Forest Stewardship Council®

1st Public consultation results
Forest Management Groups
FSC-STD-30-005 (V2.0 Draft 1)

Synopsis of first public consultation results of the Forest Management Groups standard (FSC-STD-30-005 V2.0 Draft 1)

Consultation period: 8 November 2019 to 10 January 2020 (English/Spanish)

Contact for comments:

- Rosario Galán (r.galan@fsc.org)

- Lauri Ilola (l.ilola@fi.fsc.org)

Technical working group in charge of the revision:

- Gabriel Bolton (NEPCon)
- Marie-Christine Fléchard (Soil Association)
- Xiao Jianmin (Research Institute of Forestry Policy and Information, Chinese Academy of Forestry)
- Matti Maajärvi (UPM-Kymmene Corporation)
- Yadira Molina (Fundacion MaderaVerde)
- Victoria Rizo (2Tree Consultoria)
- Conceição Silva dos Santos (UNAC – Mediterranean Forest Union)

This document has been prepared in accordance with FSC-PRO-01-001 (V3-0),[1] and contains an analysis of the type of stakeholders that participated in this consultation, as well as a summary of the main issues raised, and how these issues have been addressed in the second draft. In general, the first draft was in need of further revision, in particular the internal monitoring methodology.

Contents

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[1] FSC-PRO-01-001 V 3-0 *The Development and Revision of FSC Normative Documents*.

PART I General data on participating stakeholders
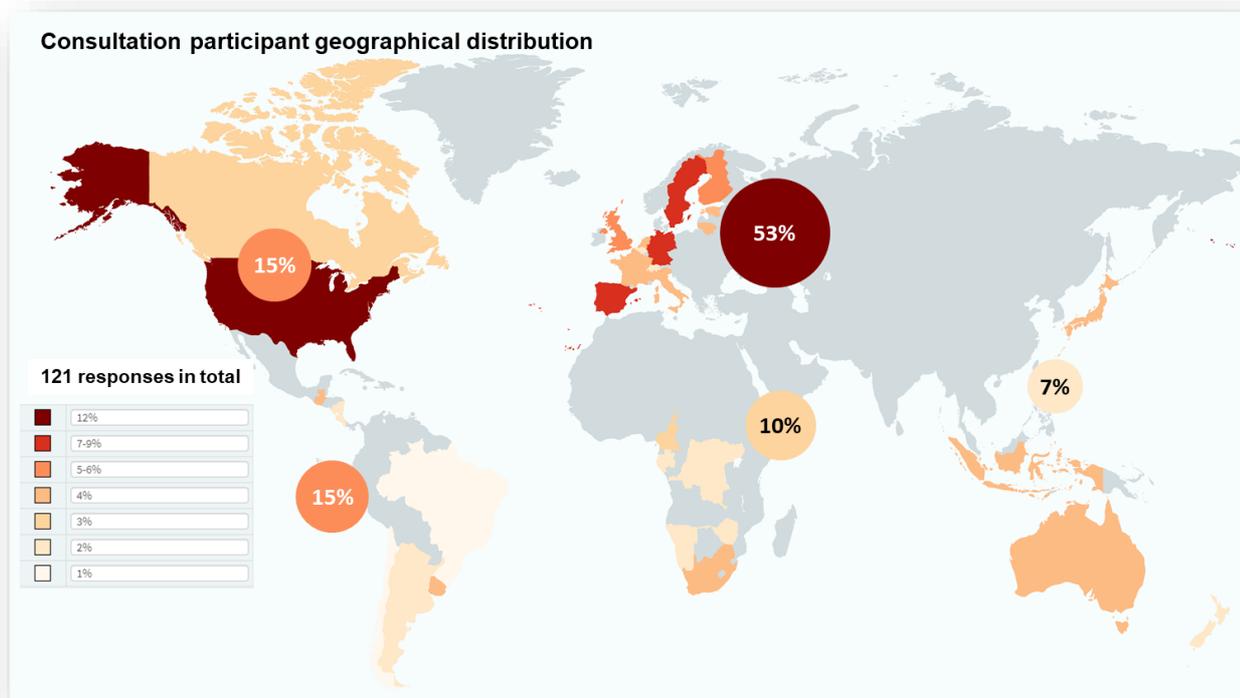
Number of responses: total 121 (from 33 countries)

Consultation participant geographical distribution

Figure 1. Geographical distribution of consultation participants

**Statistics of respondents:**

a. Category of respondent:

- FSC member: 52 (43% of respondents)
    - Economic North 25, Economic South 15
    - Environmental North 5, Environmental South 6
    - Social North 0, Social South 1
- Certificate holder: 51 (42% of respondents)
- FSC network partner staff: 15 (12% of respondents)
- Other: 14 (12% of respondents)
- Consultant: 9 (7% of respondents)
- Certification body/auditor: 8 (7% of respondents)
- FSC International staff: 4 (3% of respondents)
- ASI staff: 2 (2% of respondents)

PART II Feedback summary per topic

1. Division of responsibilities
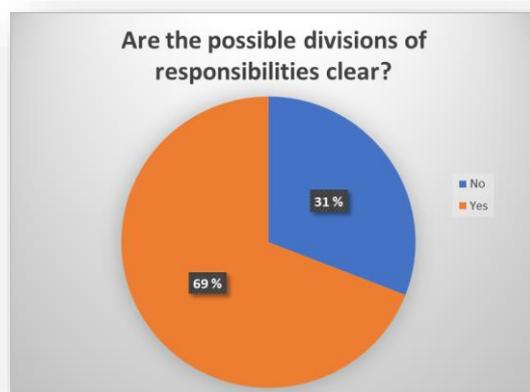
Although the responses indicate that most people understand the definition of Resource Manager, comments show that there are still doubts regarding the possible division of responsibilities, and the distinction between the Group Entity and the Resource Manager.

Some stakeholders also feel that it can be misleading to have these two figures in the group. The working group analysed the possibility of changing the terminology for these figures, and the need to keep them both. It was deemed necessary to maintain both figures, due to the different responsibilities that they have in the group. Regarding the terminology, it was decided that the best way forward was to maintain the current terms.

It was expressed that the definition of resource manager was very strict as it could be understood as excluding the possibility of forest owners to perform any activities in their forests.

Actions taken:

- It has been clarified that the Group Entity can divide the responsibilities among the different actors of the group, including resource manager(s), members, contractors, consultants, etc. It´s important that this division is defined and documented.

- The Group Entity, or another actor, can take responsibility for conformance with a requirement for the whole group (group level conformance). It´s important that any activities that need to happen on the forest related to these requirements are implemented in all the management units of the group.

- Resource Management Unit (RMU): the need to have a verifiable agreement for the transfer of responsibilities from the members of the RMU to the resource manager has been deleted. This was already covered by the definition and documentation of the division of responsibilities within the group.

- Note added to clarify that members of an RMU can implement some management activities in their management units.

- The term verifiable agreement has been clarified.

2. Conformance across management units
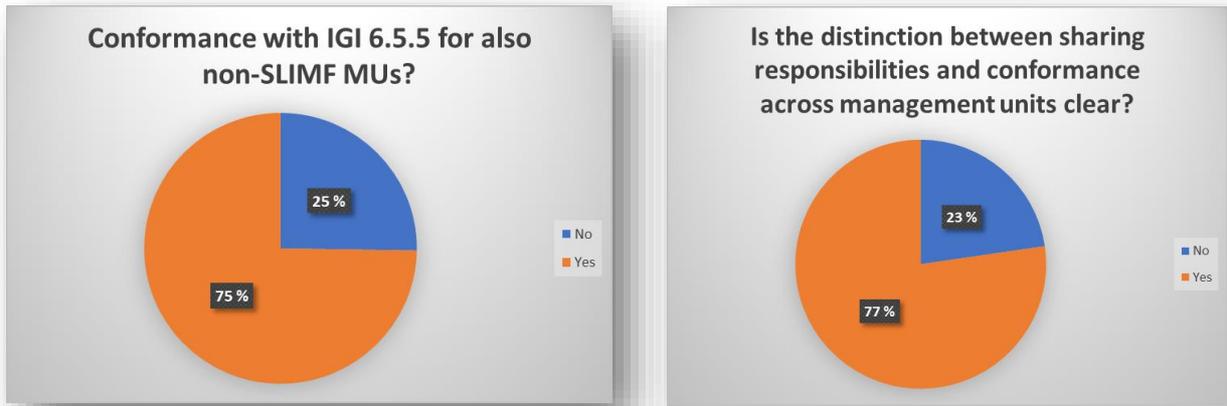
Regarding the possibility to conform with Criterion 6.5 across management units, in some cases there is a preference to allow this for any size of management unit, but also it is commonly recognized that SLIMF management units are the ones that will probably get more benefits out of this possibility. It´s also mentioned that conservation areas should be where the impact can be the greatest, and that in the case of plantations this can facilitate conformance to FSC requirements and plantations joining groups.

Actions taken:

- Conformance across management units continues to be possible for the conformance with Criterion 6.5 (6.4 of the P&C V4).

- It has been included the possibility for non-SLIMF management units to support SLIMF management units in conforming with Criterion 6.5.

## 3. Evaluation of applicants
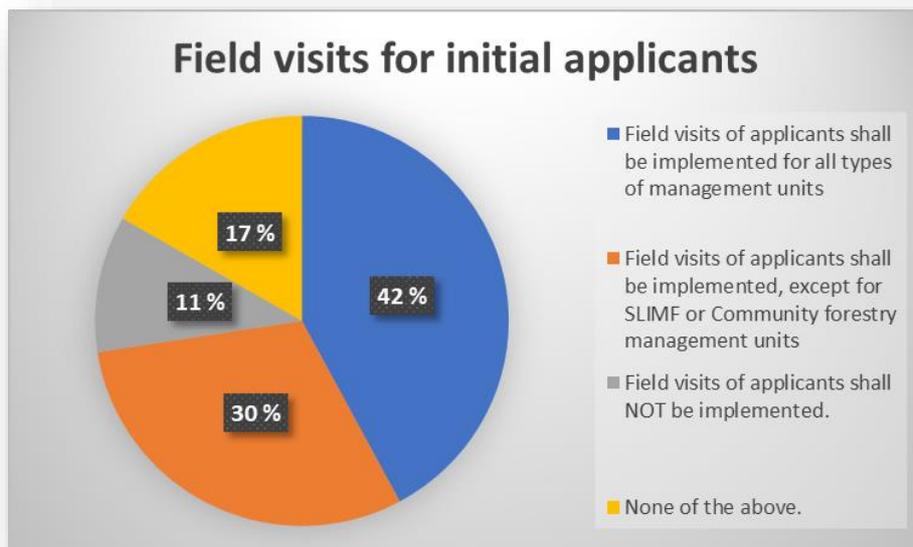
The feedback for and against requiring field visits for all applicants was very balanced. Some stakeholders emphasized the need to visit a management unit before it joins a group, while others saw this field visit unnecessary at such an early stage, in particular for SLIMFs.

Actions taken:

- Field visit for the initial evaluation continues to be mandatory, except for SLIMF (as in the current standard) and communities.

- The reference to the possibility of hiring a certification body to implement the evaluation of applicants has been deleted, since this is possible for any requirement (the Group Entity can choose to hire external consultants to conform with the requirements).

- Note included to clarify that when a member changes to another group managed by the same Group Entity, they also need to conform with the evaluation of applicants requirements.
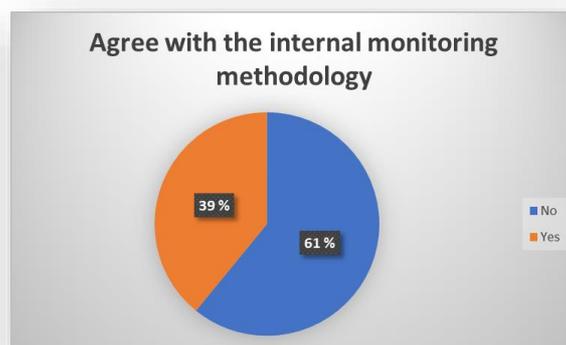
4. Records maintained by the Group Entity
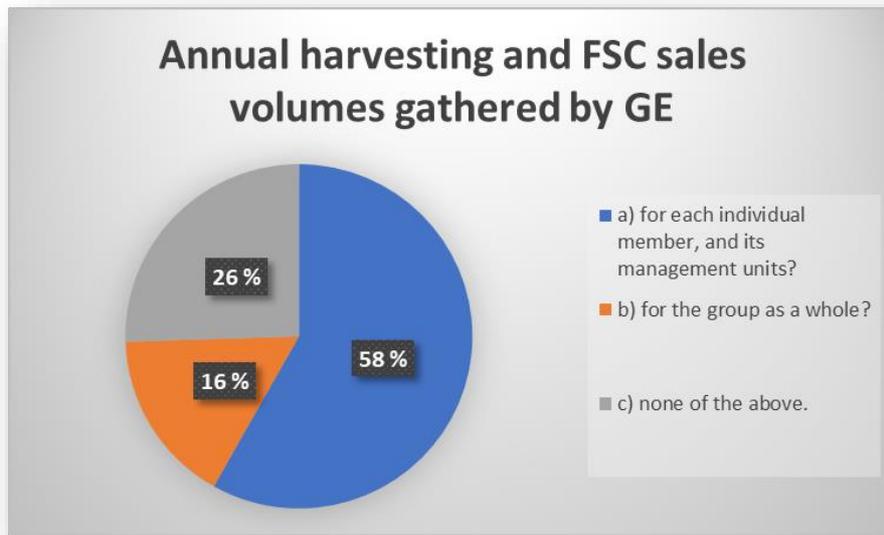
The maintenance of records of the annual harvesting and FSC sales volumes has to be done by the Group Entity. When discussing this topic, the technical working group agreed that these records are to be maintained for the group as a whole, as informed by the members

Actions taken:

- It has been clarified that the Group Entity shall maintain records of the estimated annual overall harvesting volume of the group and annual FSC sales volume of the group.

- Some additional requirements regarding invoices and a sales protocol have been included.

5. Internal monitoring

Inactive MU sample increase to two smallest size categories

- a) Yes, inactive management units should also be visited. — 33 %
- b) Yes, but don´t agree with the percentage proposed (10%). — 10 %
- c) Yes, but would apply the percentage to all size categories. — 3 %
- d) No, inactive management units don´t need to be included in the internal — 40 %
- 14 %
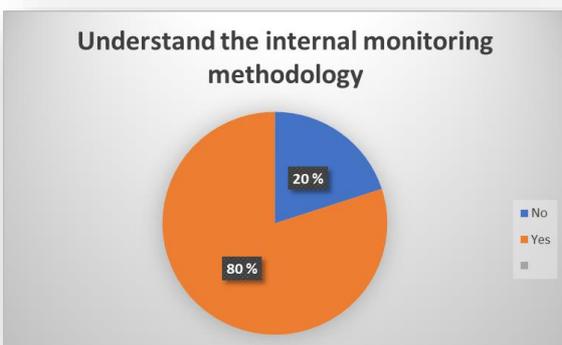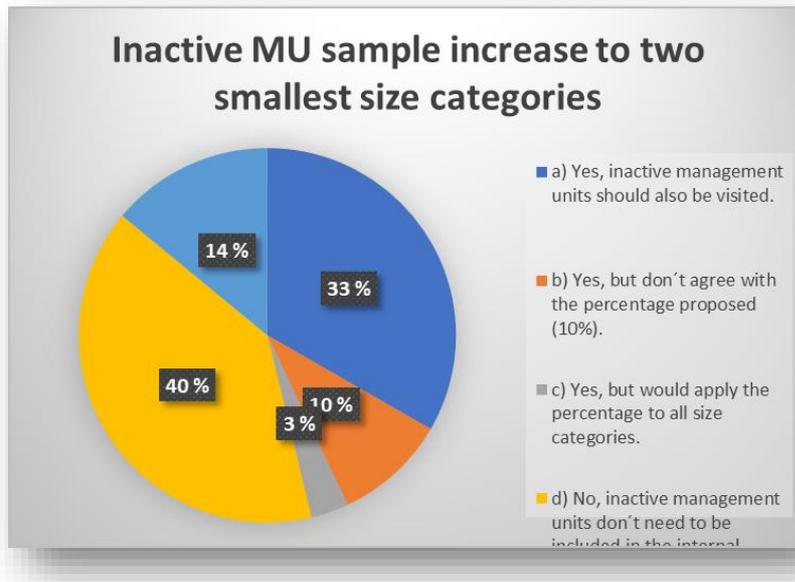
Even though most of the respondents understood the internal monitoring methodology proposed, most of them also felt it was too complicated, hard to implement and did not agree with it. Regarding the inclusion of inactive management units in the internal monitoring, most respondents (40%) thought that these didn´t need to be monitored, although the percentage of respondents in favour of visiting inactive management units was also quite high and close (33%).

Based on the input from the consultation, the working group went back to the starting point of current standard, and came up with a simple and adaptable methodology.

Actions taken:

- The examples of active and inactive management have been separated from the '*Active management unit*' definition, so they don´t have a mandatory character and serve to provide guidance on what can be considered as active or inactive. The type of forest and specific context will determine when an activity can be considered as 'active' or 'inactive' for monitoring purposes.

- The internal monitoring methodology has been re-thought; the proposal includes a simple table, with the same formulas currently being applied, with the addition of a risk-based approach: active management units have a higher monitoring intensity than inactive management units. SLIMF and communities also have a lower monitoring intensity.

- RMUs continue to establish their internal monitoring intensity at their own discretion.

- When the Group Entity has enough experience, and based on the group context and analysis of risks, the Group Entity can go below or above the minimum sampling intensity established. This deviation has to be justified, based on the characteristics of the group.
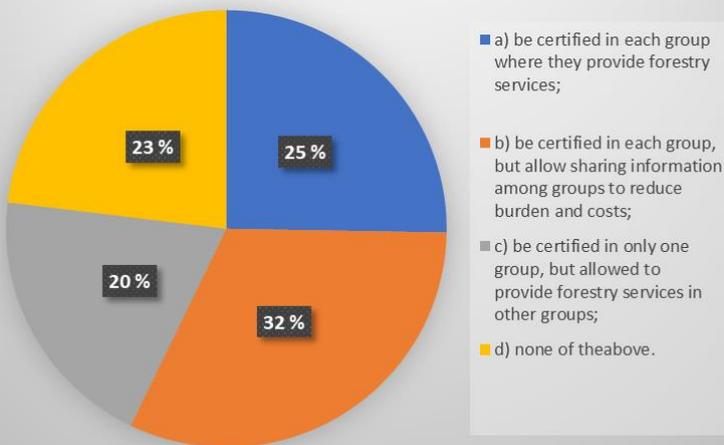
6. Forestry contractors

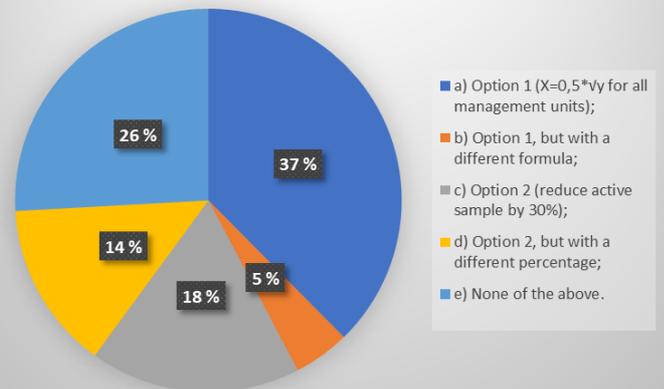**Do you understand the requirements for forestry contractors?**
- No 36 %
- Yes 64 %
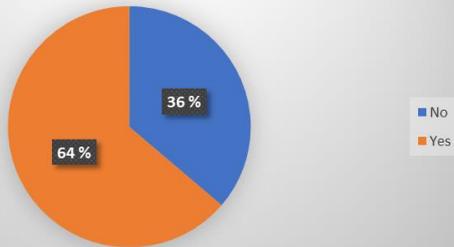
Do you agree with the contractor definition?
- No 35 %
- Yes 65 %
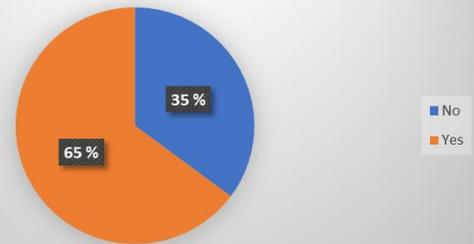
Regarding the possibility of forestry contractors working for more than one group, should forestry contractors:
- a) be certified in each group where they provide forestry services; 25 %
- b) be certified in each group, but allow sharing information among groups to reduce burden and costs; 32 %
- c) be certified in only one group, but allowed to provide forestry services in other groups; 20 %
- d) none of the above. 23 %

Sample calculation for forestry contractors
- a) Option 1 (X=0,5*√y for all management units); 37 %
- b) Option 1, but with a different formula; 5 %
- c) Option 2 (reduce active sample by 30%); 18 %
- d) Option 2, but with a different percentage; 14 %
- e) None of the above. 26 %

The inclusion of forestry contractors in the Group standard was overall understood. Nevertheless, the optional character of this inclusion was not clear for all respondents, which also felt in some cases that the merge of the contractors´ requirements with the rest of requirements felt a bit confusing.

Regarding the possibility of contractors being included in more than one group, most respondents preferred the option of contractors being certified in each group allowing sharing information among groups (32%), followed very close by the option of contractors being certified in each group without sharing information (25%). In both options, the contractor needs to be certified in each of the groups where they wish to implement operations. The sharing of information between groups is already a possibility and the working group didn´t feel the need to regulate this for contractors.

Regarding the internal monitoring, the preferred option was to have a specific formula for management units where contractors operate (37%), so this option was included in the second draft.

Additional feedback was received regarding contractors, and the need to classify the contractors of the group based on the type of operation they implement, in order to allocate a specific internal monitoring intensity for each type of operation. The working group discussed this input and agreed

it is not necessary to distinguish the different types of contractors, nor to have a specific monitoring intensity based on their operations. The second draft requirements regarding internal monitoring for contractors are flexible and allow the Group Entity adjusting such internal monitoring based on the risk associated to the operations implemented by each contractor.

It was also commented that contractors with bigger size and business volume, should have their own Chain of Custody certificate, and not be covered by the FM/CoC group certificate. This issue was considered by the working group, which decided that transactions implemented by contractors are sufficiently covered by the FM/CoC group certificate, and it´s not necessary to ask some of the contractors of the group to have their own CoC certificate. Furthermore, the contractors are only able to use the FM/CoC certificate to cover for any sales of FSC certified materials harvested from forests that are included in the scope of the group certificate. For sales of any other materials, they will continue to need to have their own CoC certificate. The contractors inclusion into the FM/CoC group certificate allows for calculating the harvesting volumes twice – once by the Group Entity and once by the contractor. Since the contractor is part of the group, the Group Entity has access to the final volumes handled by the contractor.

Actions taken:

- All requirements related to forestry contractors have been included in Part III of the standard. This highlights the fact that including contractors in the group is optional.

- It has been clarified that forestry contractors of the group have to report to the Group Entity about the operations they implement, specifying the type of operations, the location and the outcomes obtained.

- The internal monitoring when outsourced services are carried out only by forestry contractors of the group has specific formulas, which correspond to a lower monitoring intensity.

- Specific internal monitoring of contractors has been included, to regulate how the Group Entity has to monitor the work implemented by the contractors of the group.

- Requirements regarding invoices issued by contractors have been included.

- An information box clarifying when the group certificate covers the contractors´ operations has also been included.

7. Smallholders and communities
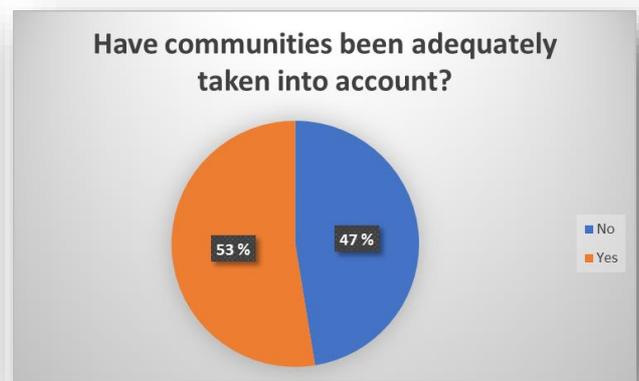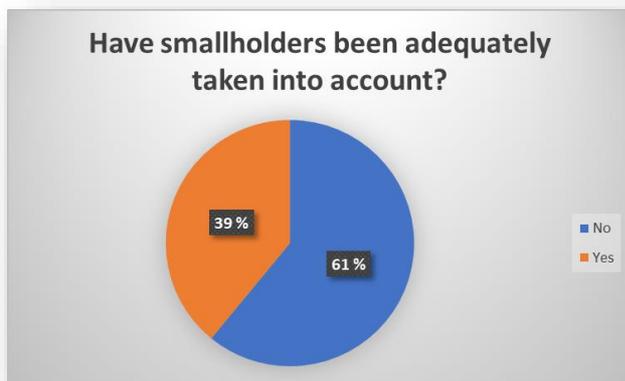
Slightly over the half of the respondents indicated that smallholders had not been adequately taken into consideration in the standard. These resultswere slightly different for communities.

The standard refers to SLIMF and, unlike the current standard, any reference to SLIMF includes both small and low intensity managed forests. These forests have a lower internal monitoring intensity, and don´t need to undergo field visits when applying to join a group.

These streamlined requirements also apply to communities.

Actions taken:

- The reference to communities has been changed from 'Community forestry' to the term 'Communities', to make sure all relevant community groups can benefit from these streamlined requirements.

8. Other changes from Draft 1 to Draft 2

*The clauses referenced are from Draft 2:

- Scope expanded to include FM only group certificates as well as FM/CoC and CW/FM group certificates.
- Clarified that there can be more than one 'applicable forest stewardship standard', through an explanation in its definition.
- Group entity definition: 'company' included as an example.
- Clause 1.3: Clarified that one Group Entity can manage more than one group if they have enough capacity and resources. Also, that CW and FM members cannot be in the same group.
- Clause 2.2. b): to avoid that one management unit is included in more than one group, when a member wishes to join a group, they have to declare that their management units are not included in another FSC certificate.
- This clause substitutes previous clause 7.1, since it is not possible for a Group Entity to verify that a management unit was not included in more than one certificate
- 2.3 from Draft 1: eliminated, since it was redundant.
- 6.1: clarified that multinational groups can be both for FM and CW certificates.
- 6.2: reference to regions and multi-regional groups eliminated, since there is no limitation for multi-regional groups (when region is referring to an area inside a country).
- Training moved from section 9 Group Rules to section 1 Requirements for Group Entities of the standard.
- 9.1 i) clarified that sub-certificate codes do not always need to exist.
- 12.2: reference to FSC-STD-40-004 changed to reference to Criterion 8.5.
- A box has been included to clarify that all or some members of the group can choose to implement the Ecosystem Services procedure.
- Reference to interpretation INT-STD-01-001_09 related to conformance with Criterion 6.5 outside of SLIMF management units or groups was not included in the standard, since the working group decided that this interpretation actually refers to another standard, FSC-STD-01-001 (the FSC Principles and Criteria).