



Forest Stewardship Council®

SYNOPSIS OF CONSULTATION COMMENTS

THE SECOND DRAFT OF FSC POLICY ON CONVERSION FSC-POL-01-007 V1-0 D2-0



FOREWORD

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 guide the review and revision of relevant FSC Principles and Criteria, and to advise the national standard developers in creating the corresponding indicators. In addition, the policy will provide overall guidance to the Policy of Association and other elements of the normative framework which regulate conversion.

FSC Policy on Conversion FSC-POL-01-007 V1-0 D3-0 (see annex for Policy draft 3-0) was developed by a Chamber-balanced Working Group following the second round of public consultation conducted during December 2019 and February 2020.

The report authors would like to thank FSC members and stakeholders for their participation in the public consultation on the second draft of FSC Policy on Conversion FSC-POL-01-007 V1-0 D2-0. Their suggestions and comments are of great importance to the development of the second draft of the Policy.

This synopsis report has been prepared in accordance with Clause 5.12 of FSC-PRO-01-001 (V 3-0)1, and contains an analysis of the range of stakeholder groups who submitted comments, as well as a summary of the issues raised in relation to the questions posted during the public consultation period. A general response to the comments and an indication as to how the issues raised were addressed are provided in the compiled comments document.

For further information related to the policy development, please visit the webpage dedicated to this page [here](#). For more information related the report, please contact FSC Forest management policy manager Yan Li at y.li@fsc.org.



CONTENT

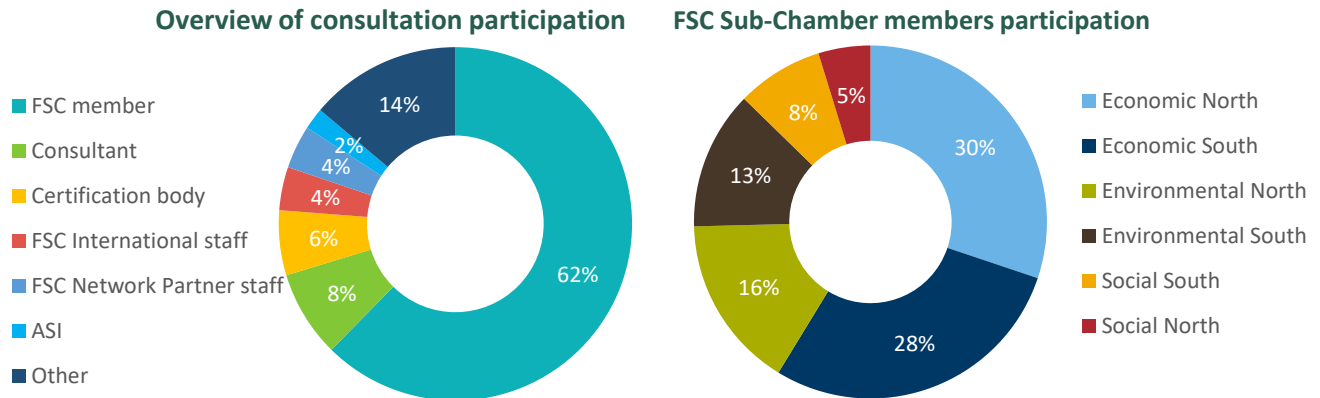
CHAPTER 1	Public Consultation Participation Overview
CHAPTER 2	Analysis Methodology of Public Consultation Results
CHAPTER 3	Summary of General Comments & FSC Feedback
3.1	Terms & Definitions
3.2	Indirect Involvement in Conversion
3.3	Conversion of Natural Forest & High Conservation Value areas
3.4	Proposed Cut-off Rule
3.5	Proposed Motion for GA 2021
3.6	Acceptable Conversion
3.7	Compensation Procedure
3.8	Conversion Free Period
3.9	Small-scale Smallholders
3.10	General Comments
APPENDIX	FSC Policy on Conversion FSC-POL-01-007 V1-0 D2-0

LIST OF ABBREVIATION

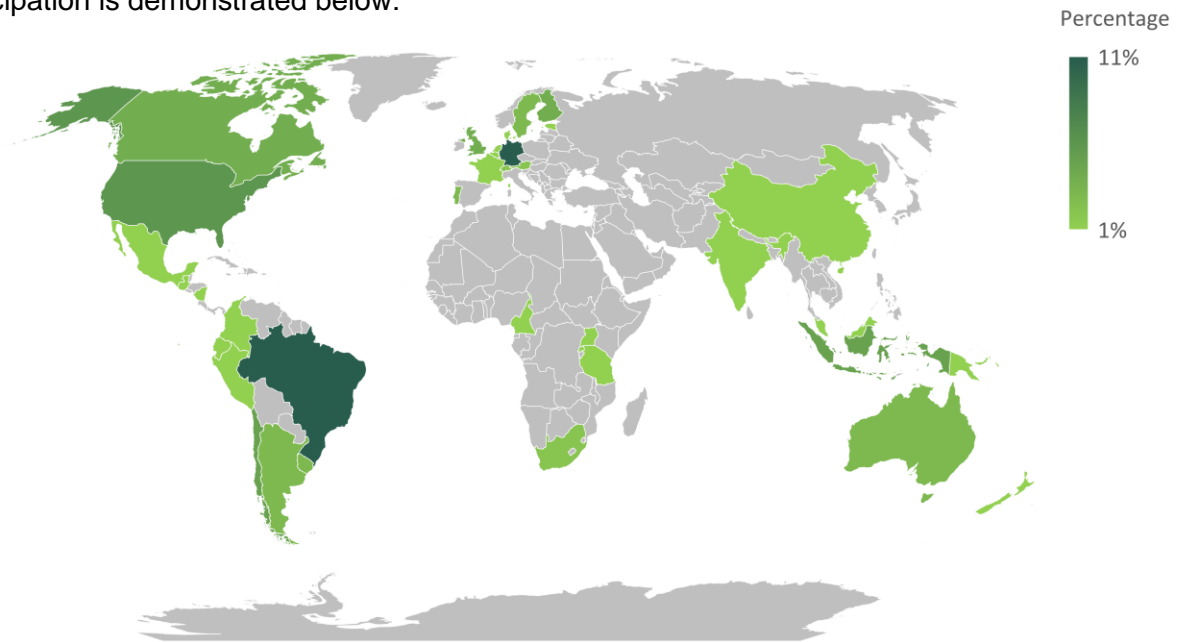
CB	Certification Body
CH	Certificate Holder
COC	Chain of Custody
CW	Controlled Wood
FM	Forest Management
PSU	Policy and Standards Unit
SLIMF	Small and Low Intensity Managed Forests
ToR	Terms of Reference
TWG	Technical Working Group
WG	Working Group

CHAPTER 1: PUBLIC CONSULTATION PARTICIPATION OVERVIEW

Overall 151 stakeholders provided feedback on the consulted second draft of FSC Policy on Conversion, among which, 140 consultation respondents submitted comments via FSC public consultation platform, 11 respondents provided comments via emails¹. Detailed participation status² is presented in boxes below:



The 140 participants participated in public consultation platform come from 38 countries. Rate of participation is demonstrated below:



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¹ Due to the nature of consultation quantitative analysis methodology, consultation respondents submitted comments via emails will not be counted into the quantitative analysis results in this report. Their inputs are integrated in the qualitative analysis results only.

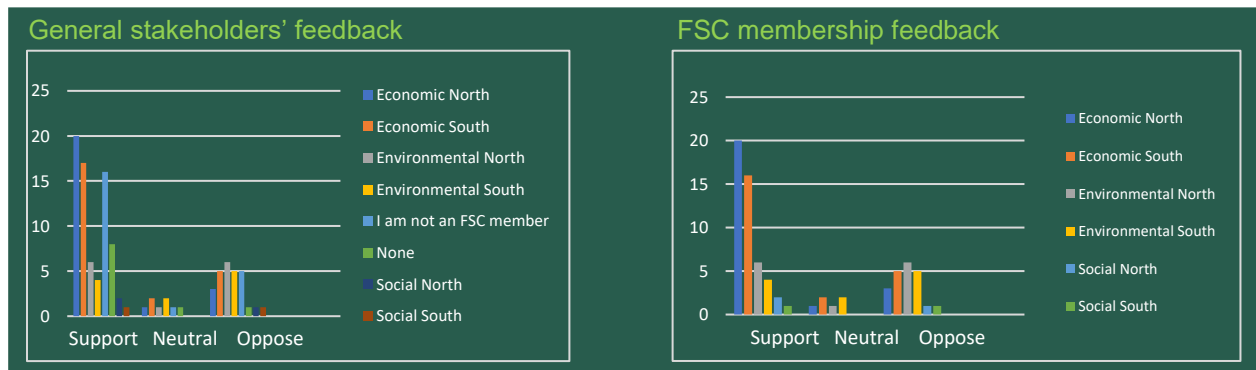
² Background information on FSC membership can be accessed [here](#).

Chapter 2: Analysis Methodology of public consultation results

Based on the feedbacks collected via the FSC Public consultation platform, the Policy on Conversion Working Group and PSU adopted a three-step methodology for the analysis of consultation results. Details as below:



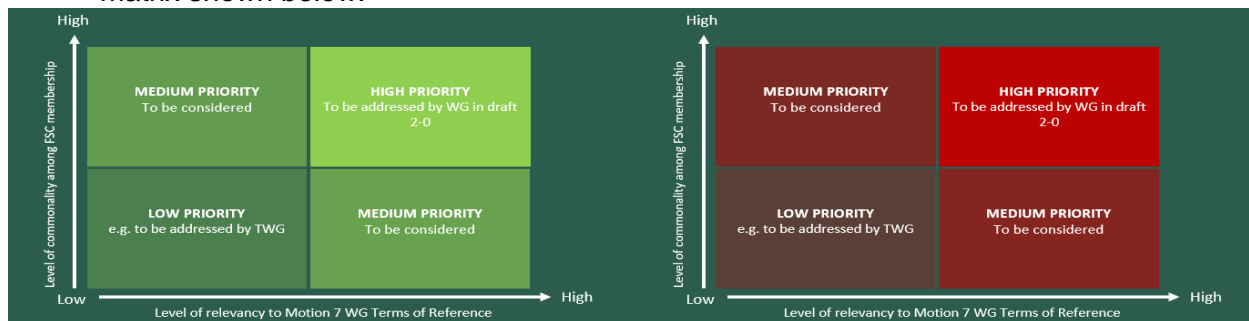
1. Quantitative analysis: Out of the 11 question items posted during the public consultation, 10 items requested participants to answer multiple choice questions and vote from strongly disagree to strongly agree. Quantitative analysis was conducted by developing pivot charts for each of these 10 questions, analysis was done considering the requirement that an FSC Policy considers the aims and aspirations of all members taking into account the concerns and interests of the three FSC chambers as well as its 'northern' and 'southern' membership. The analysis is presented along the following categories: (1) general stakeholders' feedback; (2) FSC membership feedback, including chamber-based, sub-chamber based and northern and southern hemisphere-based voting results. Sample questions: Do you support the inclusion of natural forest and HCV?



2. Qualitative analysis: Following the quantitative analysis, for each of the 11 question items, the working group and PSU developed an excel tab providing the results for each sub-chamber of FSC membership along with a comprehensive summary of individual comments from respondents. Non-members' feedback is analyzed in similar in-depth fashion.



3. Prioritization exercise: Following completion of the qualitative analysis, a prioritization exercise was conducted by PSU and WG in order to allow for structured assessment of feedback across chambers and ensure a balanced presentation of sub-chamber views. The two parameters applied are (1) Level of commonality across FSC stakeholders/members; (2) Level of relevancy to Motion 7 WG ToR. Sample prioritization matrix shown below:





Chapter 3: Summary of Consultation Results & WG conclusion

Below is a summary of key topics stakeholders and members provided feedback on, together with WG conclusions on how these comments were/will be addressed. Each key topic contains two/three sections: a) questions posted during public consultation; b) quantitative results (for multiple choices questions only), and c) qualitative results and WG conclusions.

Note:

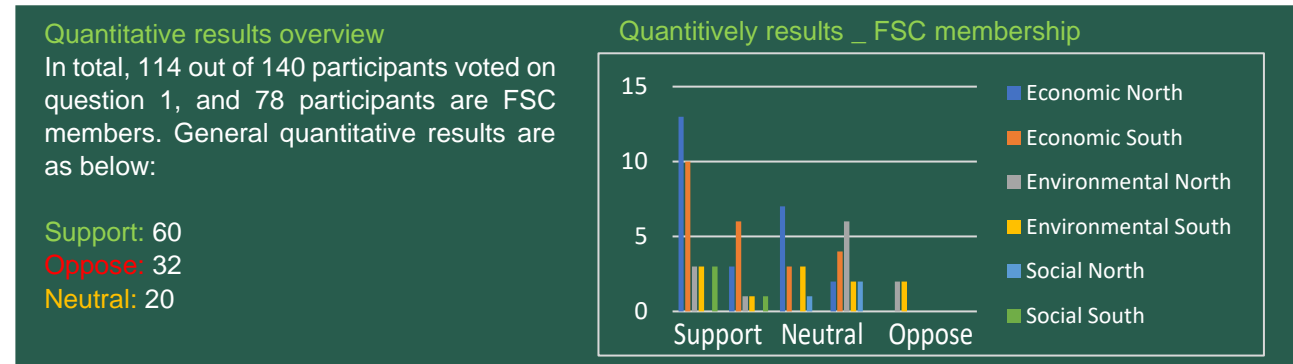
- (1) The qualitative results below contain a summary of stakeholders/membership feedback only, not all comments received are presented in the report.
- (2) The qualitative results are categorized into three priority levels (High, medium and low priority), details of parameters used in the prioritization process can be found under chapter 2.

3.1 Policy on Conversion Terms & definitions

a) Questions posted during public consultation

Question 1. Do you support the added/amended terms and definitions?

b) Quantitative results – Question 1



c) Qualitative results – Question 1

Priority	Stakeholder/Membership feedback	WG Conclusion
High priority	<p>General</p> <ol style="list-style-type: none"> Social issues to be better considered. There needs to be a definition of Remediation which aligns with international human rights law and acknowledges the Right to Remedy. It should include not only restitution, restoration, compensation, but also satisfaction and guarantees of non-repetition. Remedy should also include equity and fairness. Definitions are clear and consider inputs given in previous consultation. 	<p>WG added the following definitions for the term “remedy” and “restitution” in the third draft policy:</p> <p>Remedy: To correct or return something as near as possible to its original state or condition. (Guiding Principles on Business and Human Rights. UN. 2011)</p> <p>For environmental harms this includes actions taken to remedy deforestation, conversion, degradation, or other harms to natural forests* and High Conservation Value* areas.</p> <p>Environmental remedy actions may include but are not limited to <i>conservation</i>* of standing forests, habitats, ecosystems and species; <i>restoration</i>* and protection of degraded ecosystems.</p> <p>For social harms* this includes providing redress for identified social harms* through an FPIC-based process</p>

High
priority

for agreeing redress for all social harms*, and facilitating a transition to the position before such harms occurred; or developing alternative measures to ameliorate harms by providing gains recognized by the affected stakeholders* as equivalent* to the harms. Remedy may be achieved through a combination of restitution*, rehabilitation, compensation, satisfaction and guarantees of non-repetition.

Restitution: Measures agreed through an FPIC-based process to restore lands, properties or damaged natural resources to their original owners in their original condition. Where such lands, properties or natural resources cannot be returned or restored, measures are agreed to provide alternatives of equivalent* quality and extent.

Additionality

1. Inside the management unit counterintuitive and terms are not used in the draft policy.
2. Why compensate outside of FMU?
3. Additionality should be defined more clearly to indicate what is sought. Outside FMU impacts to be included in the calculation?

WG reviewed the definition for additionality and agreed that instead of revising this definition, it is more efficient to clarify the requirements around additionality in the relevant policy principle and in the FSC conversion remedy procedure. Thus, the definition remains unchanged in the policy while principle 7 was adjusted to express the implication of additionality. Please refer to final policy draft for details.

Competent Authority

1. Keep it simple, don't introduce new entities to verify compensation plans.
2. CA is more usually applied to a body having legal authority to deal with a particular matter (see the Oxford English Dictionary definition of 'competent').

WG revise the term "competent authority" to "Third party verifier" in the third draft policy. WG provided the definition below:

Third party verifier: an independent, third party company or organization approved by FSC international comprising expertise in environmental and social harm and remedy required to verify compliance of remedy processes.

Proportionate

1. Not all the areas have the same value, not an act of justice, not all the situations started from the same point of degradation.
2. Improve the definition of "proportionate" as opposed to "equivalent to the scale."
3. It should be a MINIMUM of a 1:1 ratio.
4. How to consider economic gain in the remedy liability?

WG acknowledges that the historical state of the converted area differs, and such consideration is integrated in the first draft of FSC conversion remedy procedure. Thus, the policy principle 7.2 specify the following attributes related to environmental harms:

- i) Size of the converted area;
- ii) Quality, including levels of degradation, of the converted area;
- iii) Environmental values* lost including in the broader landscape.

Meanwhile, part 2 of the procedure further introduces the requirements of a baseline assessment to identify, in consultation with affected stakeholders and experts, the social and environmental harm caused by conversion, and to determine site and mitigation measures needed to remedy the environmental and social harm. The



	<p>baseline assessment does not only consider the size of conversion, but also other attributes including forest type, forest condition status, biodiversity, environmental values*, successional phase, level of degradation and other social and cultural related aspects for the historical and current state of the converted area. Based on the baseline assessment results, remedy actions shall demonstrate that the sites selected are proportionate to the scale and harm caused by the conversion.</p> <p>WG considered other comments on the term proportionate and agreed that instead of revising this definition, it is more efficient to clarify the requirements around additionality in the relevant policy principle and in the FSC conversion remedy procedure. Thus, the definition remains unchanged in the policy while principle 7 was adjusted to express the implication of proportionality. Please refer to final policy draft for details.</p> <p>Regarding the comments around 1:1 ratio, principle 7.7 in the third draft policy states that: In all circumstances, proposed conservation* and restoration* measures, including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal conservation* outcomes and social benefits relative to other options. The remedy* measures must be at least proportionate* to the scale of the harms caused.</p>
<p>Very limited portion</p> <ol style="list-style-type: none">1. Favors large FMU, should be capped at a total area also of 10,000 ha, to prevent large scale conversion in large Mus.2. Annual % missing3. Rationale for 5%?	<p>WG reviewed all comments on the definition of “very limited portion” and agreed that there is inconsistency between the definition of “very limited portion” and principle 6 in policy draft 2-0. The definition speaks about certification and association scenarios, while principle 6 indicates certification scenario. Details as below:</p> <p>Very limited portion (policy draft 2-0):</p> <ol style="list-style-type: none">a) Forest management standards: The affected area <i>shall*</i> not exceed 5% of the <i>Management Unit*</i>.b) Policy for Association: The affected area <i>shall*</i> not exceed 5% of the total forest area under direct or indirect involvement of the organization in the past five years. <p>Principle 6 (policy draft 2-0): FSC accepts small scale/minimal conversion that:</p> <ol style="list-style-type: none">a) Affects a <i>very limited portion*</i> of the <i>Management Unit*</i>, andb) Will produce <i>long-term* conservation*</i> and where possible social benefits, in the <i>Management Unit*</i>, andc) Does not threaten <i>High Conservation Values*</i>, nor any sites or resources necessary to maintain or enhance those <i>High Conservation Values*</i>.



		<p>For certification scenario, FSC-STD-60-004 International Generic Indicators contains the 5% conversion threshold. WG revised the definition of very limited portion and adjusted the principle 6 to focus on certification scenario only. Besides, WG discussed and agreed that there is no need to include a limit in terms of area into the definition considering that apart from 5% conversion threshold, principle 6 also included two criteria to provide safeguards for the requirements related to acceptable conversion.</p> <p>For association scenario, the conversion threshold of 10,000 ha is used as a threshold for activating the complaints towards organization and its forestry operation. Considering the different purpose and assessment approach behind certification and association, WG included the terms and definition on significant conversion and unacceptable activities and revised principle 3c (under both option 1 and 2 being consulted currently) to provide reference to the requirements in FSC policy for association.</p>
	<p>Restitution 1. As social values, such as those listed in Section 7 of the policy, are inherently difficult to quantify, how would it be possible for FSC to determine whether 'all' of the social losses had been compensated? 2. The definition should use the word "accepted" where it says "recognized".</p>	<p>WG revised the definition for restitution in the policy. Please see below comparison between definition in policy draft 2-0 and draft 3-0:</p> <p>Restitution (Draft 2-0): An FPIC based process of assessing and compensating for all social losses, impacts and human right harm, and facilitating a transition to the position before such losses, impacts and harm occurred; or developing alternative measures to ameliorate harm by providing gains recognized by the <i>affected stakeholders*</i> as equivalent to the losses.</p> <p>Restitution (Draft 3-0): Measures agreed through an FPIC-based process to restore lands, properties or damaged natural resources to their original owners in their original condition. Where such lands, properties or natural resources cannot be returned or restored, measures are agreed to provide alternatives of equivalent* quality and extent.</p>
	<p>Remediation 1. A comprehensive definition of remediation needs to be developed and included (it is a norm of international human rights law that violation of human rights gives rise to the right to remedy)</p>	<p>WG developed definition for remedy as below:</p> <p>Remedy: To correct or return something as near as possible to its original state or condition. (Guiding Principles on Business and Human Rights. UN. 2011)</p> <p>For environmental harms this includes actions taken to remedy deforestation, conversion, degradation, or other harms to natural forests* and High Conservation Value* areas. Environmental remedy actions may include but are not limited to <i>conservation*</i> of standing forests,</p>



		<p>habitats, ecosystems and species; <i>restoration</i>* and protection of degraded ecosystems.</p> <p>For social harms* this includes providing redress for identified social harms* through an FPIC-based process for agreeing redress for all social harms*, and facilitating a transition to the position before such harms occurred; or developing alternative measures to ameliorate harms by providing gains recognized by the affected stakeholders* as equivalent* to the harms. Remedy may be achieved through a combination of restitution*, rehabilitation, compensation, satisfaction and guarantees of non-repetition.</p>
	<p>Restoration</p> <p>1. Restoration should be linked to the recovery of an ecosystem to its former natural state and be clearly based on the principles of equivalence, additionality and permanence, and require that any restoration be proximate to or the same as sites degraded or destroyed.</p> <p>2. Throughout the document, it should be clear that restoration and conservation are not equivalent. Conservation of remaining ecological integrity and traditional rights should be the priority of any land use planning, while restoration and compensation should be the second option, and one that applies to past social and ecological harm.</p>	<p>WG revised the definition for restoration. Please see below comparison between definition in policy draft 2-0 and draft 3-0:</p> <p>Restoration (Draft 2-0): Ecological restoration is the process of assisting the recovery of an ecosystem, and its associated conservation values, that have been degraded, damaged, or destroyed.</p> <p>Restoration (Draft 3-0): ³Process of assisting the recovery of an ecosystem, and its associated conservation* values, that have been degraded, damaged, or destroyed. (Source: adapted from International principles and standards for the practice of ecological restoration*. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]) (Restoration doesn't necessarily aim at returning the natural/historic functions, but instead encompasses a broad range of activities with different goals). (shortened version - refer to the Remedy Procedure for full definition)</p> <p>Meanwhile, WG provided the following term and definition in the policy which was referenced from FSC Principles and Criteria (P&C):</p> <p>Conservation/Protection (Draft 3-0): These words are used interchangeably when referring to management activities designed to maintain the identified environmental or cultural values in existence long-term. Management activities may range from zero or minimal interventions to a specified range of appropriate interventions and activities designed to maintain, or compatible with maintaining, these identified values. (Source: FSC-STD-01-001 V5-2)</p>
	<p>Equivalent</p>	<p>Regarding the comments around 1:1 ratio, principle 7.7 in the third draft policy states that: In all circumstances, proposed conservation* and restoration* measures,</p>

³ The proposed definition of restoration represents a change to the existing definition of restoration in the FSC Principles and Criteria (FSC-STD-01-001 V5-2). The FSC membership will need to agree on these changes to be implementable.



<ol style="list-style-type: none"> 1. Equivalent and Proportional definition for example ratio 1:1 is not fair or not enough. 2. "Equivalent" provided here is missing the social part as provided in the document. In the definition of "compensation". 3. How to define "Equivalent" in social for restitution? 4. The word 'specific' should be removed and 'or similar' (forest types) should be added. 5. For this definition, it is mentioned that the "same type" of It is difficult to see how a requirement like this could be implemented without preceding attempts to identify what 'specific types' of HCVs that existed in an area prior to conversion, i.e. precisely the kind of 'post factum' HCV assessments that we cautioned against. 6. It may be difficult to assess/audit also the more open formulations in the second draft, like "(environmental) quality, including levels of degradation, of the converted area" and "environmental values lost including in the broader landscape" (except in the very few cases where such values were adequately inventoried/described prior to the conversion). An approach fully based on coarse proxies (size + coarse canopy structure) is likely to be much easier to implement consistently. 	<p>including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal conservation* outcomes and social benefits relative to other options. The remedy* measures must be at least proportionate* to the scale of the harms caused.</p> <p>Besides, WG revised the definition for equivalent. Please see below comparison between definition in policy draft 2-0 and draft 3-0</p> <p>Equivalent (Draft 2-0): For ecological equivalence - The same specific type of natural forest* or High Conservation Value* is restored or conserved as was destroyed.</p> <p>For social restitution, equivalence should be based on an assessment through Free, Prior, Informed Consent (FPIC) of the nature, quality and quantity of all losses as well as the on-going future benefits these would have provided. Equivalence should entail provision of the best means possible to ensure future community success.</p> <p>Equivalent (Draft 3-0): For ecological equivalence - The same specific type of natural forest* or High Conservation Value* is restored or conserved as was destroyed.</p> <p>For social remedy*, equivalence shall be based on an independent assessment and agreement on remedy* through Free, Prior, Informed Consent (FPIC) of the nature, quality and quantity of all social harms* as well as the on-going future benefits these would have provided. Equivalence shall entail provision of the best means possible to ensure future community wellbeing.</p> <p>While the definition of equivalent requires the same specific... the policy principles acknowledge that this may not always be practical and reference models can be used, they further acknowledge that at times it may be better to seek alternate remedy that will maximize outcomes. In all cases the choice of sites and remedy shall go through stakeholder and expert consultation and be justified in the remedy plan.</p>
<p>Social harm</p> <ol style="list-style-type: none"> 1. Scope must include wider definitions of social harms and clearer norms on remedy. 	<p>WG developed the following definition on social harm :</p> <p>Social harms: are negative impacts on persons or communities, perpetrated by individuals, corporations or States, which include, but may go beyond, criminal acts by legal persons. Such harms include negative impacts on persons' or groups' rights, livelihoods and well-being, such as health, food security, healthy environment, cultural repertoire and happiness.</p>
<p>Conversion</p> <ol style="list-style-type: none"> 1. Conversion should be a change in land use/vegetation cover from 	<p>WG revised the definition for conversion. Please see below comparison between definition in policy draft 2-0 and draft 3-0:</p>



natural forests and HCV areas to plantations and other land uses.

2. Satellite imagery alone will not be enough to evaluate if conversion has taken place. Site visits would likely be required to assess the forest characteristics, often after the forest has already been destroyed. This adds significantly to the resources required to evaluate complaints about conversion. (2) Will be practically impossible for FSC to determine the total forest area of a corporate group (see problems with determining who is in the group) to establish if the 5% threshold has been met. The 10% threshold has never been used as justification for a PfA investigation.

3. In the context of FSC-PRO-60-002a FSC National Risk Assessment Framework, the conversion threshold considers the average net forest annual loss. This is calculated based on the forest loss against the forest gain. If the definition of the Policy on Conversion includes conversion to other types of forests, then the calculations considered in risk assessments would not apply anymore.

4. The definition of conversion (as proposed in FSC Policy on Conversion V1-0 D2-0) contains two different elements: one based on change in vegetation cover, and the other one based on characteristics of a forest that is more aligned to degradation. The additions of degradation criterion in this conversion definition may be going beyond the Motion mandate to consider conversion. It is estimated that reaching a practically applicable threshold for degradation would require additional time and resources, and such threshold may not be practical across the normative framework considering the differing objectives for the various parts of the normative framework.

Conversion (Draft 2-0): A lasting change of natural forest cover* or High Conservation Value* areas, induced by human activity* and characterized by significant loss of species diversity*, habitat diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of conversion* covers gradual forest degradation as well as rapid forest transformation.

Conversion (Draft 3-0): A lasting change of natural forest cover* or High Conservation Value* areas, induced by human activity*. This may be characterized by significant loss of species diversity*, habitat diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of conversion* covers gradual forest degradation as well as rapid forest transformation.

The definition above includes two thresholds for the constitution of conversion: 1) Threshold 1: where conversion of natural forest to plantations or another land use has occurred, and 2) Threshold 2: the point at which natural forest is assessed as degraded and is leading to conversion to another land use. Thus, the conversion definition does not only include rapid forest transformation from natural forest and HCV areas to plantation and other land uses, but also gradual forest degradation.

Meanwhile, the first draft of conversion remedy procedure provided the following threshold for conversion:

Conversion Threshold: Where the land use* has changed from the FSC definition of a natural forest* and / or the ecosystem function* have been degraded to the point where natural recovery potential* to natural forest* is unable to be achieved without direct intervention. This Conversion Threshold may be adapted by Standards Development Groups to reflect the varying forest types found within their countries.



	<p>Significant loss of species diversity</p> <p>1. Should be fully aligned with the rare species and threatened species terminology in Criterion 6.4.</p> <p>Natural forest</p> <p>1. What is the definition of natural forest? How can conversion be calculated if the general definition of natural forest is not being set as part of this policy? Principle 5 mentions that FSC will define what natural forest is, but is not clear who in FSC and how? What would be the baseline definition? Does it mean that FSC adopts the definition from the IGLs? Or the next version of the IGLs will define what natural forest is and which is the threshold for when degradation constitutes conversion?</p>	<p>WG aligned the term as below, Based on the Criterion in the Forest Stewardship Standard:</p> <p>6.4. The Organization* shall* protect rare species* and threatened species* and their habitats* in the Management Unit* through conservation zones*, protection areas*, connectivity* and/or (where necessary) other direct measures for their survival and viability. These measures shall* be proportionate to the scale, intensity and risk* of management activities and to the conservation* status and ecological requirements of the rare and threatened species*. The Organization* shall* take into account the geographic range and ecological requirements of rare and threatened species* beyond the boundary of the Management Unit*, when determining the measures to be taken inside the Management Unit*.</p> <p>Significant loss of species diversity: Loss of species is considered significant where rare, threatened and endangered or other locally important, keystone and/or flagship species are lost, whether in terms of numbers of individuals or in terms of number of species. This refers to both displacement and extinction.</p>
<p>Medium priority</p>	<p>1. NOTE should state that this applies only to infrastructure that is not an incursion into IFLs, natural forest or HCV/HCS landscapes, as roads can provide access leading to fragmentation, degradation and illegal development in natural forests.</p>	<p>The Note under definition for conversion states the following:</p> <p>NOTE: For the purposes of this Policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log landings, fire protection, etc.) is not considered conversion.</p> <p>Thus, the establishment of infrastructure will not be considered as conversion only when the infrastructure is necessary to implement the objectives of responsible forest management. Infrastructure causing disturbance of and damage to ecosystem and landscape values will be considered as conversion. If the infrastructure is an incursion into IFLs, natural forests, etc., it will be considered as “unaccepted activities either in terms of the P&C or the PfA.</p>
	<p>2. We appreciate the move away from defining ‘smallholder’ due to the potential implications to so many other processes and contexts.</p>	<p>WG appreciates the comments around definition on smallholders.</p>
	<p>1. Different levels of degradation need to be identified in order to make it clear when an area has been so degraded by a company - POST 2020 - that it will not be eligible for FSC or when it is considered that the degradation</p>	<p>WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure. Thus, FSC policy on conversion will not include technical details of degradation threshold, as it will be elaborated in the FSC conversion remedy</p>



Low priority	could be compensated and restored / social harms remedied and therefore eligible for FSC.	procedure. The first draft of conversion remedy procedure provided the following threshold for conversion:
	2. The Policy needs to include a Framework for assessing levels of degradation which will not only help assess this point of whether or not an organization MAY apply for FSC but the degree and forms of compensation/restoration/restitution. This should be incorporated into Principle 5 and 7.	<p>Conversion Threshold: Where the land use* has changed from the FSC definition of a natural forest* and / or the ecosystem function* have been degraded to the point where natural recovery potential* to natural forest* is unable to be achieved without direct intervention. This Conversion Threshold may be adapted by Standards Development Groups to reflect the varying forest types found within their countries.</p> <p>The public consultation of the first draft of conversion remedy procedure includes the question on conversion threshold. Motion 7 TWG will analyze the comments from members and stakeholders and improve the relevant definition and requirements in the second draft of conversion remedy procedure. The second public consultation is scheduled in winter 2020.</p>

3.2 Indirect Involvement in Conversion

a) Questions posted during public consultation

Question 2: The Working group considered two options for defining indirect involvement. Please indicate which option you would prefer the FSC Policy on Conversion to adopt.

Question 3: Is the inclusion of “related entities” addressing adequately concerns about the effectiveness of the definition of indirect involvement?

b) Quantitative results - Question 2

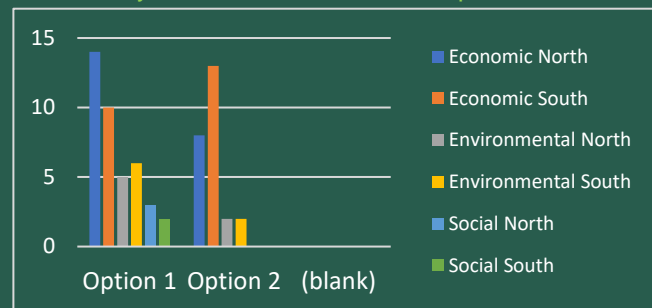
Quantitative results overview

In total, 94 out of 140 participants voted on question 2, and 65 participants are FSC members. General quantitative results are as below:

Option 1: 56

Option 2: 38

Quantitatively results _ FSC membership



c) Qualitative results - Question 2

Priority	Stakeholder/Membership feedback	WG conclusion
	<p>Neither Option 1 nor Option 2</p> <p>1. liability shall stay with the land, instead of with organization. To close ownership loophole.</p> <p>2. Instead of looking to the amount of shareholding %, should look at if the</p>	<p>The WG debated the feedback from the consultation at length but could not reach agreement on revised Policy Principles in this regard. As a result the 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is</p>



entity is the main controller of the converter.
3. Clearer for audit purposes.
4. The term has a greater use within FSC system (DR feedback: Will be practically impossible for FSC to determine whether these additional ownership factors exist and to keep track of these factors in disassociated groups. Information is highly sensitive and sometimes only released through whistleblowers. FSC is working with often hostile companies in the Policy for Association who have a direct conflict of interest in not releasing corporate structure information to FSC.)
5. Compensation needs to be required regardless of the current owner. Current owner pays for past owner's mistakes.
6. For after 2020 conversion this should be linked to land.

Option 2:

1. Clearer for audit purposes
2. Current definition from DR
3. Option 1 is difficult/unworkable to audit against and add complexity

Option 1:

1. Ownership limit should be over 50 % not to leave any loopholes (also 50,1 % is majority ownership). Also, it is fundamental that a definition of indirect involvement cover situations other than the ones of majority ownership.
2. Suggest changing from 51% to 50+% and to look into the definition of "indirect involvement".
3. FSC need to reflect developments in the world.
4. 'Beneficial ownership' provides alignment of terms with international law.
5. A robust and relevant complaints mechanism will need to be adopted and/or the current FSC dispute resolution system overhauled, made to comply with the norms of the UN Guidelines on Business and Human Rights for non-judicial remedies and be adequately staffed and resourced

used to collect stakeholders' feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus.

FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.



	6. Social South and North support option 1.	
Medium priority	1. Option 2 does not capture the corporate structure in the areas most affected by plantations expansion, such as South-East Asia. Unless the "ultimate beneficiary" concept is not taken onboard, FSC will be tricked by such un-transparent corporate structure. However, Option 2 does not include the subcontractors, which are often key actors in company's management strategies.	
	2. The delay must apply to all, not just those 'directly or indirectly involved'. A delay in being able to reap the benefits of FSC must be ensured for all future owners, whether 'innocent' or not. One important way to reduce the incentive for conversion, is to reduce the value of the land to the one who converts it, in their sale to a different entity.	
Low priority	1. Strengthen FSC reputation by option 1.	
	2. Case studies provided by members and stakeholders to support option 1.	

d) Questions posted during public consultation

Question 3: Is the inclusion of “related entities” addressing adequately concerns about the effectiveness of the definition of indirect involvement?



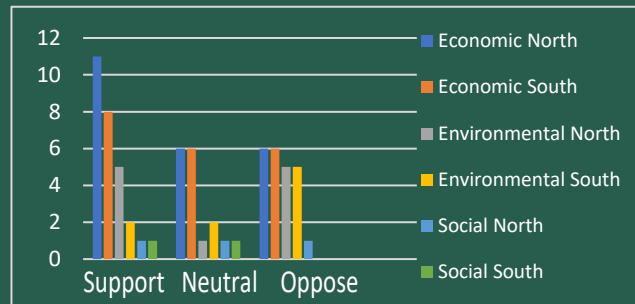
e) Quantitative results - Question 3

Quantitative results overview

In total, 99 out of 140 participants voted on question 3, and 68 participants are FSC members. General quantitative results are as below:

Support: 38
 Oppose: 28
 Neutral: 33

Quantitatively results _ FSC membership



f) Qualitative results - Question 3

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Definition of related entities makes the company accountable for activities it can't control - makes things overcomplicated and difficult to investigate.	WG did not reach consensus on if to include "related entities" in the definition of indirect involvement. PSU recommended the WG to pass the revision of the definition to Policy for Association Working Group. The finalization of this by the Policy for Association Working Group would then be adapted into the Conversion Policy.
	2. In line with international development.	
	3. Need to define how to proof related entities.	
	4. No need to add complexity for low risk scenarios.	
	5. It will not be workable in practice.	
	6. The agents associated with the Co. in any way should be included in related entities.	
	7. Many comments about this being "impractical". Would like to define this option further to ensure this argument is answered.	
Medium priority	1. Maybe the "same majority executive or board of directors".	
	2. Option 1 already addresses the concern.	
	3. Correspond to the Dispute resolution definition. No reason to add a higher level of complexity not tested and proved to have a very low risk.	
Low priority	1. 12 Economic North members agrees.	
	2. Definition considered adequate to avoid misinterpretations and protect FSC Image.	



3.3 Conversion of Natural Forest & High Conservation Value areas

a) Questions posted during public consultation

Question 4: Do you support the inclusion of natural forest and HCV?

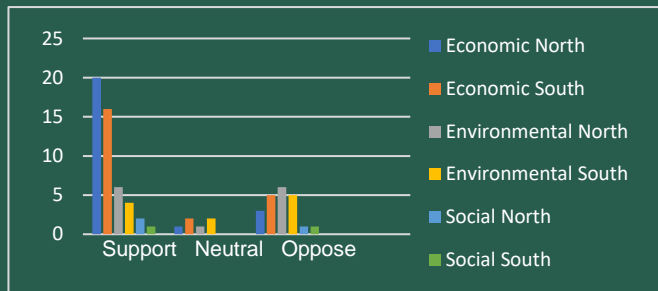
b) Quantitative results

Quantitative results overview

In total, 109 out of 140 participants voted on question 4, and 76 participants are FSC members. General quantitative results are as below:

Support: 73
 Oppose: 27
 Neutral: 8

Quantitatively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Majority of the consultation participants think this is a right approach for FSC.	WG appreciates the feedback.
	2. Need improvement on social harm related.	<p>WG included additional terms and definitions in the third draft policy, including “social harm”, “restitution”, etc. Meanwhile, WG strengthened the social harm and restitution requirements via the revision of principle 7.2:</p> <p>7.2 b) Social harms* related to:</p> <ul style="list-style-type: none"> i) Social, cultural values and livelihoods lost; ii) Eco-system services; iii) Human rights; iv) Workers Rights. <p>Social harms shall be determined in consultation with affected stakeholders conducted by independent assessors. Social remedy* requirements shall be based on the recognised social harms incurred by the affected stakeholders” in consultation with them based on FPIC. Meanwhile, the improvements in the social harm related requirements will be reflected in the second draft of conversion remedy procedure as well.</p> <p>Please see the Policy draft 3-0 for further details.</p>
	3. Inclusion of natural forest and HCVs align with Motion 7 mandate.	WG appreciates the comments.



	4. Unfair to address HCV from 1994 as HCV was introduced later into FSC system (2009).	<p>These comments relate to principle 3 and 4 in the Policy. The 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders' feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus.</p> <p>FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.</p>
	5. HCV should be considered from the date on which they came on FSC statutes [2009].	
	6. The concept of high conservation values was only formalized in the FSC system in 1999. Can companies be expected to have protected certain values under the umbrella of 'high conservation values' before HCV was established as a concept?	
	7. The policy need to revert to natural ecosystem, and it will then align with natural ecosystem procedure. (IPBES report significantly increased awareness of mass extinction crisis and the need to protect all-natural ecosystem).	<p>The WG had proposed in Draft 1 of the conversion policy to consider conversion of natural ecosystems in this policy. Results from the stakeholder feedback indicate that the FSC membership is still very divided over this. Moreover, there was considerable confusion over definitions of natural ecosystems that could be applied at a global level. When the WG considered "what does FSC want totally protected" and "where is there an opportunity for FSC to contribute to restoration commitments", it was identified through the IPCC classification of Land Use, that protecting and restoring natural forests and High Conservation Value areas would contribute to FSC Mission and provide protection and restoration and restitution opportunities to other "non-forest" ecosystems and cultural values that are identified as High Conservation Values. Meanwhile, the inclusion of High Conservation Values allows for use of a globally accepted framework and consistent guidance.</p>
Medium priority	1. Should not include HCV (already included in principle 9).	<p>The WG is tasked to develop a holistic policy on conversion, and it considers conversion requirements across FSC normative framework including FSC Principles & Criteria, International Generic Indicators, National Forest Stewardship Standards, Policy for Association and Controlled Wood, etc. Though principle 9 in P&C includes requirements on the maintaining and enhancing of HCVs, to align conversion requirements across normative framework documents, HCV was included in the conversion policy to provide protection and restoration and restitution opportunities to other "non-forest" ecosystems and cultural values that are identified as High Conservation Values.</p>
	2. Clarify why mentioning HCV under 6.10.(b) but not in 6.10.(a).	<p>The consultation material for the second draft policy contains the proposal for revising 6.10 in FSC P&C, details as below:</p>



		<p>6.10 a) Management Units* containing plantations* that were established on areas converted from natural forest* between November 1994 and October 2020 shall not qualify for certification, except where:</p> <ul style="list-style-type: none"> i. Clear and sufficient evidence is provided that The Organization* was not directly or indirectly involved in conversion, or ii. The conversion affected a very limited portion of the Management Unit and is producing additional, long-term conservation benefits and where possible social benefits, or iii. The Organization* demonstrates compliance with the Compensation Procedure. <p>6.10 b) Management Units* that were established on areas converted from natural forest* or HCV* areas after October 2020 shall not qualify for certification, except where:</p> <ul style="list-style-type: none"> i. Clear and sufficient evidence is provided that The Organization* was not directly or indirectly involved in conversion, or ii. The conversion affected a very limited portion of the Management Unit and it is producing additional, long-term conservation benefits and where possible social benefits. <p>The proposed new scope of conversion – conversion of natural forests and HCV areas will only be applicable from the effective date of the conversion policy (originally schedule: Oct 2020). The new scope will not apply retrospectively to conversion occurred between November 1994 to the effective date of the conversion policy.</p> <p>These proposed changes can only be finalized after the 3rd consultation has given a clear direction on the Policy Principles 3 and 4. These proposed changes would then form part of a Motion to the GA, that would be consulted via the Motions platform.</p>
	<p>3. Add reference to tools and approaches that can practically identify and define natural forests in tropical landscapes.</p>	<p>WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure.</p>
	<p>4. Significant improvement from draft 1 to draft 2.</p>	<p>WG appreciates the feedback.</p>
	<p>5. WG to learn concept of DbD from TNC.</p>	
<p>Low priority</p>	<p>1. Policy needs a standardized definition on natural forests (i.e.</p>	<p>FSC policy on conversion drafts has been adopting the definition of natural forests from IGIs to ensure alignment on the term across FSC normative framework.</p>



adoption of IGI definition across FSC)	<p>Though the definition of natural forest is not listed under terms and definitions section, it is marked with “*” throughout the policy and further explanation is provided in the terms and definition section:</p> <p>“For the purposes of this Policy, the terms and definitions provided in FSC-STD-01-002 FSC Glossary of Terms, FSC-STD-01-001 FSC Principles and Criteria for Forests Stewardship, FSC-STD-60-004 FSC International Generic Indicators apply.”</p>
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3.4 Proposed Cut-off Rule

a) Questions posted during public consultation

Question 5: Do you support the proposed principle 3 on cut-off rule?

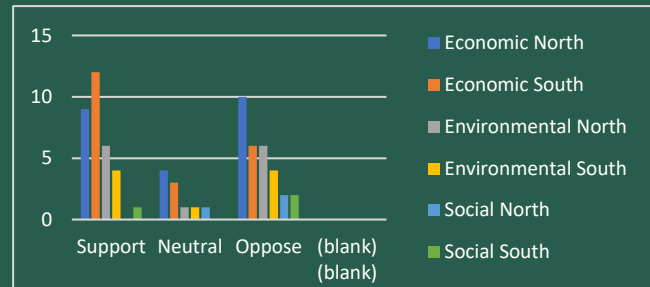
b) Qualitative result

Quantitative results overview

In total, 104 out of 140 participants voted on this question, and 72 participants are FSC members. General quantitative results are as below:

Support: 45
 Oppose: 44
 Neutral: 15

Quantitatively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Principles 3 and 4 are now written in complex language that is more appropriate for FSC standards and not for Policies. Recommend that the working group only states FSC’s intent in this policy and then leave the technical implementation of this intent to the technical working groups elaborating the relevant standards.	<p>The WG debated the feedback from the consultation at length but could not reach agreement on revised Policy Principles in this regard. As a result the 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders’ feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus.</p> <p>FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.</p>
	2. Liability must stay with concession/land, not stay with organization.	
	3. The proposal regulate past and avoid future conversion. Encourages restoration and conservation.	



High
priority

4. Not to accept cut-off date of 2020 to prevent proactive conversion. It suggested to have the date of spring-2018.

5. The date should be 2011 as this is when the process was started.

6. Must ensure that this does not restrain development in undeveloped countries.

7. FSC-PRO-60-002a does not define a time boundary for conversion but only looks at the total net conversion in the country because FSC-STD-40-005 does not have a post 1994 cut-off date. Would that treatment of conversion stay, or should it be aligned to the Policy on Conversion? The scope of the Policy on Conversion mentions FSC-STD-40-005, but nowhere is it specified how the content of the policy applies to this CW standard. Would the new definition of conversion and thresholds also apply to FSC-STD-40-005?

8. (1) The objectives across the normative framework varies. Aligning all based on a single policy / set of policy principles may not be practical to implement. It is recommended that the WG consider the objectives of the various normative framework documents to discuss how FSC can align these. (2) Policy on Conversion V1-0 D2-0 indicates retrospective implementation of several criterion, these include principles, criterion and indicators around conversion applying to High Conservation Values, Controlled Wood standards, definitions, thresholds and requirements for remedy of harm for organizations already in the FSC system. The TWG is concerned about the fairness of the proposed retrospective implementation and concerns raised by other stakeholders indicate the impracticality of implementing principles and criterion retrospectively (potentially from



	<p>November 1994). It would be advantageous if all new principles are in effect from the date the policy is approved and adopted.</p>	
	<p>9. It is often difficult to robustly assess what (particularly environmental) values that existed prior to conversion of land that took place years or even decades ago – beyond relatively coarse and general categorizations based on forest structure as it appears on satellite imagery. We therefore appreciate, and approve of, that the draft avoids direct references to HCVs lost through past conversion (even though HCVs have been explicitly addressed in the provisions for acceptable/non-acceptable conversion for more than 20 years).</p>	<p>The first draft of FSC Conversion Remedy Procedure requires the use of reference models for assessing environmental values existed pre-conversion. Please see details below:</p> <p>Reference Model: The reference model aims to characterize the condition of the ecosystem as it would be had it not been converted, adjusted as necessary to accommodate changed or predicted change in biotic or environmental conditions (e.g. climate change). Reference models should be based on specific real-world ecosystems that are the targets of conservation and restoration activities. Optimally the reference model describes the approximate condition the site would be in had conversion not occurred. This condition is not necessarily the same as the historic state, as it accounts for the inherent capacity of ecosystems to change in response to changing conditions. Reference models are developed based on information on specific ecosystem attributes obtained from reference sites, which are environmentally and ecologically similar to the site to be restored, but optimally have experienced little or minimal degradation. (Source: adapted from International principles and standards for the practice of ecological restoration. Gann et al 2019. Second edition. Society for Ecological Restoration [SER])</p> <p>These reference models would be selected in consultation with affected stakeholders and experts.</p>
<p>Medium priority</p>	<p>1. Cut of date should be 2016 or 2018 to avoid deliberate damage.</p> <p>2. prefer to develop some other normative mechanism to discourage future conversion without setting another arbitrary date.</p> <p>3. In Brazil there is a cut off of 2012 and therefore we should abide by local regulation</p> <p>4. Aligns with FSC Mission and encourages conservation and restoration</p>	<p>The 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders’ feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus.</p> <p>FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.</p>

	5. FSC should not open door after 1994	
Low priority	1. Language too complicated.	

3.5 Proposed Motion for GA 2021

a) Questions posted during public consultation

Question 6: Do you support the proposed motion text for General Assembly 2020?

b) Qualitative result

Quantitative results overview

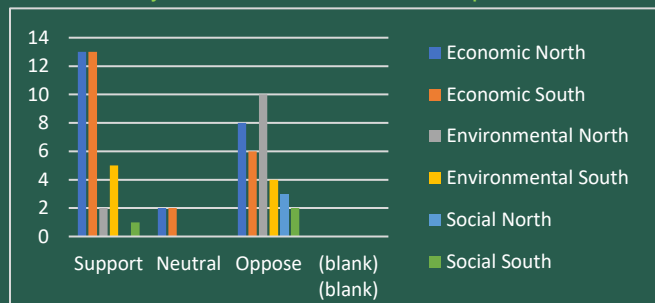
In total, 102 out of 140 participants voted on this question, and 71 participants are FSC members. General quantitative results are as below:

Support: 46

Oppose: 48

Neutral: 8

Quantitatively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Disagreement due to opposing the cut-off date.	The WG debated the feedback from the consultation at length but could not reach agreement on revised Policy Principles in this regard. As a result the 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders' feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus. FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.
	2. Not to accept cut-off date of 2020 to prevent proactive conversion. It suggested to have the date of spring-2018.	
	3. The motion text is not aligned with Policy on Conversion principle 4. It should be no additional limitation other than cut-off date (Nov 94 to Oct 2020). Motion 6.10a). ii must be deleted. The limited portion in motion text 6.10b). ii need to reconsider adjusting Principle 4 in Policy to aligning with motion text.	
	4. Contingent on application to land unit and compensation procedure. Should clearly attach liability to the land to solve ownership loophole.	



	<p>5. The cut-off date should be Spring -2018 in order to take care of any pro-active conversions. Both representatives of the social chamber have raised concerns on use of wording of " POSSIBLE SOCIAL BENEFITS". I presume that the issue stands resolved.</p>	
	<p>6. The date should be 2011 as this is when the process was started.</p>	
<p>Medium priority</p>	<p>1. Don't support another cut of date and the difference between small and massive conversion.</p>	
	<p>2. Only agree if cut of date is changed to 2017 – 2018.</p>	
	<p>3. As 90% of the text in (a) and (b) is identical, there must be some way to represent the two concepts more simply, such as: o "Management Units* that were established on areas converted* from natural forest* or HCVA* after November 1994 shall not qualify for certification, except where: a) Clear and sufficient evidence is provided that The Organization* was not directly* or indirectly* involved in the conversion*, or b) The conversion* affected a very limited portion* of the Management Unit* and it is producing additional, long-term conservation benefits and where possible social benefits, or c) If the conversion occurred between November 1994 and October 2020, The Organization* demonstrates compliance with the Compensation Procedure."</p>	
	<p>4. Suggest changing "The conversion affected a very limited portion of the MU AND it is producing additional, ..." into "... limited portion of the MU AND/OR it is producing ...".</p>	
	<p>5. Why mention HVC, clarify this for members.</p>	
<p>Low Priority</p>	<p>1. Adding a new cut-off date incentivizes future conversion expecting a revision of the cut-off.</p>	



3.6 Acceptable Conversion

a) Questions posted during public consultation

Question 7: Do you support the proposed principle 6 on small scale/minimal conversion?

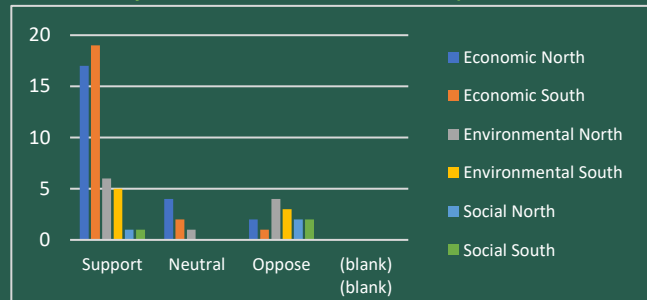
b) Qualitative result

Quantitative results overview

In total, 102 out of 161 participants voted on question 7, and 70 participants are FSC members. General quantitative results are as below:

Support: 67
 Oppose: 22
 Neutral: 13

Quantitatively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Majority think this is a right approach for FSC.	WG appreciates the comments.
	2. Significant improvement from draft 1 to draft 2.	
	3. Small/ minimum conversion [say 5%] may lead to a big scale & hence some maximum limit in Hectare may be laid. Few has suggested a cap of 5,000 Ha of forest holdings. Cos are reported to be holding large tract of lands, using small scale scheme. This has to be guarded against.	<p>WG noticed that there has been confusion between principle 10 on “small scale smallholder” in and principle 6 around “small scale/minimal conversion”. WG revised principle 6 and adjusted definition for the term “very limited portion”.</p> <p>Principle 6 (Draft 2-0): FSC accepts small scale/minimal conversion that: a) Affects a very limited portion* of the Management Unit*, and b) Will produce long-term* conservation* and where possible social benefits, in the Management Unit*, and c) Does not threaten High Conservation Values*, nor any sites or resources necessary to maintain or enhance those High Conservation Values*.</p> <p>Principle 6 (Draft 3-0): FSC accepts minimal conversion of natural forests* in certified management units* that: i. Affects a very limited portion* of the Management Unit*, and ii. Will produce long-term* conservation* and social benefits, in the Management Unit*, and iii. Does not threaten High Conservation Values*, nor any sites or resources necessary to maintain or enhance those High Conservation Values*.</p>



		Besides, WG discussed and agreed that there is no need to include a limit in terms of area into the definition considering that apart from 5% conversion threshold, principle 6 also included two criteria to provide safeguards for the requirements related to acceptable conversion.
	4. International policy including critical terms and definition on which it is based, MUST be developed and agreed internationally to ensure global consistency. They MUST NOT be subject to national/regional adaptation.	Motion 7 TWG will develop 1) Criteria, indicators and thresholds for conversion across the normative framework, including Policy for Association, Principles and Criteria, International Generic Indicators (IGI), Controlled Wood Standards and others as needed. This includes instructions for Standard Developers to address any revised IGIs on conversion in National Forest Stewardship Standards and Interim National Standards.
	5. Opens the door to gradual conversion.	FSC-STD-60-004 International Generic Indicators contains the 5% conversion threshold for acceptable conversion. WG adopted this 5% conversion threshold with the aim to align requirements on acceptable conversion across FSC Principles & Criteria, International Generic Indicators, National Forest Stewardship Standards, Policy for Association and Controlled Wood standards.
	6. Too ambiguous on what small scale means.	To avoid confusions between principle 10 on “small scale smallholder” in and principle 6 around “small scale/minimal conversion”, WG revised principle 6 and deleted the term” small scale” for acceptable conversion.
	7. FSC allow small scale conversion in different standards.	WG appreciates the comments.
	8. Only if extremely sensitive environments are not included.	Apart from the 5% conversion threshold, another key criterion for acceptable conversion is under principle 6 is that the conversion does not threaten High Conservation Values*, nor any sites or resources necessary to maintain or enhance those High Conservation Values*.
Medium priority	1. Important to protect HCV regardless of size.	Same as above.
	2. Conversion of forest is not an answer to poverty reduction. Bring trees in rural degraded areas this is one of the solutions to forest poverty.	WG appreciates the comments.

3.7 Compensation Procedure

a) Questions posted during public consultation

Question 8: Do you support the adjusted compensation procedures?



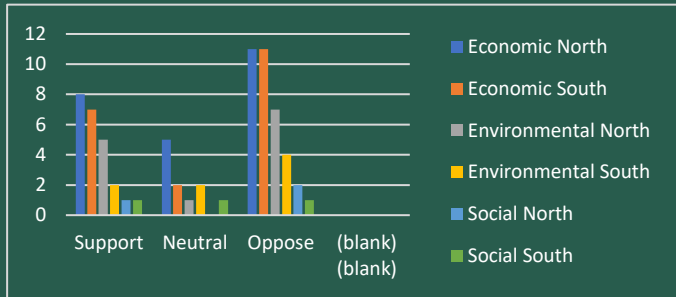
b) Qualitative result

Quantitative results overview

In total, 97 out of 161 participants voted on question 8, and 71 participants are FSC members. General quantitative results are as below:

Support: 33
 Oppose: 43
 Neutral: 21

Quantitatively results _ FSC membership



c) Qualitative result

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Consider National adaption and FSC credibility.	The FSC conversion remedy procedure contains 6 parts, including the detailed requirements to identify harms caused by conversion, development and implementation of remedy plan and its monitoring. The first consultation of the procedure was held during 1 April – 30 June 2020 and TWG will improve the remedy procedure based on comments received.
	2. 7.6 needs a hierarchy. We cannot accept compensation of social or environmental damage outside the landscape.	<p>The first draft of FSC conversion remedy procedure defines the hierarchy for site selection via clause 5.6 and 5.7. Details as below:</p> <p>Clause 5.6 Site selection for remedy action shall be based on producing maximal conservation outcomes and social benefits, considering affected stakeholder* input, conservation outcome, social benefits, the pre-conversion* forest types (Reference model*), and proximity to converted area.</p> <p>Clause 5.7 Site selection shall be prioritized in consecutive order: (1) in the converted area, (2) within the Management Unit*, (3) adjacent to the Management Unit*, (4) within the landscape where the Management Unit* is located, (5) within the province or country where the Management Unit* is located.</p> <p>Motion 7 TWG will consider the comments received from the consultation for the first draft of remedy procedure, and if needed, integrate changes to the second draft procedure.</p>
	3. Conversion after 2020 needs to be linked to land.	This comment related to the finalization of principle 3 and 4 on cut-off rule. These principles will be finalized following the 3 rd and final public consultation for the Policy.



<p>4. Compensation should be greater than 1:1 considering the ecosystem and fragility.</p>	<p>Policy on conversion principle 7.7 states: “in all circumstances, proposed conservation* and restoration* measures, including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal conservation* outcomes and social benefits relative to other options. The remedy* measures must be at least proportionate* to the scale of the harms caused.” Thus, the remedy measures shall be a 1:1 ratio or greater to harm caused.</p> <p>Besides, principle 7.3 in the policy requires that the remedy measures shall be proportionate* and equivalent* to the scale and harms and harms caused by conversion. Thus, the quality and values of the ecosystem is considered, and “remedy actions shall, as a minimum, be equivalent* to the harm caused” (Reference: Clause 5.4 in the first draft of conversion remedy procedure).</p>
<p>5. It is not reasonable to rely only and wholly on FPIC for identifying social harms.</p>	<p>WG revised the principle 7.2 related to the identification of social harm. Please see comparison below:</p> <p>Principle 7.2 b) (Draft 2-0): Restitution requirements shall be based on the recognised social impacts incurred by the affected parties in consultation with them based on FPIC principles.</p> <p>Principle 7.2 b) (draft 3-0): Social harms shall be determined in consultation with affected stakeholders conducted by independent assessors. Social remedy* requirements shall be based on the recognised social harms incurred by the affected stakeholders” in consultation with them based on FPIC.</p> <p>The principle 7.2 is currently under consultation, please share your views via the consultation platform.</p>
<p>6. 7.2.a Should not be part of the policy. It’s too technical.</p>	<p>Based on Motion 7 WG Terms of Reference, the holistic policy on conversion shall include principles for compensation on past conversion and the forms of compensation. Principle 7.2 defines the identification of social and environmental harms at the principle level which is elaborated into operational level via the Conversion Remedy Procedure.</p>
<p>7. Who will conduct DDS of the organization? Some consultation participants suggested to rules out CBs role as competent authority due to following reasons- [i]- Conflict of interest. [ii]- CBs are not mandated to have a social expert in their team.</p>	<p>WG revised the term and definition for the entity conducting DDS of the organization, please see comparison between draft 2-0 and draft 3-0:</p> <p>Competent Authority (Draft 2-0): An independent, third party company or organization appointed by FSC to monitor, verify and report on the implementation of the compensation plan.</p>



<p>Some participants mentioned if CB is to conduct DDS, then CB needs extra fund to implement such assessment.</p>	<p>Third Party Verifier (Draft 3-0): An independent, third party company or organization approved by FSC international comprising expertise in, environmental and social harm and remedy required to verify compliance of remedy processes.</p> <p>In addition, WG provided further explanation on the role and identify of the third party verifier via the revised principle 7.9. Please see the Policy draft 3-0 for details.</p>
<p>8. Need much stronger procedure to remedy social harms.</p>	<p>WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure.</p>
<p>9. In all circumstances, the area under the scope of the compensation plan should be certified to FSC Forest Management Standards.</p>	<p>WG developed principle 9 regarding FM certification of the area under the scope of remedy plan:</p> <p>9. Where appropriate, the area under the scope of the remedy plan should be certified to FSC Forest Management Standards.</p> <p>The first draft of conversion remedy procedure provided site selection options in consecutive order, including: 1) in the converted area, (2) within the Management Unit*, (3) adjacent to the Management Unit*, (4) within the landscape where the Management Unit* is located, (5) within the province or country where the Management Unit* is located. As the remedy project could contain area within or outside of the Management Unit (or both), the WG believe it is not always feasible or optimal to require FSC forest management certification for areas under the remedy project. FSC conversion remedy procedure is the suitable tool to define the requirements for the development and implementation the remedy plan, and to regulate the verification and monitoring of the remedy project.</p>
<p>10. The policy has exceeded the limits of the motion by approving a date that is not contemplated and also without it being clear what it is and how the compensation will operate in the framework of compensating for all damage suffered to environmental services.</p>	<p>Please refer to the 3rd public consultation materials – Part 1 and 2 for further background information related to the cut-off date and the next steps for the finalization of Policy on Conversion and the Conversion Remedy Procedure.</p>
<p>11. Will there be a difference in the way conversion after November 1994 and before October 2020 is treated between CW-FM and FM? If the requirements for conversion are the same for FM and for CW-FM (mainly related to the Compensation</p>	<p>WG provided the following recommendation to TWG: When setting the threshold for remedy plan implementation (for eligibility to become certified), the threshold for the eligibility to apply for FSC CW FM certification shall be lower than the threshold for full FSC FM certification.</p>



	Procedure), then why would companies opt for CW-FM?	
Medium Priority	1. Develop this along the lines of HCV Analysis with stakeholder engagement, then audited by existing auditors not separate body.	To prevent conflict of interest, WG agreed that the third party verifier verifying the development and implementation remedy plan shall not be the same entity as the body assessing an organization for compliance to enable certification, association or re-association.
	2. The standardized process to determine overall conversion, restoration and restitution requirements based on environmental impacts is relevant. However, it will likely be impossible to assess the quality (including levels of degradation of the converted area) and the values lost (including in the broader landscape). It may therefore be better to remove these points. The terms “scale” and impacts are confusing, Scale should be used for area and impacts for social aspects. The term “where possible” (7.6, page 11) is a bit unclear, and it is very positive that there is flexibility as it will often be impossible and not optimal to compensate at the Management Unit (particularly social impacts). Suggest giving some examples or clarify the language, otherwise people will have a different understanding of what this means.	WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure. Motion 7 TWG will consider the comment while developing the second draft of conversion remedy procedure, to provide further clarification on the baseline assessment to identify the social and environmental harm caused by conversion, as well as on the prioritization for site selection of the remedy project.
	3. Principle 7 should say 'FSC has as compensation procedure that ensures conservation...'7.8 should extend to the supply chain	Supply chain is covered in the Policy on Conversion and the Conversion Remedy Procedure. TWG will consider the comment when developing the second draft of the Procedure.
	4. More detail on procedure required, also forest governance issues.	The first draft of FSC conversion remedy procedure was under public consultation during 1 April to 30 June 2020. Motion 7 TWG is reviewing all comments received and develop the second draft procedure accordingly.
	5. A strong compensation procedure is crux. We are fighting a losing battle if we do not allow conversion. The main thing is to ensure adequate compensation.	
Medium priority	6.The following needs to be inserted in 7.2A[b]- above 7.3- The process of determining social impacts shall be standardized by the FSC based on best available information & expert consultation. 7.5. – Please refer to established normative requirements around	WG revised principle 7.2 b related to social harm as below: Social harms shall be determined in consultation with affected stakeholders conducted by independent assessors. Social remedy* requirements shall be based on the recognised social harms incurred by the affected stakeholders” in consultation with them based on FPIC.



	<p>FPIC, not guidelines (guidelines provide orientation, are not normative. Whilst P&C are normative).</p>	<p>Furthermore, Part 2 in the first draft of conversion remedy procedure defines a baseline assessment to identify environmental harm caused by conversion, and social harm associated with conversion, in consultation with affected stakeholders* and experts.</p>
	<p>7. 7.4. – Please look into “Prior to certification OR (re)association ... shall demonstrate defined initial implementation ...”. I suggest “Prior to certification and prior to (re)association ...”. Also, showing initial implementation should not be enough, but rather show “clear implementation progress” underway on compensation / restoration plans.</p>	<p>WG revised principle 7.4, please see comparison between draft 2-0 and draft 3-0 as below:</p> <p>7.4 (Draft 2-0) Prior to certification or upon association/re-association with FSC, organizations shall demonstrate defined initial implementation of this compensation plan.</p> <p>7.4 (Draft 3-0) Prior to certification or association/re-association with FSC, organizations shall demonstrate defined initial implementation of this remedy plan. The plan shall take account of remedy* measures previously undertaken by the organization following conversion, if any.</p> <p>Besides, the first draft of conversion remedy procedure defines the initial implementation threshold as:</p> <p>Implementation Threshold: Where the ecosystem function* has been restored to the point where native recovery potential* to natural forest* is ecologically viable (as per ecosystem attributes) or where a selected natural forest* area is conserved at a level higher than the converted area condition at the time of conversion*. Additionally, priority activities* have been implemented.</p> <p>TWG will review all comments received during the public consultation for the first draft of remedy procedure and develop the second draft accordingly.</p>
	<p>8. 7.7. – Please add “In all circumstances, proposed conservation, restoration and compensation measures, including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal conservation, restoration and compensation outcomes and social benefits relative to other options”.</p>	<p>WG revised principle 7.7 as the following:</p> <p>7.7 In all circumstances, proposed conservation* and restoration* measures, including the type of activities, their location, and the implementer, shall be chosen and evaluated to ensure maximal conservation outcomes and social benefits relative to other options. The remedy* measures must be at least proportionate* to the scale of the harms caused.</p>
	<p>1. There should be a separate procedure to deal with this.</p> <p>2. More detail of the procedure is needed, without seeing the remedy</p>	<p>WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure.</p>



Low priority	<p>procedure it is difficult to comment on the compensation procedure.</p> <p>3. Some requirement in the policy should rather be in the procedure.</p> <p>4. FSC should make the compensation requirement normative.</p> <ul style="list-style-type: none"> o 7.2 b) Consultation with affected parties must have a clear process, defined in advance and agreed-to by all chambers. This requires greater clarity and metrics before proceeding with the Policy. o 7.3 Peer review: A process for the selection of, and agreement on appropriate experts and criteria, is required in advance. In addition, the principle should not be entirely based on a plan but should lay out specific outcomes required to be met through the implementation of the plan. o 7.5 Rights-holders and affected stakeholders: Agreed definition of both required in advance of forwarding this Policy. Imperative to establish clear metrics/criteria on how rights-holders and affected parties will be identified and agreed as such. o 7.6 needs to give preference to restoration within the management unit, and if this is not possible, in the land immediately adjacent to the management unit. If neither are possible, only then should restoration in the broader landscape be considered. No compensation or restoration outside the landscape should be considered. o 7.8 Responsibility for the compensation plans should rest with the organization primarily, but supply chain partners who have also benefited from conversion, should also bear some responsibility. 	<p>Motion 7 TWG is responsible for the development of FSC conversion remedy procedure (FSC normative document). The first draft of procedure was under public consultation between 1 April to 30 June 2020. For further information on the TWG process and its development, please visit the webpage here.</p> <p>The TWG is currently reviewing all comments received during the first public consultation and will develop the second draft conversion remedy procedure accordingly.</p>

3.8 Conversion Free Period

a) Questions posted during public consultation



Question 9: Do you agree with the proposed 5 years conversion free period?

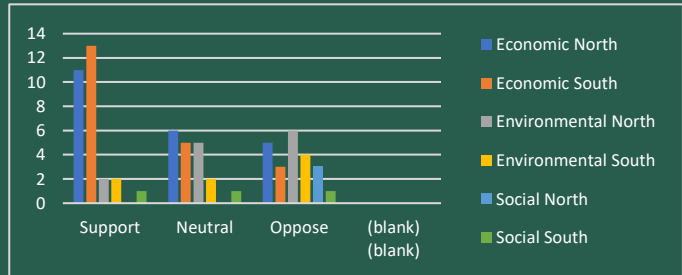
b) Qualitative result

Quantitative results overview

In total, 98 out of 161 participants voted on question 9, and 70 participants are FSC members. General quantitative results are as below:

Support: 42
 Oppose: 28
 Neutral: 28

Quantitatively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Conversion free period should be longer.	WG reached consensus on the 5 years conversion free period, and this is an arbitrary period designed to enable the organization to demonstrate commitment to having stopped conversion and enable the development of remedy plans.
	2. 5-year period is fine, but it should be clearly defined who this requirement applies. the organizations as a whole? MU or certified area? - The rule should not apply retroactively to past conversion but only conversion conducted after the cut-off date. The rule should follow the scope of this policy, i.e. concern only conversion of natural forests and HCVs.	The comment can only be considered following the finalization of the principle 3 and 4 on cut-off rule. The 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders' feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus. FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.
	3. Should be longer than rotation	
	4. A policy needs rationale, not flat statements with arbitrary numbers. active engagement with verified progress indicators on compensation and restitution would be more convincing than doing nothing for x years.	
	5. It's a reasonable period of time to show commitment.	
	6. Reasonable / Good approach	
	7. Acceptance is contingent on addressing other flaws or weakness in the policy	

Low priority	<p>8. Agree with the 5 years conversion period. clarification is needed as to what is the corresponding No-conversion period for PFA.</p> <p>2.CW FM should be possible during this period</p> <p>3. You can't give an amnesty to deforested areas to our companies that have promised to join the effort to have: "Forests for All Forever".</p> <p>4.CW FM should be possible during this period</p>
	1. This will help disincentive conversion

3.9 Small-scale Smallholders

a) Questions posted during public consultation

Question 10: Do you agree with the proposed principle 10 related to dispensation criteria for small-scale Smallholder?

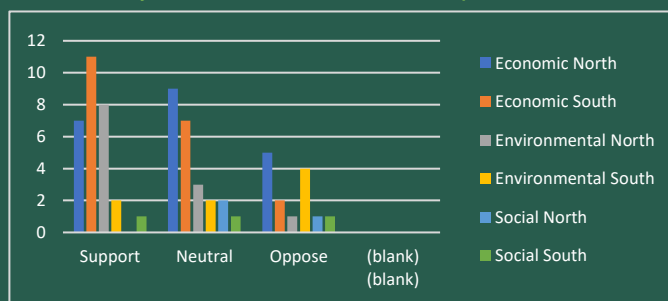
b) Qualitative result

Quantitative results overview

In total, 94 out of 161 participants voted on question 10, and 67 participants are FSC members. General quantitative results are as below:

Support: 42
 Oppose: 22
 Neutral: 30

Quantitively results _ FSC membership



c) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
	1. Same rules should apply for all regardless of size.	Currently, the FSC system consists of common P&C for the certification of all management units globally, regardless of their sizes, owners, socioeconomic conditions, and types of forest systems. Despite the development of SLIMF standards (for small and/or low-intensity managed forests), the 'scale, intensity and risk' guidance and 'indicators adapted at the national level', for smallholders and communities, particularly in tropical countries, compliance with FSC requirements



High priority		<p>is still a great challenge and involves a large investment compared to the economic benefit that the FSC certificate can offer.</p> <p>Thus, WG proposes a dispensation mechanism for small-scale smallholders in order to incentivize those small operations to become certified.</p>
	<p>2. This opens the door to gradual conversion under FSC certification. Especially the rural poor are an important actor in deforestation. It should not be encouraged. Alternatives to conversion should have more attention.</p>	<p>WG emphasized the importance to discourage speculative conversion and unacceptable activities in principle 10 related to small-scale smallholders.</p> <p>Meanwhile, Motion TWG will further improve the dispensation criteria small-scale smallholders and establish the dispensation mechanism in the second draft of FSC conversion remedy procedure. Motion 7 WG, TWG and FSC welcome members and stakeholders' input into the draft procedure through the second public consultation scheduled for spring 2021.</p>
	<p>3. Providing blanket dispensation may be misused. Many a times repeated small becomes big. Consequently, it needs to be decided on case to case bases.</p>	
	<p>4. The dispensation criteria should consider joint compensatory measures, technical assistance, partnerships, subsidies and requirements that are more flexible in the compensation plan.</p>	
	<p>6. Strong support to small scale small holders' certification.</p>	<p>WG appreciates the comment.</p>
	<p>7. Companies are recently using smallholder schemes to control larger tracts of land, where nominally land is managed by local smallholders, but actually machinery, technology, seeds, chemicals and methodologies are from the company. There is no comment in the policy about the out growers.</p>	<p>Motion WG revised the principle 10 to include consideration for speculative conversion as below:</p> <p>FSC defines dispensation criteria for small-scale smallholders* within the Remedy Procedure in order to incentivize those small operations to become certified and discourage speculative conversion and unacceptable activities*.</p>
	<p>1. Which are the criteria for exemption?</p> <p>2. Smallholders could be integrated in a bigger forest management system after a while. Who can guarantee they were on the purpose to deforest before to become part of a bigger forest management system?</p> <p>3. Will make possible small owners be part of FSC.</p>	<p>WG noticed that there have been confusions between principle 10 on "small scale smallholder" in and principle 6 around "small scale/minimal conversion". WG revised principle 6 and adjusted definition for the term "very limited portion".</p>



Medium priority	4. What is the definition of small-scale conversion? Small scale can lead to big scale of conversion in the future. Unsustainable forestry and agricultural practices by smallholders also drive for deforestation.	
Low priority	1. Conversion can bring social benefits to smallholders.	WG appreciated the comment.
	2. I feel that same conversion rules should apply to all certified operators without exemptions. There's a risk that the proposed exemption for smallholders can create another loophole where large organizations could use group certification to evade the conversion rules.	WG discussed the comment and decided the appropriate place to address concerns raised was through the TWG as the concern was not a policy issue, but rather should be addressed in the Remedy Procedure. Motion 7 TWG is currently developing the second draft of FSC Conversion Remedy Procedure, in which, further details on smallholder dispensation criteria and mechanism will be provided.
	3. Supports in principle that there should be some dispensation for subsistence smallholders who farm 50 hectares or less. However, additional details must be developed which prevent the creation of an additional loophole.	

3.10 General Comments

a) Questions posted during public consultation

Question 10: Do you have other comments on the second draft of Policy on Conversion?

b) Qualitative results

Priority	Stakeholder/Membership feedback	WG conclusion
High priority	1. Ownership loophole must be addressed and is currently not properly addressed in the draft This Policy needs to be ALIGNED with the Policy of Association, CW 40-005, CW 30-010, Policy for Excision – this was required by the Motion.	The WG debated the feedback from the consultation at length but could not reach agreement on revised Policy Principles in this regard. As a result the 3rd and final public consultation for the third draft of Policy on Conversion Version 1-0 is open between 1st September to 31 October 2020. The consultation is used to collect stakeholders' feedback on policy principles 3 and 4 related to the conversion cut-off rule in which the Motion 7 Working Group is in the process of seeking full consensus. FSC encourages all interested stakeholders to participate and provide their input during this period, as input is critical to the finalization of FSC Policy on Conversion.
	2. A methodology needs to be developed for identifying harms and remedies with associated tools for use in the FMU. FPIC is not sufficient.	Part 2 in the first draft of conversion remedy procedure introduces the requirements of a baseline assessment to identify, in consultation with affected stakeholders and experts, the social and environmental harm caused by conversion, and to determine site and mitigation



	measures needed to remedy the environmental and social harm. Please find further details here .
3. DATA and ANALYSIS needed for the size of conversion worldwide, an evaluation of the extent this is limiting FSC certification and how. SECONDLY, there needs to be a SWOT analysis of the Policy. A thorough review be carried out of the potential positive and negative impacts of the Policy as currently drafted.	FSC developed a Green Paper on conversion, to provide data and analysis of conversion worldwide and to summarize conversion discussions within FSC system. The Paper will be used to communicate with FSC membership on the topic of conversion prior to GA 2021. Please find further details under part 2 in the consultation material for the third draft Policy.
4. It is unclear how the policy addresses the objectives of halting deforestation and conversion.	FSC plans to conduct case studies to assess the potential of the policy to halt deforestation and encourage conservation and restoration.
5. This policy should be broadened to take into account the conversion problem in an integral way, which makes it possible to account for the land use policies, the level of landscape.	This is addressed through the local adaption of conversion thresholds and the Remedy Procedure requiring a case by case approach of engaging experts and affected stakeholders.
6. This policy is fundamental for the credibility of FSC and for the fulfillment of its mission. Therefore, the terms, concepts or definitions on which it is based cannot be “adapted” at the national level; as we know, national adaptation or interpretation can be done only for the indicators.	Based on the FSC policy on conversion, Motion 7 TWG will develop a report containing criterion, thresholds and indicators on conversion across FSC normative framework, following which, the indicators could be adapted at national level.
7. The use of the term ‘principle’, while accurate, is unfortunate, as it may cause confusion or suggest equivalence with the Principles in FSC-STD-01-001 V5-2 EN FSC Principles and Criteria for Forest Stewardship. We suggest that an alternative term be used, such as Policy elements.	WG appreciates the comment and considered several alternative wordings like “requirement” “element” etc. WG eventually agreed that the term “principle” is the most suitable term for the context of conversion policy, as the policy principles describe the position and rule of FSC on conversion.
1. Considering reputational risk, the policy cannot allow any kind of future conversion, not even for those organizations that associate with FSC without becoming certified.	Please participate in the 3 rd and final public consultation for the Policy on Conversion, to provide feedback on the proposed cut-off rule options.



Medium priority	2. Degradation threshold shall be fully defined and developed at the International level in the same way as the IGIs	Based on the FSC policy on conversion, Motion 7 TWG will develop a report containing criterion, thresholds and indicators around conversion (including degradation threshold) across FSC normative framework.
	3. WG shall respect and follow conventional steps for policy development, starting off with background study, identification of options for solution, into consideration of the theory and mechanics of compensation, identify who is liable to compensate, evaluate and rationalize options, desktop testing, etc.	WG appreciates the comment.
	4. There should be incentives to FM CW to go for FM Certification.	This is part of FSC CW strategy and is therefore outside the mandate of Motion 7 WG.
	5. The Working Group has indicated that it is unlikely to recommend a change to Criterion 6.9. However, we further note that Policy principle 6(b) introduces a reference to social benefits which is not found in the current wording of Criterion 6.9. How will this difference be reconciled if not through a change to the Criterion?	Based on the 3 rd public consultation results, Motion 7 WG will finalize principle 3 and 4 on cut-off rule, in line with the finalized policy, the WG will be developing a Motion for presentation at the GA in 2021. A conversion dialogue will be organized in May 2021 to present members and stakeholders with the proposed motion and to initiate discussion in order to prepare for motion voting at GA2021.
	6. The Draft 2.0 considered the stakeholders opinions and it is better than the first one. The model of presenting “synopsis of consultation comments” should continue.	WG appreciates the comment.

Thank you very much for contributing to the finalization of FSC Policy on Conversion.

Stay safe and healthy!