



Forest Stewardship Council®






PSU Review Report of

FSC-POL-20-002 V1-0 Partial Certification of
Large Ownerships

Version1-0



Status:	Consulted report
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PSU Review Report

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The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the true value of forests is recognized and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.

Summary and recommendation

Reviewed Document

Document code	FSC-POL-20-002
Document title	Partial Certification of Large Ownerships
Objective of document	The Policy explains FSC's position regarding partial certification of large ownerships and compliance with Criterion 1.6 ('FSC commitment') in the Principles and Criteria V4
Last approval date	2000
Review triggered by	<input checked="" type="checkbox"/> Regular review as scheduled
	<input type="checkbox"/> GA Motion or Board decision
	<input checked="" type="checkbox"/> New or changed FSC policies or legislation
	<input type="checkbox"/> Change Requests
	<input checked="" type="checkbox"/> Other (please specify): Redundant: superseded by PfA and other core FSC normative documents
Reviewer	Diana Franco Gil (PSU Policy Manager) Achim Droste (PSU Chief Policy Officer)
Contact details	forestmanagement@fsc.org
Draft Review Report	29 June 2021
Public consultation	08 July 2021 – 19 August 2021
Final Review Report	(tba)

Recommendation

<input type="checkbox"/>	Full revision
<input type="checkbox"/>	Minor revision
<input type="checkbox"/>	Editorial revision
<input type="checkbox"/>	No revision
<input checked="" type="checkbox"/>	Withdrawal

I. Introduction

This report has been developed according to Clause 9.6 of FSC-PRO-01-001 V3-1 *The Development and Revision of FSC Normative Documents* to review (assess) the continued relevance and effectiveness of a normative document. This is a mandatory step before a normative document can be taken to revision or withdrawal. In addition, it responds to the Board requirement for a feasibility and impact assessment of the proposed action, mandated at their 71st meeting.

II. Proposed recommendation and justification

PSU recommends the withdrawal of FSC's [Policy FSC-POL-20-002 V1 Partial Certification of Large Ownerships](#) as the document is out of date and has become redundant. This would streamline and simplify the normative framework.

FSC-POL-20-002 V1, approved in 2000, links to Criterion 1.6 ('FSC commitment') in the FSC Principles and Criteria V4 (replaced by a new version in 2012) and to Para 29 of the FSC By-Laws (withdrawn in 2013). It was originally designed as a control measure against greenwashing by requiring The Organization to also demonstrate commitment to adhere to the FSC Principles and Criteria on any other Management Unit outside of the scope of certification owned or managed by them. Certification bodies were responsible for evaluating this commitment solely based on feedback from stakeholder consultation. There was no provision for field inspections of Management Units outside of the scope of certification.

In 2012, [a revised version \(V5\) of the FSC Principles and Criteria](#) (P&C) was approved. It still requires The Organization to demonstrate commitment to adhere to the FSC Principles and Criteria (now in Criterion 1.8), but certification bodies now evaluate conformity based on a publicly available policy statement as required by IGI 1.8.1 of [FSC-STD-60-004 V2-0 International Generic Indicators](#).

The control of The Organization's commitment for Management Units outside of the scope of certification is now regulated by [FSC-POL-01-004 Policy for the Association of Organizations with FSC](#) (PfA). The PfA was approved by FSC in 2009 in order to establish a mechanism against greenwashing directly managed by FSC. Adherence to the PfA is formalized by signing FSC's trademark license agreement (TLA) which contains a self-declaration, by which certificate holders signing the TLA declare that they read, understood and accept the PfA.

With the new version of the FSC Principles and Criteria, the withdrawal of the FSC By-Laws and the installment of the PfA, the *FSC-POL-20-002 Policy on Partial Certification of Large Ownerships* has become redundant and its continued co-existence is even constituting a credibility risk for FSC due to overlapping and contradicting content.

III. Impact analysis

The withdrawal of the outdated and conflicting policy FSC-POL-20-002 will contribute to the streamlining and simplification of the FSC Normative Framework and therefore deliver on [FSC's Global Strategy 2021-2026](#).

It is foreseen that FSC's stakeholders such as auditors, forest managers, standard development groups, and the Secretariat will benefit from the withdrawal as it will bring clarity and consistency to the FSC Normative Framework.

No negative impacts are foreseen. All relevant aspects that were addressed in FSC-POL-20-002 are well covered, even improved, in the succeeding documents. See Annex 1. Assessment of the FSC-POL-20-002 Policy on Partial Certification of Large Ownerships (2000).

IV. Stakeholder consultation and feedback

Methodology

Stakeholders were invited to provide comments and feedback on the draft review and withdrawal report from 8th July 2021 until 19th August 2021 via the FSC consultation platform.

Results

To be filled in following public stakeholder consultation

Annex 1. Assessment of FSC-POL-20-002 Policy on Partial Certification of Large Ownerships (2000)

Section	Content/Text	Assessment	Conclusion
Introduction (p.3)	<p>Partial certification of large ownerships has been a controversial issue since the earliest discussions of 1993-4. These notes explain FSC's position regarding partial certification and compliance with Criterion 1.6 including the various rules currently applied, and proposes a more detailed interpretation, for inclusion in the FSC Guidelines for Certification Bodies (Section 2.13)</p> <p>The following revised interpretation is now open for comment...</p> <p>Motion: Approve the revision of Guidelines Section 2.13, following the interpretation in this document, subject to changes or consultations agreed.</p> <p>1 Rules for FSC Members 2 Rules for non-Members. 3 Guidelines for Certification Bodies 4 Interpretation 5 Conclusion</p>	<p>Reference to Criterion 1.6 (V4) is outdated as a new version of P&C (V5) was approved in 2012.</p> <p>The revised and current version FSC P&C V5 states: <i>1.8 The Organization* shall demonstrate a long-term commitment to adhere to the FSC Principles* and Criteria* in the Management Unit*, and to related FSC Policies and Standards. A statement of this commitment shall be contained in a publicly available*document made freely available.</i></p> <p>Therefore, FSC P&C (V5) continues to request The Organization to demonstrate commitment to P&C.</p>	<p>Commitment to FSC's mission and its Principles and Criteria remains in P&C V5.</p> <p>Structure and content of the policy not in line with FSC-PRO-01-001 The Development and Revision of FSC Normative Documents.</p> <p>No risk in withdrawing FSC-POL-20-002 as intention is stated in another core FSC document.</p> <p>Moreover, withdrawal will contribute to streamlining the normative framework as POL-20-002 references outdated documents.</p>
Rules for FSC Members	Paragraph 29 All prospective members with economic interests must have	Rules for FSC members are laid out in a single document (FSC Statutes). It is not a	FSC members shall demonstrate commitment

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(p.3)	demonstrated active commitment to implementing the FSC Principles and Criteria in their operations. It is expected that producers have a significant part of their production forests certified by an FSC accredited certification body or be certified within a reasonable time frame (normally this will not exceed two years).	<p>common practice to lay out rules for members and non-members across FSC policies.</p> <p>Reference to FSC By-Laws replaced by FSC Statutes. Timeframe of 2 years eliminated from Statutes. Intention of paragraph seems re-worded in FSC Statutes (2014):</p> <p><i>In the case of prospective members of the economic chamber, detailed documentation, describing the organization or individual's commercial activities, details of forest operations or sources, including a description of how active commitment to FSC and its Principles and Criteria is being, or will be, implemented, and, for organizations, the identity of directors, the parent company and other relevant commercial relationships. At the request of the prospective member, the Board may treat financial information from the prospective member as confidential</i></p>	<p>to FSC's mission in FSC Statutes.</p> <p>No risk in withdrawing POL-20-002 as intention is stated in another FSC core document.</p>
Rules for FSC Members (p.3)	Paragraph 30 To avoid the risk of admitting forest producers or forest product traders which have a small model operation meeting FSC requirements, while the rest of their operations are not acceptable, FSC must be satisfied that the	<p>This text is not found re-worded in the Statutes, it seems to have been replaced by paragraph in section 12:</p> <p><i>A statement of support for the application from two FSC Members in good standing; in</i></p>	<p><i>POL-01-004 Policy for Association of Organizations with FSC (PfA) introduced as safeguard to diminish risk of admitting forest</i></p>

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	<p>entire operation will conform with FSC requirements within a reasonable time frame.</p> <p>Interpretation: Since 1994, this has been interpreted to mean that partial certification is permitted for FSC members and applicants for FSC membership, on condition that the organization has formally applied for certification assessments for its entire operation from an FSC CB, and has also formally committed itself to doing everything possible to achieve certification for its entire operation within a reasonable time frame.</p> <p>The time frame will not normally exceed two years. It was not fixed in absolute terms, because FSC recognised that two years may not be enough time for some very large and complex organizations, or for some small but poorly funded organizations (such as community forests).</p> <p>The commitment applies to the entire forestry or forest management operation owned or fully controlled by the entity applying for FSC membership.</p>	<p><i>the understanding that at least one letter should be from a member of the chamber to which the prospective member is applying to join, and preferably from the same sub-chamber.</i></p> <p>Timeframe for achieving FSC certification in the entire operations is not mentioned in other normative documents and regulation seems to have dropped out after FSC By-Laws disappeared.</p> <p>Moreover, timeframe of two years for a forest management company to apply to have all of its forest operations certified is confusing. Within the same document a clarification exists in criterion 2.1. (See Annex 1. FSC Guidelines for Certification Bodies, Part 2.)</p>	<p>companies conducting unacceptable activities.</p> <p>No risk in withdrawing POL-20-002 as intention is stated in another FSC document.</p>
Rules for non-Members	Non-members who apply for certification of forests are not bound by the provisions of	Text refers to outdated P&C V4.	Intention to commit to FSC P&C remains in

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(p.3-4)	<p>Para 29 of the by-laws. Therefore partial certification is permitted, without requiring a formal application or commitment by the owner or manager for certification for its entire operation.</p> <p>This requirement is less demanding than the requirement for FSC members. This less demanding requirement was believed to be justified because FSC members have substantial rights in the FSC system, including standing for the FSC Board of Directors, and therefore a greater commitment should be required from them than for other certificate holders.</p> <p>However, Criterion 1.6 applies "Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria." This commitment is required of the forest manager of any forest management unit (FMU) applying for certification, or holding an FSC-endorsed certificate. The P&C do not demand this commitment of the owner, but there is clearly a risk of confusion if the certificate is held (or applied for) in the name of the owner rather than the manager.</p>	<p>Certificate holders can decide to apply for FSC membership or not. Referring to rules for non-members is an outdated practice no longer in use within FSC normative documents.</p> <p>Moreover, PfA regulates commitment of the company in non-FSC certified areas.</p>	<p>criterion 1.8 of FSC P&C V5.</p> <p>PfA introduced as a safeguard to diminish risk of admitting forest companies conducting unacceptable activities. This commitment is materialized through the signature of FSC's trademark license agreement.</p>

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	<p>The commitment should be demonstrated on any other FMU which is managed by the same forest manager, or where that forest manager has the main operational responsibility for management decisions and operations, even if the other FMUs have different ownerships.</p> <p>This guideline explains how assessors should also evaluate evidence of commitment in other FMUs, under the same ownership, but operated by different managers</p>		
<p>Guidelines for Certification Bodies***</p> <p>(p.4)</p>	<p>The following Guidelines were finalised in June 1998, and form part of the contract between FSC and accredited Certification Bodies</p> <p>Subject 2.13 Partial certification of large ownerships. Updated: June 1998. (attached)</p>	<p>***This section includes the assessment of the entirety of content in Annex 1:</p> <p>POL-20-002 is silent on how a commitment to FSC P&C should be demonstrated by The Organization or evaluate by a certification body.</p> <p>Within the same document the term “whitewashing” seems to have been changed to “greenwashing”.</p> <p>It is not a common practice to include guidelines for certification bodies in FSC Policies.</p>	<p>POL-20-002 is redundant and some of the content outdated.</p> <p>Structure of POL-20-002 and particularly this section aimed at certification bodies is very different to current practices in FSC for developing normative documents as laid out in FSC-PRO-01-001.</p>

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		Regulating activities outside of certified areas is not assessed by certification bodies (CBs). According to POL-01-004 it is FSC evaluating unacceptable activities.	
Interpretation (p.4-7)	FSC maintains its position on partial certification. Non-members of FSC may apply for certification for individual Forest Management Units. They are not obliged to apply for certification, or to commit themselves to certification of their entire set of management units, so long as each candidate for certification is a separate forest management unit. The board and membership of FSC endorsed this position when the current wording in the by-laws were endorsed in 1994, for reasons which are still valid.	The intention of POL-20-002 is to eliminate risks of whitewashing (certifying some areas while in other areas of responsibilities not adhering to FSC's mission). However, the intention or intent to regulate non-certified areas remains in the PfA.	FSC has in place policies to address the concern of greenwashing. Particularly through the PfA. Withdrawing POL-20-002 poses no risk to FSC system.
Interpretation (p.4-7)	<i>Criterion 1.6. This criterion is designed to ensure that the forest management under assessment represents a genuine long-term commitment on the part of the manager, rather than merely a plan on paper. Criterion 1.6 is evaluated in the activities, plans and commitments of the forest manager, or the person or team responsible for the management of the specific forest area proposed for certification. The manager may be, for example, a forestry official, a concession</i>	This section of the policy refers to an outdated criterion. The essence has changed as currently there is no timeframe for non-certified management units of the organizations to become FSC certified. Neither the PfA, nor other normative documents, have a timeframe in this regard.	Withdrawing POL-20-002 poses no risk to FSC system. References in this section are outdated or invalid.

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	<p><i>holder, a private individual, or a committee representing a community or co-operative. The forest manager is not necessarily the government or government department which has responsibility for public forests, and not necessarily the private corporation or publicly owned company which owns the title to the forest, nor the individual shareholders in a company.</i></p> <p><i>This issue is covered by Guidelines 2.13 section 2.3.c, which describes the responsibility of the certification body in evaluating this commitment in forest lands not covered by certification. FSC does not yet have sufficient case history experience to be able to offer more detailed guidance about marginal cases. This issue should be considered on a case-by-case basis by certification bodies during their consultations.</i></p>		
<p>Interpretation (p.4-7)</p>	<p><i>There is a risk of whitewashing, which is recognised by Section 2.13 of the Guidelines to Certification Bodies. This risk is covered especially by para. 2.3 of Section 2.13, which requires the applicant for certification to inform the certification body about all forest areas over which the applicant has some responsibility, and describes the responsibilities of the</i></p>	<p>This concern is the essence/motivation of the PfA, even though it is not explicitly mentioned in the policy itself. In other words, the PfA does not speculate on whitewashing or greenwashing. However, FSC Statutes make explicit that economic chamber members are committed to its P&Cs.</p>	<p>FSC has in place policies to address the concern of greenwashing, particularly through the PfA.</p> <p>Withdrawing POL-20-002 poses no risk to FSC system.</p>

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	<p><i>certification body. This section confirms that applications and evaluations for certification do NOT have to include all the forests over which the applicant has some degree of involvement. The integrity of FSC certification is also protected by controls over the use of FSC's trademarks, on and off product.</i></p>		
	<p><i>The following steps apply in these cases.</i></p> <ul style="list-style-type: none"> <i>What is to be certified: the management unit or the company?</i> 	<p>CBs need to verify compliance of the management unit according to the applicable standard. Other normative documents within FSC have clarified this. This note is unnecessary.</p>	<p>This section of POL-20-002 has been clarified throughout other FSC's normative documents. Withdrawing the policy poses no risk to FSC system.</p>
<p>Annex 1 (p.9)</p>	<p><i>a The applicant for certification must make a full disclosure of all forest areas over which the applicant has some responsibility, whether as owner (including share or partial ownership), manager, consultant or other responsibility. The disclosure shall be documented in the certification report.</i></p>	<p>This requirement regarding disclosure of all forest areas over which the applicant has ownership is also included in FSC-STD-20-007a:</p> <p><i>1.4 A full disclosure and brief description of any area of forest over which the certificate holder has some responsibility, whether as owner (including share or partial ownership), manager, consultant or other responsibility) which the certificate holder has chosen to exclude from the scope of the certificate, together with an explanation of the reason for its exclusion and description of the controls that are in place to prevent</i></p>	<p>This section of POL-20-002 is incorporated in FSC-STD-20-007a (V1-0). Withdrawing the policy poses no risk to FSC system.</p>

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		<p><i>confusion being generated as to which activities or products are certified, and which are not. Compliance with FSC-POL-20-003</i></p> <p><i>The excision of areas from the scope of certification shall be documented.</i></p>	
<p>Conclusion</p> <p>(p.7)</p>	<p><i>When a certification body, as a result of consultations, concludes that a management practice in another forest, owned by the same legal entity as the applicant for certification, constitutes, because of its magnitude and frequency, a clear indication of a lack of willingness or commitment to adhere to the FSC P&C, the certification body will establish whether that lack of commitment represents a major failure of Principle 1 which could affect the certification of the FMU under assessment.</i></p>	<p>According to POL-20-002 the responsibility of assessing commitment to FSC's P&C lies on the CBs. This is not in line with FSC's current normative framework and particularly with the PfA as this is the responsibility of FSC. Moreover, overseeing the implementation of the PfA is not conducted by CBs as this is now part of FSC's due diligence evaluation.</p>	<p>This section of POL-20-002 is not only outdated but also contradictory with the normative framework and what is laid out in POL-01-004. Withdrawing POL-20-002 will bring consistency and clarity to the normative framework.</p>