

Executive Summary

Over the course of five meetings and some 18 months, the FSC Forest Carbon Working Group (FCWG) has discussed and analyzed the opportunities, necessities and risks for FSC to develop a clearer 'climate profile'. Input has been sought from consultants, carbon scheme representatives, experts serving on an advisory group and the FSC membership.

As a result, the FCWG has developed recommendations on the following subjects and matters:

- Areas for an FSC climate change engagement
- Strategic objectives and goals framework
- Review of the FSC Principles & Criteria
- Motions for the 2011 General Assembly
- Research and actions by the FSC Secretariat

Areas for an FSC climate change engagement

The following strategic areas pertaining to forest carbon within the FSC forest management context have been delineated by the FCWG:

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|------------------------|---|
| 1. Carbon stewardship: | Responsibly managing forest carbon resources: maintenance, enhancement or restoration of the carbon stock |
| 2. Carbon monitoring: | Monitoring the impacts of management practices on forest carbon resources: qualitative and quantitative assessments of the carbon stock |
| 3. Carbon accounting: | Quantification of additional carbon sequestration or emission reduction and transforming them into rewardable units (e.g. "carbon credits") |
| 4. Carbon rewards: | Obtaining financial or otherwise support for carbon stewardship and/or claimed climate benefits |
| 5. Safeguarding: | Ensuring that management, monitoring and monetization of forest carbon resources does not come at the expense of people's rights or the environment |

The recommended FSC engagement within the various areas is very different and can be basically differentiated by strategic actions that directly support or "promote" the relevant area and actions aiming at minimizing adverse impacts or reputational risks, thereby acting as safeguards.



Promotional actions are recommended for the areas of carbon stewardship and monitoring where relevant safeguards are largely covered by the FSC Principles & Criteria. On the other side, the FCRWG recommends introducing new safeguarding provisions with respect to carbon accounting and rewards as far as FSC certified forest operations are concerned.

Strategic objectives and goals framework

The FCWG proposes a strategic framework to guide FSC as a standard-setting organisation for forest stewardship on how to position and evolve itself over the coming years in order to maintain its leadership role. The framework is structured as a hierarchical set of objectives and subordinate goals, headed by an overall vision statement. It foresees an explicit recognition of the need to address the challenges arising from climate change and to proactively integrate new provisions and system components accordingly.

VISION	FSC contributes to the mitigation of and adaptation to climate change and demonstrates the positive impact of the forest area under FSC certification.	Engagement areas
1 Objective	FSC forest management certification requires the management and assessment of the carbon stock as environmental value.	Stewardship / monitoring
1.1 Goal	The FSC Principles & Criteria recognize the carbon stock as environmental value that needs to be maintained and/or restored over the long term.	Stewardship
1.2 Goal	FSC operations assess the qualitative and quantitative impacts of their management practices on the carbon stock, ensuring that these practices maintain and/or restore the carbon stock over the long term.	Monitoring
1.3 Goal	FSC demonstrates its contribution to reduce deforestation and forest degradation by maintaining ecosystem functions and high conservation values in natural forests.	Stewardship
1.4 Goal	FSC explores and promotes the important role that ecosystem based adaptation to climate change has for responsible forest management.	Stewardship
2 Objective	FSC is widely recognized as benchmark and leading certification scheme, including the carbon stewardship in forests, plantations and forest protected areas, thereby contributing to the growth of forest area under FSC certified management.	Safeguarding / stewardship
2.1 Goal	FSC's leadership in ensuring social and environmental safeguards is recognized and promoted in the context of forest carbon financing.	Safeguarding
2.2 Goal	FSC is applicable for management and maintenance of the carbon stock in the context of forest conservation and forest protected areas.	Stewardship / safeguarding
2.3 Goal	FSC has systems in place assessing the social and environmental safeguards of forest carbon projects and programmes at their design stage.	Safeguarding
2.4 Goal	FSC is recognized by credible forest carbon schemes in order to facilitate and lead participants towards FSC certification.	Safeguarding / stewardship
2.5 Goal	FSC National Initiatives play an active role in the architecture and implementation of REDD+ programmes in key countries.	Safeguarding / stewardship
2.6 Goal	National FSC forest stewardship standards are approved in key countries with REDD+ programmes and interlinked with REDD+ standards.	Safeguarding / stewardship
3 Objective	Involvement of FSC operations in carbon claims and reward mechanisms contributes to enhancing FSC's reputation as a leader in forest stewardship.	Accounting / Rewards
3.1 Goal	FSC operations generating rewardable carbon claims comply with an FSC recognized defensible and credible carbon accounting standard.	Accounting
3.2 Goal	FSC standards constrain the use of FSC trademarks related to carbon claims by certificate holders and other parties.	Accounting / Rewards
3.3 Goal	FSC fosters multiple mechanisms to reward stewardship of forest carbon storage / sequestration and other ecosystem services.	Rewards
4 Objective	FSC has the institutional capacity to keep up with the rapidly evolving policy framework and financing mechanisms for ecosystem services, to collaborate in research as necessary, and to implement strategic actions as resulting from this strategic framework.	
4.1 Goal	The FSC Secretariat actively implements the actions and research resulting from this strategic framework and provides capacity building to the FSC network.	n/a
4.2 Goal	FSC establishes a Consultative Forum of experts, practitioners and researchers that discusses, analyzes and proposes strategic options for FSC's future engagement in frameworks and initiatives related to the mitigation of or adaptation to climate change.	n/a
4.3 Goal	FSC establishes specialist advisory panels for reviews of the FSC Principles & Criteria, e.g. on how to address stewardship of ecosystem services.	Stewardship

Review of the FSC Principles & Criteria

A key recommendation from the FCWG is that in order to create a sound basis for FSC to engage in climate change mitigation frameworks the FSC Principles & Criteria need to become more ‘carbon sensitive’ by critical amendments in the various areas of engagement:

The overall objective should be to uphold the status of the P&C as the avant-garde standard for responsible forestry in the 21st century by more explicitly addressing one of the core functions, services and values of forest ecosystems - which is their ability to sequester and store atmospheric carbon and thereby exert a key role in global climate regulation.

The FCWG has extensively commented on various drafts of the revised P&C. These recommendations have been integrated into the broader strategic framework for an FSC climate change engagement and can be summarized as follows:

	Safeguarding	Stewardship	Monitoring	Accounting	Rewards
Proposed key amendments to the P&C	[see ‘Accounting’ and ‘Rewards’ columns]	<p>P5 ensuring sustained carbon stock when harvesting</p> <p>P6 maintaining carbon stock as environmental value</p> <p>P9 maintaining high carbon forests as HCVs</p>	<p>P6 assessment of carbon stock as environmental value</p> <p>P8 monitoring of carbon stock as environmental value</p>	<p>P5 restricting applicable carbon accounting standards</p>	<p>P1 ensuring rights to benefit from ecosystem services</p>

Motions for the 2011 General Assembly

The FCWG recommends using the 2011 FSC General Assembly to make or prepare for necessary changes to its statutory documents. Various motions are proposed relating to the FSC Statutes, the FSC By-Laws and the FSC Principles & Criteria.

• **Statutory motions**

The FSC Statutes and By-Laws currently restrict the purpose or scope of FSC certification to “exploitation of natural resources” and “production of forest products”. The FCWG recommends broadening this wording to cover the full range of ecosystem services as follows:¹

	Current version (2009)	Proposed changes (in capital letters)
FSC Statutes	<p>FOURTH The purpose of the Association shall be:</p> <p>1 to promote an adequate management of forests, providing the assistance required to achieve an environmentally appropriate and economically viable exploitation of natural resources, avoiding deterioration or affectation of such resources, of the ecosystems, or of the surrounding communities. [...]</p>	<p>FOURTH The purpose of the Association shall be:</p> <p>1 to promote an adequate management of forests, providing the assistance required to achieve an environmentally appropriate, SOCIALLY BENEFICIAL and economically viable USE of natural resources AND PROVISION OF ECOSYSTEM SERVICES, avoiding deterioration or affectation of such resources, of the ecosystems, or of the surrounding communities. [...]</p>
FSC By-Laws (Section "Tenets")	<p>8 The FSC Principles and Criteria are intended to apply without discrimination to tropical, temperate and boreal forests worldwide which are managed for production of forest products. [...]</p>	<p>8 The FSC Principles and Criteria are intended to apply without discrimination to tropical, temperate and boreal forests worldwide which are managed for production of forest products AND PROVISION OF ECOSYSTEM SERVICES OVER THE LONG TERM. [...]</p>

¹ The FSC Board has accepted the recommendation of the FCWG for improvements in the language of the FSC Statutes and By-Laws and has included the proposed changes in its statutory motions to the 2011 FSC General Assembly.

- **Policy motions**

Each of the FCWG key recommendations for revised FSC Principles & Criteria could be considered as a potential motion, but the most central one refers to the overall status of forest carbon compared and next to other vital ecosystem resources, functions and services as addressed by Goal 1.1. The following motion is therefore proposed to support implementation of Goal 1.1 and related P&C recommendations:

The FSC Principles & Criteria shall be revised to the effect that the carbon stock is recognized as environmental value that needs to be maintained and/or restored over the long term.

Other FCWG recommendations for revised P&C are either closely related to this goal and ‘carbon status’ (P5: ensuring sustained carbon stock when harvesting; P6: assessment and monitoring of carbon stock as environmental value); taken forward by other initiatives such as the HCV network (P9: maintaining high carbon forests as HCVs); or having good chances to be followed in the absence of a specific GA motion (P1: ensuring rights to benefit from ecosystem services).

Another P&C recommendation to qualify applicable carbon accounting standards – which has been followed by the P&C Review Working Group and is included as new Criterion 5.5 in the latest draft 4-0 – will require further policy related work in an area new to FSC. The FCWG recommends having this work backed up by a corresponding policy motion:

FSC certified forest operations planning to obtain, or obtaining financial support for additional carbon sequestration and storage, or avoided deforestation or degradation as part of their certified management objectives shall demonstrate compliance with a credible carbon standard and accounting protocol. Such operations shall clearly demonstrate how carbon financing complements other FSC Principles and Criteria, particularly social safeguards regarding the protection, respect and exercise of the rights of indigenous peoples and local communities.

FSC shall establish an advisory body charged with determining initial criteria for recognition of credible carbon standards and accounting protocols, designing an FSC approval mechanism and re-evaluating such criteria no less than once a year.

Recommendations to the FSC Secretariat

Concrete actions and activities are proposed to the FSC Secretariat to facilitate implementation of the strategic framework. This includes relevant research, further development of the FSC certification system and expanding network capacity and advisory support:

- **Research to**
 - monitor and evaluate FSC impacts and effectiveness with respect to:
 - social and biodiversity safeguards
 - the maintenance and/or restoration of forest carbon stocks
 - determine the costs for FSC certified forest operations to monitor their carbon stocks
 - analyze multiple mechanisms to reward carbon stewardship and other ecosystem services;
 - analyze compatibilities and complementarities with various carbon schemes
- **System development**
 - Development of an FSC standard for forest carbon project impact assessment.
 - Development of guidance material for FSC certified forest operations
 - providing best practices for maintaining and/or restoring the carbon stock
 - outlining possible field-level action to adapt to climate change
- **Network Capacity and Advisory Roles**
 - Maintaining and enhancing FSC staff capacity as required by this strategic framework;
 - Establishment of a coordinated FSC Network forum on REDD+;
 - Establishment of a consultative forum to analyze strategic options for FSC's future climate change engagement
 - Establishment of advisory panels relating to how the P&C can address ecosystem services.
 - Recognition of the FCWG as such an advisory panel for the ongoing P&C review