

FSC Progress Report

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

Updated December 2014: Third 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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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.	It is a major failure that the Notes that helped clarify the application of the IGIs were not adopted as a part of the IGIs. It is not clear how including the Notes as normative instructions to standard developers will ensure the same intended outcomes. Indicators or verifiers to apply scale intensity and risk (SIR) were not developed as part of the IGIs. This is a major failure that will leave SLIMFs still struggling to meet the indicators, as well as no particular requirements for large-scale operations that need to deliver high performance on the ground.
					It is very good that FSC General Assembly (GA)'s Motion 7 on changes to the Principles and Criteria (P&C) explicitly requires the insertion of the "intact forest landscapes" definition into the overall High Conservation Value (HCV) HCV2 definition.
					FSC International needs to act fast to ensure Motion 65 on greater IFL protection is linked to the IGI P9 indicators and the development and implementation of regional, national forest management and CB generic standard(s).
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.	FSC GA Motion 83 recognised the need to develop a separate standard and/or certification approach adapted to the realities of indigenous peoples and traditional forest communities.
					FSC GA Motion 65 was passed with majority support by all three chambers, and aims to protect the vast majority of IFLs in FSC tenures, and requires the development and implementation of indicators to achieve this by 2016.
					FSC has developed Terms of Reference for a HCV Technical Working Committee to develop HCV identification and management guidance to be appended to the IGIs. FSC hopes this work will commence before the end of 2014. This work is part of a broader Motion 65 implementation plan that FSC International is developing with its regional and national network partners, and within its strategic planning process.

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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 on High Risk Areas did not have a new meeting. At the GA side event on High Risk Areas participants acknowledged the need for geographical identification of high risk areas and a risk approach in audits. No concrete action points were decided upon due to a lack of capacity to move this issue forward.
					Companies for FPIC guidance pilot tests have been selected in the Congo Basin and work has started.
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.	The revision of FSC-POL-01-004 Policy for the Association of Organisations with FSC (PfA) and FSC-PRO-10-04 Due Diligence Evaluation for the Association with FSC started with a constructive technical working group meeting in October. All key areas for the revision are identified.
					This technical working group aims to be ready to deliver its recommendations to strengthen the PfA within one year.
					Danzer is re-associated with FSC. Greenpeace finds this premature, because the conditions for re-association specified implementation of measures and not only adoption of them. One important Forests for Peoples Programme (FPP) recommendation for a Danzer supplier to commit to attaining Free Prior Informed Consent (FPIC) was not included in the roadmap.

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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 standard revisions to 40-005 and 30-010 and requirements for the National Risk Assessment Framework (NRAF) are finalised. In order to accept the extension of companies doing their own risk assessments linked to using the new NRA and 40-005 methodologies until 2017, it is critical that the minimum control measure requirements (FSC-STD-40-005 Annex C), particularly no CW sourcing without FPIC or from IFLs outside FSC-certified areas, with reinforcement of stakeholder and expert requirements, are not at all weakened.
					FSC Canada has submitted a proposal to reject the minimum control measures to FSC International. This threatens to undermine the careful consensus across chambers reached in the CW technical committee. Additionally, several environmental and social members have drawn attention to the need for FSC to clarify the definitions and associated rights of local communities, to ensure adequate social safeguards are incorporated into its standards, including into the revised CW standards. In the marketplace it is clear that more products are being labelled with the FSC Mixed label, and thus fewer products are being made from inputs solely from FSC-certified managed forests. Greenpeace strongly recommends FSC's strategy connects CW to continuous improvement objectives, including providing greater support for moving CW areas towards full FSC certification, and FSC Mixed products toward FSC 100% Pure status. This should be complemented by marketing of FSC Pure products, and implementing the Modular Approach Programme.

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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.	<p>Some MAP field testing is delayed until IGIs and STD-30-010 revision processes are complete. Nevertheless, a MAP pilot project will commence in 2015. FSC must prioritise recognising and implementing MAP as a critical piece of its strategy, to facilitate more forest areas reaching full FSC certification.</p> <p>Motion 88 was passed, and called on greater and continued market support for FSC to help improve opportunities for small producers and communities. This should further help promote the uptake of the Small and Community Label. (https://madewithheart.fsc.org/).</p> <p>FSC will continue to provide grants to support FSC certification among small private, family, and community forest owners, or "smallholders". FSC is investigating new opportunities through a permanent task force, the FSC Smallholder Network Advisory Group (SHNAG).</p> <p>These are good steps but FSC needs to further support the growth of the smallholder and community forest area by targeted efforts to substantially increase the current less-than-5% of the total area certified by FSC.</p>

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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 IGLs 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.	Good progress
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