand, the P & C's exclude certifying conversion from natural forests, thereby allowing, for example, certifying conversion from valuable grasslands. At the same time, current interpretations may also clash with legitimate local interests e.g. where they prohibit indigenous peoples from converting spontaneously regenerated scrubland to plantation. Thus, there appears to be a need to review FSC's general policies related to conversion.

In addition, some stakeholders have questioned the arbitrary cut off date, as this may exclude responsible managers who had never heard of FSC in 1994 and converted from natural forest to plantation in good faith, but who are now locked out of the certification process.

Proposal

The PWG recognises and affirms the critical importance of the issue of conversion to all three FSC Chambers. At the same time, because the issue relates to the whole of the FSC's work and not just plantations, the Group had to conclude it does not fall completely within their terms of reference.

Therefore, as a result of its discussions, the PWG propose that the Board of Directors instructs the Secretariat to design and instigate a separate review process, including member and Chamber consultation, as soon as is practicable.

In addition, the Group intends to continue its discussion about conversion in its final meeting in order to provide a plantation perspective and in order to speed up the wider review process. Further feedback will be invited from members to assist the Group with this complex issue.

The Group is clear that its request for a separate review should not delay the implementation of its other recommendations relating to the FSC certification of plantations.

Finally, the following specific points came up in discussion about the Principles and Criteria that relate to conversion:

- The rules around conversion should extend to other ecosystems as well as forests
- FSC needs to clarify the rules in situations of potential contradictions within the P&Cs themselves, e.g. as in the example given in the problem statement where interpretations of 6.10 may contradict indigenous people's rights to use and manage their lands and resources as outlined in P3

Common Set of Principles & Criteria

Problem Statement

The P&Cs are an essential part of the certification process and the 2005 General Assembly passed a motion setting up a separate process for reviewing them. This is an important piece of work and the PWG is keen to contribute from a plantation perspective.

One key question considered by the Group was whether there should be one, integrated and common set of P&Cs that would apply to all types of managed units.

While this might be a purely technical issue for some, the PWG considered it from the perspective of the message inherent in the current structure of a separate Principle for plantations. Having a separate Principle led the Group to question whether plantation managers are truly welcome within the FSC community.

Proposal

While the Group has not yet made a final judgement, it favours one integrated set of common P&Cs for all management units. However, concern was voiced in the Group about:

- Losing a clear distinction between forest and plantation
- Whether this action would lead to 'conversion through management' of FSC certified natural forests, whereby small areas of the natural forest are systematically converted by manipulating management plans and/or action

Members of the PWG will therefore continue to consult with their relevant constituencies before making specific recommendations at the final meeting in Bonn in September 2006.

However, the Group wants to stress that, from its perspective, the lack of confidence in FSC certification of plantations, is not because of the structure, nor the content of the P&Cs. Therefore the Group urges FSC to implement a number of the recommendations in this report to address specific, more immediate and relevant issues, particularly as the P&C review could take several years.

Practically improving the Certification Process

Problem Statement

The PWG considers that many concerns about certified plantations 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 speedy and significant impact on the quality of the overall certification system.

The Group looked at the following three issues:

- Establishing National Initiatives
- The Role of the Certification Bodies
- The Role of the FSC Secretariat

Proposal

The Group's understanding is that the majority of certification controversies have occurred in the absence of national standards which indicates the absolutely vital importance of balanced, well-functioning National Initiatives within the FSC system. Where they are absent, 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:

- Supporting, advising and assisting in the resolution of CB-related disputes that arise during the certification process
- An obligation to monitor complaints, perhaps through an independent body. To achieve this the NI need both to be notified of complaints, and to have a mechanism through which it can be involved.

The Group also judged there was a role for the FSC IC in relation to the establishment of National Initiatives including:

- To ensure there is up to date standard procedures, guidance and documentation for NI's (though some documentation already exists)
- Ensuring mediation processes are initiated promptly, wherever they are required, either directly or through an independent body such as an ombudsman

Furthermore, there is an important role for the FSC accreditation unit in ensuring that future CB performance supports the vision in this report. The Group judge that the following actions are necessary to achieve this:

- CB Rotation – no two five year re-evaluations should be undertaken by the same CB
- Ensure the CB has a good understanding of the economics of the industry in which certified companies are operating
- Ensure the CB has just as good an understanding of social issues/social management system
- Review and evaluate whether the FSC accreditation audit procedures are sufficiently robust
- Review how accreditation audit procedures can best ensure the certification process gives sufficient weight to the understanding of local circumstances and issues
- Ensure CB's are briefed on, understand and apply the 'Consultation' and Social Management System' policies within this report
- Monitor the variation in CB performance and set targets for their continuous improvement

Next Steps

The PWG will hold its final meeting in Bonn, on September 6-8, 2006.

At that meeting, the PWG requests to meet with the Policy and Standards Unit, the Accreditation Unit and the Executive Director to discuss further the options for practical improvements in the certification process in order to restore confidence in the system.

Between now and the final meeting, members of the group will consult further with their respective constituencies. The FSC secretariat can, on request, assist the Group by distributing its report widely among the membership