



## FSC Board of Directors – Policy and Standards Committee (PSC)

### Terms of Reference V5-0

Approved by the FSC Board of Directors – 20 November 2020

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#### 1. Objective

- 1.1 The FSC Board of Directors (Board) established the Policy and Standards Committee (PSC) in order to streamline, facilitate and accelerate decision-making processes in relation to the development of new and revision of existing FSC Policies, Standards, Procedures and other normative FSC documents.
- 1.2 The PSC provides a technical review of proposed FSC normative documents before their submission to the Board. This review provides an opportunity for a chamber-balanced committee with familiarity with the technical aspects of FSC's normative framework to independently assess such documents in order to provide sound advice to the Board and/or PSU.

#### 2. Purpose

- 2.1 To define the overall responsibilities and specific duties of, as well as the operating terms for, members of the Policy and Standards Committee.

#### 3. Duties

- 3.1 The PSC shall make recommendations for decisions to the Board with respect to all technical matters related to the development, execution, revision and withdrawal of FSC Policies, Standards, Procedures and other normative documents. This particularity refers to:

- a) Decisions on proposals to develop, revise or withdraw a normative document based on the procedure *The Development and Revision of FSC Normative Documents* (FSC-PRO-01-001);
  - b) Decisions on the technical scope of working groups' terms of reference;
  - c) Decisions on proposals for pilot testing based on *FSC Policy for Pilot Tests* (FSC-POL-01-001).
- 3.2 The PSC shall make decisions on behalf of the Board for the approval and revision of National / Regional Forest Stewardship Standards, including NTFP addenda, based on the *Process requirements for the development and maintenance of National Forest Stewardship Standards* (FSC-STD-60-006). Where such decisions would involve more strategic or political issues, the PSC should refer these decisions to the Board.
- NOTE i: In order to ensure a consistent decision-making process the internal procedure *Approval of Forest Stewardship Standards* FSC-PRO-10-606 has been developed.
- NOTE ii: The Board delegated the authority to approve Interim National Standards and 'low complex' NFSS to the Policy Steering Group (PSG)<sup>1</sup>. The PSG may still elevate relevant decisions to the PSC, if deemed appropriate.
- 3.3 Upon request by the FSC Performance and Standards Unit (PSU), the PSC shall provide guidance and advice on directions to take with a policy or standards issue in particular (e.g. policy and standards interpretations) or in general (e.g. on position or discussion papers).
- 3.4 PSC members shall seek to make recommendations and decisions based on technical considerations which benefit the Organization as a whole and represent the views and concerns of the sub-chamber which they represent (e.g. South/Social) in the Committee deliberations, rather than simply reflect personal views or the views of the organization with which they are affiliated.

#### 4. Structure and Accountabilities

- 4.1 The PSC consists of six (6) FSC members, one (1) from each of the six (6) FSC sub-chambers, selected by the Board based on an application process open to all FSC members.
- 4.2 The term of PSC members is four (4) years which shall cover a suitable transition period for the introduction of new members, including becoming familiar with the process, procedures and scope of the Committee, their responsibilities towards reaching out to and representing their sub-chamber and the overall time commitment involved.
- 4.3 The term for the appointed member of PSC can be renewed for one (1) additional period.
- 4.4 A neutral non-voting Chair may be appointed by the Board for a two (2) year period and can be extended for up to further two (2) years on an annual basis.
- 4.5 The PSC is supported by and in general interfaces with PSU through staff persons assigned by PSU. All necessary administrative, technical and logistical support will be provided by PSU via these staff persons.
- 4.6 Additional support is provided by the staff person assigned to lead the development or revision of a certain FSC Policy, Standard, Procedure or other normative document.

<sup>1</sup> The PSG is a new steering committee established to govern all policy development and revision processes in accordance with FSC-PRO-01-001. It basically replaces the multitude of individual steering committees that are in place for the various policy and standard-setting processes. The PSG has a fixed composition of FSC senior management team members and started its operations from January 1st, 2020.

Under normal circumstances the PSC will not be expected to consider any issue or policy, standard, etc., unless a formal paper has been prepared and circulated in advance and is part of the annual overview of PSC meeting agenda items.

NOTE: PSU is maintaining an annual overview of PSG, PSC and Board agenda items that is made available to PSC.

- 4.7 The PSC is accountable to the Board. All decisions taken by the PSC, except for approval of forest stewardship standards (FSS), are considered as recommendations to the Board, and have to be reported to and confirmed by the Board.

NOTE: At their 58th meeting the Board decided the following:

*“National standards on which there is consensus in the PSC are considered automatically approved and do not need to be submitted to the Board for specific approval.”*

- 4.8 When appointed by the Board, a PSC member may serve in the role of advisor or liaison person to a steering committee, working group or other body, as provided in FSC-PRO-01-001 V3-1, Clause 3.4.
- 4.9 The PSC submits an annual report to the Board.
- 4.10 The PSC shall conduct a bi-annual peer-to-peer review of their individual and overall group performance, as guided by PSU. The self-assessment of the committee’s (group level) performance shall be annexed to the corresponding annual report.

## 5. Member qualifications and obligations

- 5.1 PSC Members and Non-Voting Chair will be selected from among the FSC International Membership in good standing based on their qualification, expertise and experience in relation to FSC Policy and Standards. The selection process shall be initiated at least six (6) months before the term of the existing PSC members and Non-Voting Chair expires.
- 5.2 Application for PSC members and Non-Voting Chair shall be accompanied by:
- Curriculum Vitae of the applicant
  - Letter of support from at least two (2) members in the represented sub-chamber
  - For organizational member, a letter of endorsement from the Designated Representative or Head of the Organization if the applicant himself/herself is not the Designated Representative of the organizational member.
- 5.3 It is the obligation of the PSC members:
- To actively and constructively participate in the PSC discussions and make available the time necessary for allowing the PSC to duly fulfill its duties as laid down in this document. This includes participation in an average of four (4) meetings annually. Additional meetings may be agreed upon between the PSC and FSC or the Board. It also includes active and timely response by email or phone.
  - To respect the decisions and policy directives of the organization taken through GA motions or from the Board.
  - To seek to reflect the views of the sub-chamber that the member represents.
  - To be proficient in English and the use of information technology.
  - To declare in advance any potential conflict of interest, if applicable.
- NOTE: The Conflict of Interest policy and procedures adopted by the Board apply.
- To sign a service contract and confidentiality agreement with FSC upon selection.
  - To have read the key documents prior to PSC meetings.

5.4 It is the role and function of the Non-Voting Chair:

- a) To assist the appointed members of the PSC to carry out the mandate and responsibilities given to the PSC by the Board;
- b) To work with the Board liaison and the PSU representative(s) in facilitating interactions between the PSC and the Board;
- c) To work with PSU staff to schedule PSC meetings in consultation with PSC members, prepare the meetings agendas and ensure that materials for discussion are distributed by the PSU in timely manner in advance of the meeting.
- d) To manage and chair PSC meetings following appropriate process and maintaining a neutral position;
- e) To assist the PSC to reach consensus decision, including drafting of potential decisions for consideration by the PSC;
- f) To prepare draft of decisions/recommendations of the PSC for approval by the PSC members, meeting minutes and Annual Report, in the appropriate format, for transmittal to the Board or to Standard Development Groups;
- g) To present and explain as necessary PSC recommendations at Board meetings;
- h) To seek to resolve any internal governance issue before it becomes a grievance;
- i) To liaise with the Board Liaison to PSC on unresolved issues within PSC such as, but not limited to, internal grievances, lack of consensus in the deliberation of decision or recommendations, and advice sought from the board on particular agenda items;
- j) To assist PSU staff and others in communication with PSC members;
- k) To speak or communicate with external parties on behalf of the PSC, as mandated by the PSC.

5.5 PSC membership may be terminated by the Board subject to any of the following conditions:

- a) Voluntary resignation or death of the PSC member.
- b) Shift of his/her FSC International chamber and sub-chamber membership allocation, and/or revocation of his/her FSC International membership.
- c) The PSC member had not fulfilled the obligations as stated in Clause 5.3, based on the recommendations by the Board Liaison and Board annual performance review on PSC.
- d) Written complaint by at least 50% of the PSC members against a particular PSC member to the Board.
- e) In the conditions c) and d), a probation between 3 to 6 months will apply for the PSC member concerned to correct or improve his/her conduct in the internal governance of the committee before a final decision on termination is confirmed by the Board.

NOTE: The Board can also terminate the mandate of the neutral Non-Voting Chair on the basis of the criteria listed above.

## 6. General Rules of Procedure

- 6.1 The PSC shall meet on average four (4) times annually and at a sufficient frequency to address the work presented to the PSC by PSU or the Board.
- 6.2 The PSC shall decide on its own leadership, e.g. by appointing a vice chairperson and, when necessary, developing an annual Work Plan.
- 6.3 Quorum is required for decision making. Quorum is defined as a minimum of four (4) PSC members, with at least one (1) from each chamber.
- 6.4 Communication in-between meetings will mainly be via email. In addition to the regular -multi-day meetings, short online meetings can be organized by PSU, if required.

- 6.5 PSU, through the staff persons assigned according Clause 4.5 and 4.6 above, is responsible for facilitating communication and decision making of the PSC by providing discussion papers, draft documents, administrative, technical and logistical support, including taking minutes, and requesting decision making as need arises. PSU is also responsible for the timely communication of all recommendations to the Board and filing all relevant communications and resulting decisions of the PSC.
- 6.6 The staff person assigned to the development of a new or revision of an existing Policy, Standard, Procedure or other normative document shall participate in all communication leading to a decision and shall be informed about decisions by the PSC.
- 6.7 PSC members are encouraged to participate in the public consultations or webinars organized on policy or standard matters, and the webinar presentation of Board decisions to the membership.
- 6.8 The PSC shall make its decisions by consensus, which is defined as the absence of sustained opposition. With the exception of decisions explicitly delegated to the PSC by the Board, decisions of the PSC are recommendations to the Board and require ratification by the Board. If consensus cannot be achieved, the applicable issue or element of a policy, standard, procedure or normative and non-normative document shall be deferred to the Board for decision making, including reporting on the reasons for decisions, the different positions and the extent of disagreement within the PSC.
- 6.9 Internal grievances within the PSC shall be raised with the Non-Voting Chair in writing with a copy to the Board Liaison to PSC. The grievance process shall include:
- a) Issue or subject being complained;
  - b) Justification; and
  - c) Recommendation for resolution.
- The Non-Voting Chair, with the guidance from the Board Liaison to PSC, shall determine whether the grievance can be processed individually or needs to be resolved collectively in the committee.
- 6.10 The working language of the PSC is English.

## 7. Meetings

- 7.1 Meetings are scheduled as in-person or online meetings, usually extending over 3-4 workdays.
- 7.2 Meetings are agreed as much in advance as possible to facilitate attendance, preparation and logistics, and are guided by the PSU annual item overview and any priority setting of the Board.
- 7.3 By default, in-person meetings are held in Bonn, Germany. Other locations may be chosen with justification including consideration of costs.
- 7.4 Agenda items to be discussed at a meeting are supported by a short paper or document (similar to Board papers) that are numbered and coded, give a summary of the issue and, as applicable, the options for addressing it, the impacts of the different options, the recommended decision, the level of priority and timeline for decision making, and links to FSC intranet or external sites where additional background or support documents can be found.
- NOTE: Agenda items which have already been decided in higher level decision-making bodies such as the General Assembly or by the Board are considered as normative and shall not be further disputed in the PSC in terms of its content.
- 7.5 Additional agenda items can be considered if their consideration and a decision is required urgently. Urgent items or issues can be put to the PSC at any time and do not

necessarily need a meeting for their consideration. Additional agenda items may also be proposed by PSC members if they are within the scope of Policy and Standards issues.

- 7.6 Consideration of agenda items will begin with a presentation from the person leading the item (usually a PSU staff person). Discussion will be preceded by a short round of the PSC to see what, if any, major or minor issues people wish to raise. PSC members are encouraged to be open and frank about concerns or questions, and the PSU to be equally so in their responses or clarifications – with the aim of coming to a very robust and well considered decision.
- 7.7 To assist PSC to deliberate on normative documents or forest stewardship standards, PSC may appoint a sub-committee from among the PSC members to provide review and/or recommendations for full PSC consideration.
- 7.8 Minutes of meetings will capture only a short summary of proceedings and discussion but aim to accurately record any decisions (recommendations to the Board). To speed up the time for finalisation, for in-person meetings decisions will be confirmed by those present in the meeting via a screen or printed version. Absentee PSC members will need to confirm via email.

## 8. Confidentiality

- 8.1 PSC members may seek input on issues within upcoming PSC agenda items from:
  - a) Working group members in charge of relevant topics;
  - b) the Board Liaison to a particular working group;
  - c) Board members;
  - d) Members of their sub-chamber.

NOTE: PSC members may share the public version of the corresponding meeting agenda for this purpose.

- 8.2 PSC members shall not share with external parties papers and documents presented to the PSC unless they are classified as “public”.
- 8.3 Views or perspectives shared by PSC members are expected to remain in confidence, or at a minimum "Chatham House" rules apply in terms of recording in the minutes only the respective information, but not attributing it to a person.
- 8.4 Recommendations from the PSC to the Board are confidential until the Board makes a decision, releases minutes, and makes such recommendations available via the Members Portal.

## 9. Interaction with the Board

- 9.1 The PSC primarily interacts via the PSC Chair with the Board, who either communicates directly with the PSC Board Liaison or presents the PSC recommendations and requests at Board meetings.
- 9.2 The Board Liaison to PSC is the primary channel for the Board to interact with the PSC. The Board Liaison is expected to attend at least parts of the PSC meetings, convey relevant Board messages and provide updates from the last Board meeting, in order to establish an ongoing dialogue between the Board and the PSC.

NOTE: Individuals, or groups of board members may seek advice or briefings from PSC members, while recognising the primacy of the relationships described in clause 9.1 and 9.2 above. Any discussions will be on the basis of Chatham House rules.

- 9.3 A dedicated meeting between the Board and the PSC is aimed to be held at least once per year.