

FSC Progress Report

on Greenpeace's key issues of concern, and progress on its recommendations




Updated August 2014: Second Quarter 2014

Over the past six years, Greenpeace has provided constructive criticism, made recommendations, and has monitored FSC's performance against the key challenges FSC needs to address in order to maintain its credibility*. This table summarises FSC's progress – or lack thereof – on the key issues of concern and the immediate action required to address and improve FSC's system and performance. It will also include regular updates on 2014 developments.

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Issue	2008	2010	2012	Immediate Action Required	2014 Quarterly Progress Reports (Q2)
Weak Principles & Criteria (P&C)	Review of FSC core international P&C begins.	Revised draft of P&C fails to adequately safeguard many ecological and social values, and is not supported by a number of FSC environmental and social chamber members.	Final revised P&C is voted in, but 40% of the environmental chamber votes against its adoption. Assurances given by FSC that the International Generic Indicators (IGIs) will address many concerns.	FSC's IGIs development process delivers strong and clear indicators that addresses the inconsistencies, weaknesses, and gaps in the new P&C, especially strengthening the maintenance and restoration of natural forest ecosystems including Intact Forest Landscapes (IFLs), and requiring high intensity/high impact operations to do more to protect, conserve and, if necessary, restore environmental values.	<p>The Notes that go with the IGI indicators are essential, and must be considered as normative and adapted to the IGI local "generic" standard.</p> <p>The IGI working group has failed to develop indicators for scale, intensity and risk (SIR). Instead, it is proposed that there will only be guidelines to develop them at a national level. Instead of completing the critical job of adapting indicators for SLIMFs or intensive plantations, FSC has instead left this to variable national processes or further working groups.</p> <p>Given the lack of applicability of many of the IGIs for community forest management (as a result of field testing them without adaptation for SLIMFs) it is clear FSC needs to urgently provide adapted indicators or develop a separate standard and a more appropriate certification model for communities.</p>
Lack of High Conservation Value (HCV) guidance	There is no HCVs interpretation and implementation guidance from FSC. This leads to inconsistent identification and weak protection of forests with High Conservation Values (HCVs).	An expert group is formed to develop guidance for the identification and maintenance of HCVs.	IFLs are recognised in draft FSC guidance on identification of HCVs as HCV2 (Criterion 2). Draft guidance is due for web publication and consultation in late 2012. Guidance for maintenance and management of HCVs is in progress.	FSC needs to finalise and implement HCV guidance in 2013. The majority of IFLs should be protected, and FSC should play an important role in achieving this including through promoting participatory land use and conservation planning, supporting community use, developing protected area certification, and not certifying industrial logging that fragments these areas.	<p>The long awaited FSC HCV Protection and Management guidance is stuck in FSC process paralysis. It was due early 2014 but has now been delayed until after the completion of the IGIs, despite being urgently needed to complement their development.</p> <p>FSC needs to swiftly move ahead so it can, at the very least, be used for the national standard revision processes, with the IGI generic standard, and to help develop National Risk Assessment controlled wood measures. The impacts of the delays are that HCVs and IFLs are still being degraded or destroyed on FSC's watch.</p>
Certification in high risk regions	There is no framework policy, or measures on FSC operating in high risk regions.	In 2011, FSC members are consulted on a discussion paper to identify the issue and options as to how FSC can best proceed to address this issue in consultation with membership.	FSC international board is still deliberating how to proceed.	FSC needs to develop safeguards for certification in "sensitive" or "high risk" regions to address key contextual issues, including civil society stakeholder participation, HCVs, land-use planning, transparency, corruption, and poor governance.	<p>FSC's Task Force to develop FSC Policy on safeguards for high-risk areas may present outcomes of a survey in time for the September 2014 General Assembly. However, there seems to be no progress in developing policy proposals. The Task Force does not have set meetings or timelines to achieve goals and has only ever met once. A promising proposal is to strengthen the pre-audits in high-risk areas, but again there has been no tangible progress on this proposal.</p> <p>Corruption indicators such as an anti-corruption policy are under discussion (P&C 1.7) through the IGI process. They should not be weakened, be applicable to all regions, and not only apply to certified companies, but also to CBs.</p> <p>Companies for FPIC guidance pilot tests have been selected in the Congo Basin and work has started.</p>

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	Good progress
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Implementation of the Policy for Association (PfA)	Following disassociation from Asia Pulp and Paper at the end of 2007, there are discussions on a policy that addresses FSC relationships with controversial or "high risk" companies.	Policy is approved in July 2009, but guidance and mechanisms to enable full implementation, and the due diligence procedure for FSC and Certification Bodies (CBs), are not in place.	All certificate holders are required to sign a declaration on compliance with the PfA. However, there is a lack of due diligence on PfA compliance and a reliance on complaints to resolve existing associations with controversial companies.	FSC needs to prioritise the development of the mechanisms to fully implement the PfA, including a robust due diligence approach for "high risk" companies seeking to become FSC-certified, and establishing clear guidance on compliance with PfA.	FSC will revise the FSC-POL-01-004 Policy for the Association of Organizations with FSC (PfA) and FSC-PRO-10-004 Due Diligence Evaluation for the Association with FSC. The chamber balanced working group kicks off in July. Greenpeace welcomes this revision to strengthen the application of the PfA and will join the technical committee in leading this revision process.
					FSC Board decision for Danzer re-association is conditional on its completion of a time bound roadmap.
					However, we are concerned the tight timelines won't allow for Danzer to adequately implement its conflict manual given the scope of changes that are needed. The action plan does not represent implementation of all conditions, which were part of the conditions for re-association.
					One of the Forest Peoples Programme recommendations – to stop buying timber from Siforco unless it commits to FPIC – is not followed in the roadmap. This is of extreme concern, because the failure to address FPIC was at the heart of the 2011 conflicts.

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Controlled Wood (CW) is not controlled	Members pass two motions at the FSC General Assembly to assess performance of the CW system and to strengthen it.	There is little progress on previous General Assembly motions, so FSC members unanimously pass a motion to phase out company risk assessments, and strengthen national risk assessments and the overall CW system.	Chamber balance working group is working on draft new CW and National Risk Assessment (NRA) standards, with the first phase of public consultation expected January 2013.	FSC needs to update the Global Forest Controlled Wood risk register, urgently finalise the NRAs and CW standard revisions, and – where there are no NRAs – require FSC field assessments. Moreover, FSC needs to phase out its FSC "Mixed" label product line by 2018, to promote improvement and move to full FSC certification.	The Controlled Wood standards 40-005 and 30-010 and requirements for the National Risk Assessment (NRA) process are in the final stage of the revision process. The English language second consultation on the revision proposals has been completed.
					To accept the extension of companies doing their own risk assessments linked to using the new NRA and 40-005 methodologies until 2017, it is critical that the minimum control measure requirements (FSC-STD-40-005 Annex C), drafted by the Controlled Wood Technical Working Group, are not weakened. This applies particularly to no CW sourcing without FPIC or from IFLs outside FSC certified areas, with reinforcement of stakeholder and expert requirements.
					It is very concerning that in regions where IFLs and FPIC issues are prevalent, these requirements are at risk of being weakened. Key FSC network partners such as FSC Canada and US need to recognise these safeguards as critical to the integrity of FSC.
					It is also critical for credible risk determination through the (1) NRA and (2) Centralised NRA (CRNA) processes, that the amendment of a definition of effective protection takes place as it is a key safeguard for ensuring HCVs are not threatened by forestry.
					It is very disappointing that 30-010 is not aligned with the revised P&C and forthcoming IGLs. Greenpeace strongly recommends that this decision is reversed so that at least this standard and verified CW supply could be linked into other FSC initiatives such as the MAP programme, to ensure continuous improvement and support for moving to achieving full FSC certification.
FS must also immediately implement a new rule for when a FM certificate is suspended or terminated for non-conformities that are also CW non-conformities. It should not be possible for any wood to be classified as "controlled" from the management area until on-the-ground verification confirms that the practices meet the relevant controlled wood standard.					

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Developing a Modular Approach Programme (MAP)	Although the FSC policy on MAP was approved in 2005, no MAP programme or standard for companies transitioning to full FSC certification is in place.	Chamber balance working group process establishes a MAP standard and supporting programme that favours community and smallholder participants.	Draft standard is almost final and ready for consultation.	FSC should urgently implement the MAP system, prioritising support for community and smallholders to achieve FSC full certification.	The first consultation on FSC's Modular Approach Programme (MAP) draft standards was completed in September 2013. FSC aims to field test new requirements identified to further strengthen the standard but has been delayed due to requests to best align this with the IGI requirements. Once field testing is completed a second round of consultation on MAP will take place, but it is not clear yet when this will happen.
					It is great that the Small and Community Label Option is available and the producers and retailers are being supported with FSC's made with heart campaign (https://madewithheart.fsc.org/).
					It is also good that FSC will continue to provide grants to support FSC certification among small private, family, and community forest owners, or "smallholders". FSC is investigating new opportunities through a dedicated task force – the FSC Smallholder Network Advisory Group (SHNAG). The SHNAG is in the process of developing a global operational plan for smallholders for 2015 and 2016.
					These are good steps but FSC needs to further support the growth of the smallholder and community forest area from the current 5% of the total area certified by FSC.

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Poor performance on the ground	There are ongoing concerns around poor performance by FSC-accredited CBs. FSC needs to consider inherent CB-client conflict of interest arrangement, and explore changes and tools to switch the current competition on price to rather CBs competing on quality. Accreditation Services International (ASI) is under-resourced, and needs to revise its Accreditation Standard to ensure consistent compliance and monitoring on the use of CARs, and prioritise on-the-ground performance evaluation requirements. ASI is not conducting unannounced spots checks on a regular basis.	There is ongoing variable performance by CBs, particularly in "high risk" regions. There are no new initiatives by FSC to address. Accreditation Standard (rules for CBs) revision is completed. ASI has increased audit frequency and additional audits for controversial certificates to a certain degree, but there is no direct penalty tool to punish poor performance of CBs, and ASI rejects using spot checks to catch out rule-breaking certificate holders and CBs.	There is no progress by FSC on addressing the CB-client conflict of interest issue. FSC implements a new "Quality Delivery Unit", with a primary function to improve the performance of ASI. ASI has continued with "compliance" audits to carry out more in-depth assessments of CB performance, rather than just "witness" audits. There is no trend showing that the new ASI CB standard has a remarkably increased on-the-ground performance by CBs and its clients.	FSC must ensure ASI delivers much-improved CB performance. FSC should also increase its level of transparency and require that ASI and CBs publish all assessment reports, and expand the scope of valuable information for stakeholders that is published, including maps of FSC-certified management units, locations of HCVs and protected areas, and full disclosure of companies' ownership and structure. FSC must ensure the Principles and Criteria are implemented with integrity. The IGLs must address aspects currently lacking clarity, including sustainable yield (Criterion 5.2), maintenance and restoration of natural forest (Criterion 6.6), a minimum 10% requirement for forest reserves (Criterion 6.5), as well as the HCV aspects above.	ASI does not publish public summary reports on its Annual Office Surveillance audits of CBs. There is currently no discussion on publishing CoC reports.
					FSC claims a revision to the legal framework established between the FSC, CBs and ASI needs to take place in order for several of these changes to occur, a revision is planned but has not started.
					FSC has not expanded the scope of valuable SH (Stakeholder) information to be published, including maps of FSC certified management units, locations of HCVs and protected areas, and full disclosure of companies' ownership and structure.
					Several large FSC FM controversial certificates were suspended in Canada and Russia. While some of these suspensions by CBs and ASI are a good start to transform on-the-ground practices, there is still some way to go to ensure systematic improvements by CBs and certificate holders are realised. FSC must stop Resolute Forest Products from setting a bad precedent and allowing it to continue to bring FSC's "good name" into disrepute by suing its own auditors, Rainforest Alliance, regarding the outcomes of audits that led to it being suspended. FSC should instead revoke the use of the FSC trademark by Resolute and insist on Resolute using the formal dispute resolution processes.

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