Forest Stewardship Council®

Working Group to Develop a Policy on Conversion

Terms of Reference and Operating Rules

5 June 2018

Amended 11 October 2018

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Terms of reference

WORKING GROUP SUMMARY	
Type of Working Group:	Sub-chamber balanced Working Group
Project Supervisor:	Pasi Miettinen
Coordinator:	Diana Franco Gil
Working language	English (other languages may be supported as needed)

PROJECT SUMMARY		
Project Title:	Working Group to develop a Policy on Conversion	
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PROJECT INFORMATION

1 Introduction

FSC is developing a holistic Policy on Conversion to guide the review and revision of relevant FSC Principles and Criteria and to advise the national forest stewardship standard developers in creating the corresponding indicators. In addition, the policy will provide overall rules to the Policy on Association and other elements of the normative framework which regulate conversion.

2 The aims and objectives of FSC Policy on Conversion

At the General Assembly 2017 in Vancouver, Canada, the membership approved Motion 7 and requested that FSC puts in place a mechanism, building upon previous work, which will develop a holistic policy (see Glossary) and appropriate treatment at Principle, Criterion and Indicator levels with guidance to national Standards Development Groups, considering compensation for past conversion, in terms of:

a. restoration and/or conservation for environmental values; and
b. restitution for socio-economic values.

As per Board Meeting 77, a member-based Working Group (WG) was established with a focus on developing a high-level conversion policy based on ideas already generated and discussed in the previous Motion 12 process, including the issue of non-forest ecosystems conversion (wetlands, peatlands, savannahs or natural grasslands).

The process being established by FSC is to separate the development of the holistic policy from the development of mechanisms to operationalize the policy:

This WG, comprised of FSC members, will be tasked with establishing the high-level holistic Policy on Conversion whilst a Technical Working Group (TWG), comprised of experts appointed by FSC, will support FSC in developing mechanisms to translate the policy into operational practice.

The precise scope and key policy areas of the Policy on Conversion was approved by the Board of Directors on 16 July 2018 (See 3. Scope of the Policy on Conversion). In addition, the WG will act as an advisory body to the TWG.

Box 1: Mandate of the Motion 7 (GA 2017)

The membership recognizes the strategic importance of addressing the issues around conversion of natural forest-related ecosystems to plantations and the need for alignment of the diverse ways in which conversion is treated in different parts of the FSC normative framework.

The membership requests that FSC puts in place a mechanism, building upon previous work, which will develop a holistic policy and appropriate treatment at Principle, Criterion and Indicator levels with guidance to national Standards Development Groups, considering compensation for past conversion, in terms of:

c. restoration and/or conservation for environmental values; and
d. restitution for socio-economic values.

Developing the FSC Policy on Conversion shall comply with the rules and regulations established in FSC-PRO-01-001 V3-1 ('Development and Revision of FSC Normative Documents').

3 Scope of the Policy on Conversion

The Policy on Conversion sets overall rules for the conversion of natural forest-related ecosystems to plantations or other land uses. It aligns the diverse ways in which conversion is treated in different parts of the FSC normative framework.

Key policy areas of the Policy on Conversion:

A) HOLISTIC POLICY:

3.1 1994 cut-off date: To retain, remove or change the rules to address past conversion.

3.2 Principles for compensation on past conversion, in terms of:

a) restoration and/or conservation of environmental values

b) restitution of socio-economic values

3.3 Concept of acceptable conversion as defined under current FSC rules.

B) SCOPE OF COMPENSATORY MECHANISM

3.4 Forms of compensation (for example, restoration or conservation outside the forest management unit, hierarchy or compensation measures, global fund for restoration).

C) ALIGNMENT NEEDS FOR THE FSC NORMATIVE FRAMEWORK, including:

3.5 FSC Principles & Criteria, International Generic Indicators, National Forest Stewardship Standards, Policy for Association and Controlled Wood.

4 Set up of the Working Group (WG)

A sub-chamber balanced WG (with six FSC members) was established as requested by Motion 7 for the development of this Policy. The WG consists of the following members:

- Social South (1)
- Social North (1)
- Environmental South (1)
- Environmental North (1)
- Economic South (1)
- Economic North (1)

The Steering Committee of this project appointed the WG members based on a call for candidates. Appointed WG members are expected to adhere to the rules and regulations of this Terms of Reference and are expected to donate sufficient time to thoroughly fulfil their duties.

Appointed WG members shall sign a service and confidentiality agreement with FSC upon appointment.

The WG is accountable to FSC. WG members are expected to consult with other colleague(s)/member(s) to ensure a wide range of views are sought.

5 The working language

The working language of the WG is English. Language support to Spanish is provided on request.

All drafts for public consultation, as well as other documents, as requested and as possible, shall be translated into Spanish. Documents may also be translated into other languages if requested by the WG and depending on resource availability.

6 Any additional specific requirements to complete the work

The work towards a holistic policy would start on the basis of a draft ('straw dog') written by the Secretariat and should be finalized within a year.

Building upon previous work the WG members shall:

- Work together throughout the process, discussing and interacting with each other as a group in and outside of meetings;
- Develop the holistic Policy on Conversion, based on the previous GA Motion 12 / 2014 Working Group efforts, and consistent with the given scope for the policy.
- Seek advice on all aspects of the development of FSC Policy on Conversion from the FSC Global Network, FSC Board of Directors, FSC accredited Certification Bodies, Consultative Forum members, FSC certificate holders, other FSC stakeholders and/or relevant technical experts;
- Recommend when a draft is ready for public consultation;
- Review and consider comments received in the public consultation round;
- Provide input to the development or revision of the normative document in accordance with its Terms of Reference;
- Formally recommend that the final draft be submitted for its approval.

7 Selection of Working Group members

A call for candidates (supported by CVs) was launched to FSC membership to choose the WG members.

Members of the WG were appointed by the Steering Committee according to the following criteria:

a) Expert knowledge and/or experience of the issue under consideration. For example:

- Specific knowledge and understanding of drivers of deforestation along with a contextual understanding of the role of certification in critical landscapes, e.g. South East Asia, South America, Africa.
- Knowledge of tropical ecosystems and developing countries.
- Forest landscape restoration and/or forest landscape watershed management.
- Afforestation and/or agroforestry systems (in the tropics).
- Integrated landscape management including conservation area management.
- Compensation mechanisms including biodiversity offset mechanisms.
- (Sustainable) rural development.
- Responsible or impact investment (in respect to 'soft commodities').
- Social impact assessment.
- Socio-economic restitution mechanisms including relocation mechanisms.
- Indigenous People knowledge and hands-on experience with FPIC processes.

b) Up-to-date knowledge and experience of FSC's systems and procedures, including;

- Knowledge and experience and understanding of issues associated with conversion, compensation, conservation, restoration and socio economic restitution.
- Knowledge of ecosystem services claims and understanding of it's potential role in provision of offsets.

c) Understanding of the potential impact of a normative document on affected stakeholders;

d) Understanding of and support for FSC's mission and vision, including;

- Desire to seek and reach consensus on controversial issues;
- Track record on successful working groups;

e) Ability to review and comment on documents submitted in the working language(s) agreed for the WG;

f) Capacity to represent broadly supported chamber perspectives for chamber and sub-chamber balanced working groups;

g) Gender balance and balance of geographical regions, where possible.

h) Availability to participate in all in-person meetings and online-calls during the whole process.

Applicants, who did not get chosen, may apply to participate in the Consultative Forum.

8 Work plan and time commitment

The expected starting date for the WG is August 2018, with an estimated completion in Q1/ 2020. The timetable and the detailed work plan will be updated as necessary.

Candidates shall be willing and able to travel to in-person meetings, and able to join online conference calls. In addition, candidates shall have firm commitment to attend all scheduled in-person meetings, including: 2 to 5 October 2018 and 19 to 22 February 2019.

In addition to 2-3 in-person meetings, the WG will conduct much of its work via e-mail or similar means of electronic communication (e.g. Go-to meeting conference), and through one-on-one calls with the Coordinator when required.

9 Expenses and Remuneration

FSC is an international not-for-profit membership organization with limited funding.

Participation in the WG takes place on a voluntary, non-paid basis. If required, FSC covers reasonable travel and accommodation expenses related to the work plan upon submission of the respective invoices and receipts, and if expenses are agreed upon in advance.

10 Confidentiality and conflict of interest

WG members shall sign a confidentiality and non-disclosure agreement with FSC at the beginning of their work.

Per default, non-attributable content of discussions and papers prepared by or presented to the WG is not considered confidential, unless otherwise specified.

The WG operates according to Chatham House Rules (see Glossary). So, while members of the WG have full authority to share the non-confidential substance of discussions and papers, they shall not report or attribute neither the comments of individuals nor their affiliations outside of meetings, whether conducted face to face or virtual.

Members are expected to declare any conflicts of interest, where they arise. This will cause the person(s) to be excused from the discussion and to abstain from participating in decision-making.

OPERATING RULES

11 Deliberations and Decision Making

Within the WG decisions are taken by the six WG members, facilitated by the Chairperson (see 12. Set up of the project).

In order for the WG to meet and deliberate, there must be quorum (see Glossary).

All the six WG members must participate in each point of decision-making. If any of the member(s) is not present for a decision, then a provisional decision may be made, subject to participation by the absent member(s). Quorum is required for any provisional decisions.

The WG members shall strive and make every effort possible to take decisions by consensus (see Glossary), which may be based on voting if full consensus cannot be reached. In voting based consensus, quorum is required and at least 4 votes in favor, including at least one supportive vote per chamber.

If full consensus cannot be achieved, outstanding concerns shall be documented and presented to the FSC Board of Directors in the final report that accompanies the document presented for decision.

The Chairperson, Coordinator, Project Supervisor, Steering Committee members, liaison persons, Facilitator (if any), administrative support and any other supportive personnel shall not participate in any decision-making.

12 Set up of the project

The WG calls and meetings will be facilitated by the Chairperson and the Coordinator. The policy document will be drafted by the Chairperson based on the input received by the WG. News items, and other communications will be drafted by the Secretariat.

In order to complete their task the WG will be supported by the following bodies:

Chairperson and drafter: chosen by the Steering Committee, to chair meetings, online calls and act as a knowledge person to advise WG members on discussions and decisions of Motion 12 WG. He/she brings together the shared concerns, suggestions and recommendations of the Working Group members and shares them with the other actors involved in the project.

He/she will also compile the feedback from the WG, Consultative Forum, Public Consultations and draft new versions of the Policy, striving to develop consensus between conflicting aspects or members. The Chairperson is considered a consultant to FSC, is a non-voting person in the WG and shall remain interest-neutral during his/her assignment.

A **Coordinator** who is a PSU staff member, is appointed by the Director Policy Operations, to administer the process and to manage the WG and the Consultative Forum. The Coordinator is responsible for ensuring that the WG operates responsibly and in accordance with its Terms of Reference and the applicable procedures. The Coordinator is also responsible for coordinating with PSU staff and seeking other expertise as necessary. The Coordinator will send the invitations to online calls and meetings, draft Agendas for the meetings with the Chairperson, draft Minutes of the meetings and maintain recordings of the process.

A **Project Supervisor** is appointed by the Director Policy Operations to supervise the process and to support the working group in reaching its goals. The project supervisor will develop and present Draft-0 of the proposed overall policy thereafter the drafter will finalize the draft based on the feedback of the working group.

A **Project Administrator,** who is one of the PSU Administrative Assistants, is appointed by the Director Policy Operations, to provide administrative support to the project in processing the contracts, booking venues and caterings for the physical meetings, booking the flight tickets and processing the invoices and expense claims in due time.

A **Facilitator** (if any) is appointed to support the Working Group for solving case specific concerns, if deemed necessary by the WG.

A **Steering Committee** is composed of the FSC Director General, the Director Policy Operations, the Chief Policy Officer, the Project Supervisor, a liaison from the FSC Board of Directors and a liaison from the Policy and Standards Committee, to provide

oversight on all phases of the process until the final decision by the FSC Board of Directors. Global Network Director may also be invited to participate SC meetings.

Liaisons from the FSC Board of Directors and the Policy and Standards Committee do not have a decision-making role on the Steering Committee.

A **Consultative Forum** is a self-selecting group of interested/affected members, certificate holders, certification bodies and other stakeholders interested in providing ongoing, direct and meaningful input into the process. The members of the Technical Working Group may also form part of the Consultative Forum.

Annex 1: Glossary

For the purpose of this document, the terms and definitions given in *FSC-STD-01-002 FSC Glossary of Terms*, and the following apply:

Chatham House Rule: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed". The Chatham House Rule has the aim to encourage openness and the sharing of information at meetings.

Consensus: general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests.

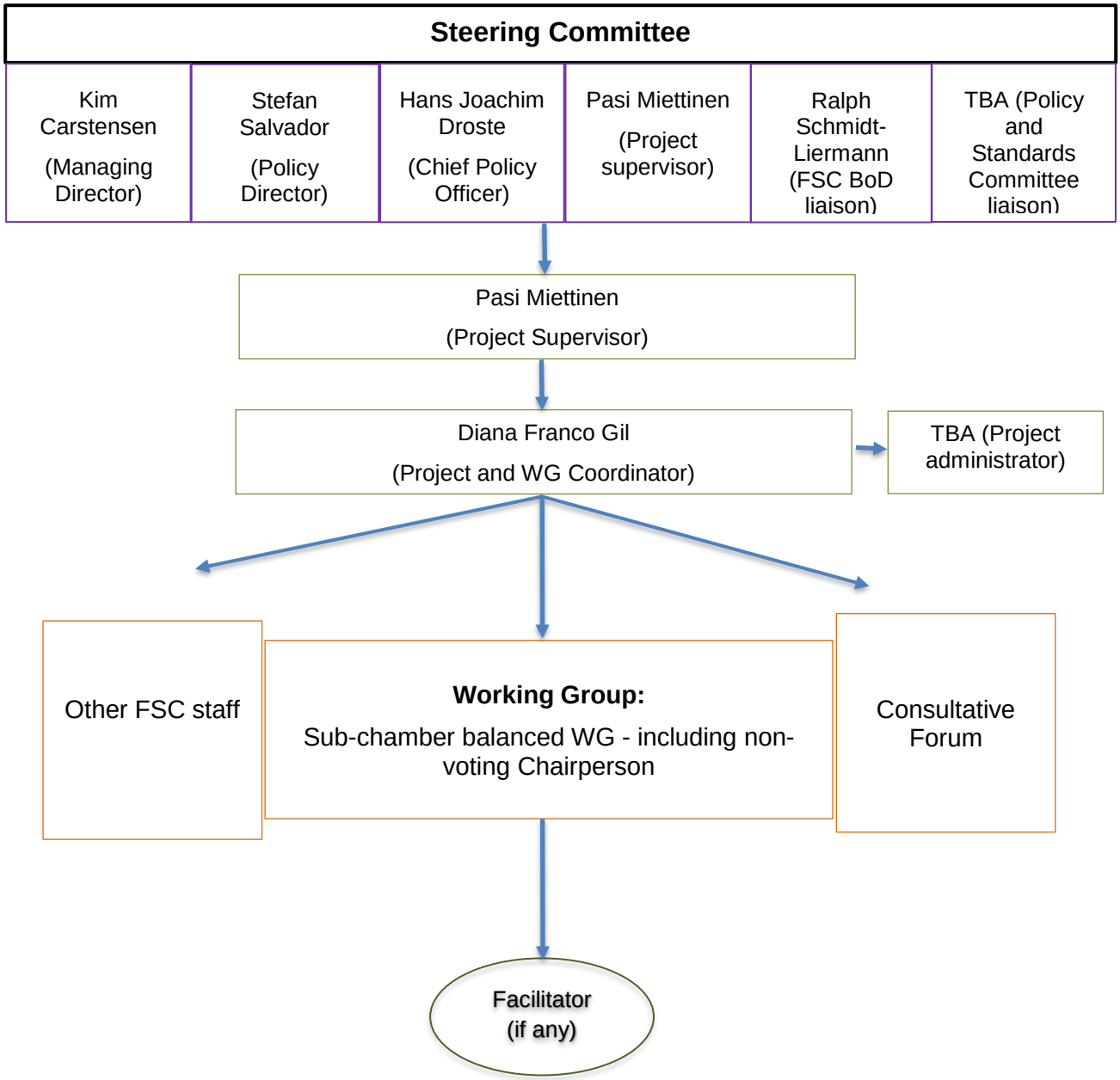
Reflecting FSC AC statutes, consensus may be voting based (as in FSC General Assemblies). In such case, a quorum is required for decision making and at least four out of six working group members have to be supportive for the proposal.

NOTE: Consensus should be the result of a process seeking to take into account the views of interested parties, particularly those directly affected, and to reconcile any conflicting arguments. It need not imply unanimity (adapted from ISO/IEC Guide 2:2004).

Policy: a documented principle. The objective of every FSC Policy shall be to further the mission of FSC in line with the aims and aspirations of its members, and taking equal account of the concerns and interests of the three FSC chambers, and its 'northern' and 'southern' membership.

Quorum: In order for the WG to meet and deliberate, there must be quorum, defined as the presence of at least 4 WG members including one representative of each chamber.

Annex 2: Organogram



Annex 3: Estimated work plan

	Phases of the project	2018									2019												2020			
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	Develop Draft 0-0																									
2	Finalize ToRs + translation																									
3	Draft workplan																									
4	Nominate Project Coordinator																									
	Establish Steering Committee (including liaison persons)																									
5	Develop process website with CU																									
6	Call for WG members docs (ToRs, application, news item, e-mails) + translation																									
7	Public call for WG members (risk factor: candidates to each subchamber)																									
8	Choosing the WG members																									
9	Develop contracts with WG members																									
10	Establish consultative forum																									
11	Online call 1 – Kick off and designation of drafter																									
12	Online call 2 - presenting D 0-0																									
13	Revise draft 0-0 according to comments																									
14	Online call 3 - presenting D 0-1																									
15	First face to face meeting in Bonn (2-5 October)																									
16	Revise draft 0-2 according to comments																									
17	Online call 4, 5, 6 agreeing on D 1-0																									
18	Develop impact assessment																									
19	Presenting D 1-0 to Consultative Forum																									

	Phases of the project	2018									2019												2020			
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
20	Presenting D 1-0 to SC																									
21	Developing News Item for Public Consultation of D 1-0																									
22	1st Public consultation of D 1-0																									
23	Evaluation of comments																									
24	Second face to face meeting in Bonn (19 to 22 February)																									
25	Development of Draft 2-0																									
26	Develop Synopsis of feedback																									
27	Online call 7, 8, 9 and 10																									
28	Developing News Item/Consultation platform for Public Consultation of D 2-0 + translation[1].																									
29	2nd Public consultation of Draft 2-0																									
30	Evaluation of comments																									
31	Online call 11, 12																									
32	Development of Draft 2-1																									
33	Online call 13 & 14																									
34	Develop Synopsis of feedback																									
35	Agreeing Draft 2-2																									
36	Online call 15 &16																									
37	Presenting Draft 2-0 or 2-2 to SC																									
38	Developing the approval package to PSC (depending on PSC schedule)																									
39	Developing the approval package to BoD (depending on board schedule)																									

[1] If a second consultation is required by the Steering Committee, activities Nr. 28 to 36 would follow. If a second consultation is not required, the timeline would continue at activity Nr. 37.