

FSC Progress Report on Greenpeace's key issues of concern, and progress on its recommendations

Updated April 2014: First Quarter 2014

Over the past six years, Greenpeace has provided constructive criticism, made recommendations, and has monitored FSC's performance against the key challenges FSC needs to address in order to maintain its credibility*. This table summarises FSC's progress – or lack thereof – on the key issues of concern and the immediate action required to address and improve FSC's system and performance. It will also include regular updates on 2014 developments.

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Issue	2008	2010	2012	Immediate Action Required	2014 Quarterly Progress Reports (Q1)
Weak Principles & Criteria (P&C)	Review of FSC core international P&C begins.	Revised draft of P&C fails to adequately safeguard many ecological and social values, and is not supported by a number of FSC environmental and social chamber members.	Final revised P&C is voted in, but 40% of the environmental chamber votes against its adoption. Assurances given by FSC that the International Generic Indicators (IGIs) will address many concerns.	FSC's IGIs development process delivers strong and clear indicators that addresses the inconsistencies, weaknesses, and gaps in the new P&C, especially strengthening the maintenance and restoration of natural forest ecosystems including Intact Forest Landscapes (IFLs), and requiring high intensity/high impact operations to do more to protect, conserve and, if necessary, restore environmental values.	<p>The Notes that go with the IGI indicators are essential and must be considered as mandatory/normative and adapted and applied for the generic IGI standard. There is still very little guidance on how to adjust for scale and intensity; for large-scale operations the indicator guidance is limited and broad and for SLIMFs the indicator set is not realistic. Proposals to have this done only at a national level will not be sufficient.</p> <p>Good to have separate corruption Principle (P) 1 indicators but could be further strengthened by including national anti-corruption policies and formal initiatives. Elaborated indicators and references to new policies such as the FPIC guidance and international treaties such as UNDRIP and ILO 169 strengthens P3 greatly, indicators referencing agreements need to be clarified as mutual. Much improved indicators in P6; adamantly support minimum % required for representative set-aside areas. Good that production and diversification under P5 indicators are also linked to ecosystem services.</p> <p>Under P5, annual allowable cut volumes shall be based on the actual harvestable area and this area should be clarified; and do not agree with note that natural disturbances should warrant an increase in allowable cut but in most cases it should lead to a decrease. Add to P9 note 2 HCV2 intact forest landscape protection threshold requirements – i.e. any industrial-scale activity in HCV2 is only acceptable outside of protected areas and community priority areas if it can demonstrate that no intactness values are being harmed. P10 indicators need to be clear on the aim being to avoid and eliminate the use of fertilisers and pesticides.</p>
Lack of High Conservation Value (HCV) guidance	There is no HCVs interpretation and implementation guidance from FSC. This leads to inconsistent identification and weak protection of forests with High Conservation Values (HCVs).	An expert group is formed to develop guidance for the identification and maintenance of HCVs.	IFLs are recognised in draft FSC guidance on identification of HCVs as HCV2 (Criterion 2). Draft guidance is due for web publication and consultation in late 2012. Guidance for maintenance and management of HCVs is in progress.	FSC needs to finalise and implement HCV guidance in 2013. The majority of IFLs should be protected, and FSC should play an important role in achieving this including through promoting participatory land use and conservation planning, supporting community use, developing protected area certification, and not certifying industrial logging that fragments these areas.	The long awaited FSC HCV Protection and Management guidance is stuck in FSC process paralysis. It was due early 2014 but has now been delayed until after the completion of the IGIs despite the fact it was urgently needed to complement their development. FSC needs to swiftly move ahead so it can at the very least be used for the national standard revision processes, with the IGI generic standard and to help develop National Risk Assessment controlled wood measures. The impacts of the delays are that HCVs and IFLs are still being degraded or destroyed on FSC's watch.

These issues are allowing an increasing number of controversial practices to be certified by FSC. This is to the detriment of those members, companies and public authorities that are either managing and/or are committed to procuring/selling wood products coming from well managed forests, and will increasingly challenge the trust that consumers have in the integrity of the FSC label. It is clear that these challenges can only be overcome through a joint effort and call by FSC's members and stakeholders for FSC to uplift its performance and keep its label credible.

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Certification in high risk regions	There is no framework policy, or measures on FSC operating in high risk regions.	In 2011, FSC members are consulted on a discussion paper to identify the issue and options as to how FSC can best proceed to address this issue in consultation with membership.	FSC international board is still deliberating how to proceed.	FSC needs to develop safeguards for certification in "sensitive" or "high risk" regions to address key contextual issues, including civil society stakeholder participation, HCVs, land-use planning, transparency, corruption, and poor governance.	FSC's Task Force to develop FSC Policy on safeguards for high risk areas will have a proposal for high risk regions by the General Assembly in 2014. Proposals are being discussed, but the Task Force does not have set meetings or timelines to achieve goals and has not met since the first time. A promising proposal is to strengthen the pre-audits in high risk areas, but no progress on the proposal made. Corruption indicators such as an anti-corruption policy are under discussion (P&C 1.7) through the IGI process. They should not be weakened, be applicable to all regions, and not only certified companies, but also CBs.
Implementation of the Policy for Association (PfA)	Following disassociation from Asia Pulp and Paper at the end of 2007, there are discussions on a policy that addresses FSC relationships with controversial or "high risk" companies.	Policy is approved in July 2009, but guidance and mechanisms to enable full implementation, and the due diligence procedure for FSC and Certification Bodies (CBs), are not in place.	All certificate holders are required to sign a declaration on compliance with the PfA. However, there is a lack of due diligence on PfA compliance and a reliance on complaints to resolve existing associations with controversial companies.	FSC needs to prioritise the development of the mechanisms to fully implement the PfA, including a robust due diligence approach for "high risk" companies seeking to become FSC-certified, and establishing clear guidance on compliance with PfA.	FSC will revise the FSC-POL-01-004 Policy for the Association of Organisations with FSC (PfA) and FSC-PRO-10-004 Due Diligence Evaluation for the Association with FSC. Greenpeace welcomes this revision to strengthen the application of the PfA. A call for working group representatives has gone out; however, there isn't yet clarity about how this revision process will unfold.

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Controlled Wood (CW) is not controlled	Members pass two motions at the FSC General Assembly to assess performance of the CW system and to strengthen it.	There is little progress on previous General Assembly motions, so FSC members unanimously pass a motion to phase out company risk assessments, and strengthen national risk assessments and the overall CW system.	Chamber balance working group is working on draft new CW and National Risk Assessment (NRA) standards, with the first phase of public consultation expected January 2013.	FSC needs to update the Global Forest Controlled Wood risk register, urgently finalise the NRAs and CW standard revisions, and – where there are no NRAs – require FSC field assessments. Moreover, FSC needs to phase out its FSC "Mixed" label product line by 2018, to promote improvement and move to full FSC certification.	The Controlled Wood standards 40-005 and 30-010 and requirements for National Risk Assessment process are still under review with the 1st membership consultation round completed. It is extremely important that the expanded scope and robustness of risk assessments at a scale related to the threat of the CW category is maintained. Greenpeace strongly believes where no FSC network partner exists, FSC must require controlled wood sourcing to be either certified against FSC-STD-30-010 or an equivalent 3rd party verification audit to the requirements of FSC-STD-30-010. Companies must not be allowed to determine their own control measures, rather FSC must have a formal process outside using CBs to adopt and approve control measures.
					Given the importance of NRAs, FSC must prioritise resourcing their development and help resource and identify areas of low risk where no new NRAs will be developed in the foreseeable future.
					However, it appears that NRAs for all the identified priority areas will not be resourced in 2014.
					Aligning controlled wood 30-010 standard with all the relevant new FSC P&C has been taken off the table with FSC Board agreeing that "the revised CW system should be stable for the proposed time frame of at least 10 years." This also means there is no commitment to link controlled wood with continuous uptake of FSC through FSC's Modular Approach Programme (MAP) and rather the board has called for membership input to help determine FSC's CW strategic direction.

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Developing a Modular Approach Programme (MAP)	Although the FSC policy on MAP was approved in 2005, no MAP programme or standard for companies transitioning to full FSC certification is in place.	Chamber balance working group process establishes a MAP standard and supporting programme that favours community and smallholder participants.	Draft standard is almost final and ready for consultation.	FSC should urgently implement the MAP system, prioritising support for community and smallholders to achieve FSC full certification.	The public consultation on its MAP standards (for FM organisations and CB assessment requirements) closed at the end of November 2013. FSC plans to launch MAP in Q2 of 2014.
					It is great that the Small and Community Label Option is available and the producers and retailers are being supported with FSC's "Made with Heart" campaign (https://madewithheart.fsc.org/).
					However, FSC is profiling several operations on this website that are not small, community based nor low impact and FSC should remove them.
					It is also good that FSC will continue to provide grants to support FSC certification among small private, family, and community forest owners, or "smallholders."
					These are good steps but the smallholder and community forest area is still only 3% of the total area certified by FSC. FSC needs to go further by ensuring its smallholder and community programme is entrenched in its long-term strategy to secure the support and commitments from FSC's network global partners to follow suit.
FPIC - Free Prior Informed Consent (FPIC) indigenous peoples' guidance has been prepared to accompany the revised P&C but its implementation is not yet required. Six FPIC field test locations are being selected by the end of April to be used as critical input for a second version of the FPIC guidance.					

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Poor performance on the ground	There are ongoing concerns around poor performance by FSC-accredited CBs. FSC needs to consider inherent CB-client conflict of interest arrangement, and explore changes and tools to switch the current competition on price to rather CBs competing on quality. Accreditation Services International (ASI) is under-resourced, and needs to revise its Accreditation Standard to ensure consistent compliance and monitoring on the use of CARs, and prioritise on-the-ground performance evaluation requirements. ASI is not conducting unannounced spots checks on a regular basis.	There is ongoing variable performance by CBs, particularly in "high risk" regions. There are no new initiatives by FSC to address. Accreditation Standard (rules for CBs) revision is completed. ASI has increased audit frequency and additional audits for controversial certificates to a certain degree, but there is no direct penalty tool to punish poor performance of CBs, and ASI rejects using spot checks to catch out rule-breaking certificate holders and CBs.	There is no progress by FSC on addressing the CB-client conflict of interest issue. FSC implements a new "Quality Delivery Unit", with a primary function to improve the performance of ASI. ASI has continued with "compliance" audits to carry out more in-depth assessments of CB performance, rather than just "witness" audits. There is no trend showing that the new ASI CB standard has a remarkably increased on-the-ground performance by CBs and its clients.	FSC must ensure ASI delivers much-improved CB performance. FSC should also increase its level of transparency and require that ASI and CBs publish all assessment reports, and expand the scope of valuable information for stakeholders that is published, including maps of FSC-certified management units, locations of HCVs and protected areas, and full disclosure of companies' ownership and structure. FSC must ensure the Principles and Criteria are implemented with integrity. The IGIs must address aspects currently lacking clarity, including sustainable yield (Criterion 5.2), maintenance and restoration of natural forest (Criterion 6.6), a minimum 10% requirement for forest reserves (Criterion 6.5), as well as the HCV aspects above.	ASI does not publish public summary reports on its Annual Office Surveillance audits of CBs.
					There is currently no discussion on publishing CoC reports. There are discussions to publish full FM reports minus propriety information, but all parties need to agree to it.
					FSC has not expanded the scope of valuable SH (Stakeholder) information to be published, including maps of FSC certified management units, locations of HCVs and protected areas, and full disclosure of companies' ownership and structure..
					Some oversight in some regions has improved. In Canada, Resolute Forest Products' FSC certificates were suspended in over 8 million hectares for failing to uphold multiple principles, including indigenous peoples' rights and HCV protection, due to a combination of CB and ASI actions. Furthermore, ASI has issued two major non-conformances to Rainforest Alliance on this certificate due to RA not ensuring FPIC was respected during its evaluation process.
					However, FSC is allowing the wood from these certificates to be managed as controlled wood, knowing it is from controversial practices that also violate its FSC-STD-40-005 controlled wood standards.
					Several large FSC FM controversial certificates were suspended. The number and quality of ASI audits have increased.
					FSC Russia has published sustainable yield guidance related to P5 on its website, and it is being tested by some certification bodies. However, more global and substantial actions are needed from FSC to resolve unsustainable harvesting issues and continued clearing of intact forest landscapes.
					Recently Stora Enso had FSC FM certification suspended or terminated in one part of their holdings in Sweden (Bergvik Skog) as a result of a recent ASI inspection linked to several NGO complaints. This is a good step, but it was long overdue.
					While some of these suspensions by CBs and ASI are a good start to transform on-the-ground practices, there is still some way to go to ensure systematic improvements by CBs and certificate holders are realised.

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