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INCLUDING EXPLANTAORY NOTES AND RATIONALES



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FSC Principles and Criteria for Forest Stewardship

FSC-STD-01-001 Version 5-0

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Note on use of this standard

All aspects of this standard are considered to be normative, including the Preamble, standard effective date, references, terms and definitions, notes, tables and annexes, unless otherwise stated (for example Explanatory Notes).

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A. Standard Effective Date

This standard becomes effective on (To be included after approval of Version 5-0).

B. References

The following referenced documents are indispensable for the application of this document. For references without a version number, the latest edition of the referenced document (including any amendments) applies. (To be included after approval of Version 5-0)



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C. Preamble

Welcome

Welcome to the Preamble to the FSC Principles and Criteria of the Forest Stewardship Council (FSC P&C).

The purpose of the Preamble is to:

- Introduce the underpinning logic of the FSC Principles and Criteria
- Explain where the P&C fit within the Forest Stewardship Council (FSC)
- Address issues that apply across all principles and criteria

The Preamble contains essential information for everyone interested in FSC certification because it is normative in that it defines:

- What is eligible for FSC certification
- Who is responsible for compliance with the P&C
- Who is responsible for interpreting the P&C
- How the P&C relate to laws and regulations
- What is the basis for certification decisions
- How the P&C can be applied in the field

The Preamble contains the following sections:

- The Forest Stewardship Council
- The Principles and Criteria
- Scope
- Scale, Intensity and Risk
- Responsibility for compliance
- Basis for certification
- Interpretations and disputes
- About This Revision

A set of Explanatory Notes has been developed together with this version of the FSC Principles and Criteria to expand on their meaning and desired outcomes. The Explanatory Notes also provide background information on the context of particular Principles and Criteria including, where needed, reference to the applicable FSC, and other, documents. The Explanatory Notes are not mandatory. However, they are intended to serve as the basis for the development of international or locally adapted forest stewardship standards and thereby reduce differences in interpretation.

Terms for which a definition is provided in the Glossary are in italics and marked with an *asterisk**

1. The Forest Stewardship Council (FSC)

It is widely accepted that forest resources and associated lands should be managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. Furthermore, growing public awareness of forest destruction and degradation has led to demands that the provision of wood and other forest products will contribute to securing forest resources for the future.



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The Forest Stewardship Council A.C. (FSC A.C.) was established 1993 in response to this demand with the mission to “promote environmentally appropriate, socially beneficial, and economically viable management of the world’s forests.

- Environmentally appropriate forest management ensures that the harvest of timber and non-timber products maintains the forest’s biodiversity, productivity, and ecological processes.
- Socially beneficial forest management helps both local people and society at large to enjoy long term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans.
- Economically viable forest management means that forest operations are structured and managed so as to be sufficiently profitable, without generating financial profit at the expense of the forest resource, the ecosystem, or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible forest operations can be reduced through efforts to market the full range of forest products and services for their best value.

FSC A.C. is an international standard setting body that provides a system for voluntary accreditation and certification that allows certificate holders to market their products and services as being the result of responsible management. In order for this system to function, the FSC sets standards for the development and approval of international or locally adapted forest stewardship standards, which are based on the FSC Principles and Criteria. In addition FSC A.C. sets standards for the accreditation of conformity assessment bodies (CABs, also known as certification bodies) that certify compliance with FSC’s standards. Based on these standards FSC provides a system for certification for *Organizations** seeking to market their products as FSC certified.

2. The FSC Principles and Criteria

The FSC A.C. first published the FSC Principles and Criteria in November 1994 as a worldwide standard for the responsible management of forests and associated vegetation types.

The FSC Principles are the essential rules or elements of responsible forest management and the Criteria provide the means of judging whether or not a Principle has been fulfilled. They are the foundation of the FSC certification scheme and, together with the Preamble and Glossary, constitute a comprehensive standards package. There is no hierarchy between the Principles or between Criteria. They share equal status, validity and authority and apply, jointly and severally, at the level of the individual *Management Unit**.

The FSC Principles and Criteria sit at the centre of the FSC standards framework and need to be applied together with other interlinked documents such as

- guidance, directives and other documents, which are issued or approved by FSC,
 - international or locally adapted forest stewardship standards,
 - standards for particular vegetation types, products and services,
 - standards, for particular types of management units such as small and low intensity forests or large scale high intensity plantations and conservation areas,
- as approved by the Board of Directors of FSC A.C.

Explanatory Note regarding Principles and Criteria

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1. The interlinked documents referred to in the Preamble are needed for the operation of the FSC certification and accreditation system and cannot be applied in the absence of the Principles and Criteria.
2. Examples of guidance, directives and other documents issued by FSC A.C. include the FSC Statutes, FSC By-Laws, accreditation and certification standards and guidelines, guidance, policy and standards development documents, advice notes. They provide overall case specific or general international interpretations for the application and understanding of the Principles and Criteria. They might be mandatory or non-mandatory guidance to facilitate compliance by managers, for example guidelines for SLIMF's.
3. International or locally adapted Forest Stewardship Standards are developed by FSC A.C. or bodies recognized by FSC A.C, for example, National Initiatives, National or Regional Offices, National Standard Setting Groups, Conformity Assessment Bodies.
4. Locally adapted Forest Stewardship Standard may take the form of regional, national, sub-national and certification body adapted standards. They consist of the Principles, the Criteria and locally adapted indicators and verifiers. They are needed for the appropriate local application of the Principles and Criteria. However, they must be developed in line with the applicable FSC standards and require approval by FSC. The process for the development and approval of regional, national and sub national Forest Stewardship Standards, including explanations of the hierarchical framework of Principles, Criteria, Indicators and Verifiers, is laid down in:
 - FSC-STD-60-002 Structure and Content of National Forest Stewardship Standards
 - FSC-STD-60-006 Development of Forest Stewardship Standards
 - FSC-STD-20-002 Structure, content and local adaption of Generic Forest Stewardship Standards
5. An Indicator is a quantitative or qualitative variable which provides a means of judging whether a Management Unit complies with the requirements of an FSC Criterion. Indicators define the requirements for responsible forest management at the level of the Management Unit and are the primary basis of evaluation. A means of verification is a source of information or evidence for evaluating compliance with an Indicator.
6. Where an explanatory note refers to interlinked documents such as relevant standards, advice notes, policies etc. it is the latest approved version that applies. For this reason cross references do not provide a version number or approval date of the applicable document.
7. The preamble and the glossary are an integral and normative part of the P&C.

3. Scope

The scope of application of FSC-STD-01-001 FSC Principles and Criteria for Forest Management, includes *natural forests**, *plantations** and other (i.e. non-forest) vegetation types. The concept of 'other vegetation types' should be limited to those land-uses involving the growing of trees but includes, in principle, 'non-forest' land-uses as they contribute to the mission of FSC.

In terms of geographical space, the FSC Principles and Criteria apply generally to the entire geographic space inside the boundary of the Management Unit which is being submitted for (re)certification. However, some of the Principles and Criteria, where indicated, apply to the



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geographic and social landscapes in which the Management Unit is situated, and therefore extend beyond its physical geographical space. This would include those infrastructural facilities that are part of the Management Unit, as defined by the FSC Principles and Criteria.

In terms of products and services, the FSC Principles and Criteria cover the production of wood and non-timber products, conservation, protection, ecosystem services and other uses. Such ecosystem services include the sequestration and storage of carbon which contributes to the mitigation of climate change. FSC certified operations, through their adherence to the robust social and environmental standards within the FSC Principles and Criteria, ensure that such use does not jeopardize the well-being of local people.

In terms of the law, FSC intends to complement, not supplant, other initiatives that support responsible forest management worldwide. The FSC Principles and Criteria are to be used in conjunction with international, national and local laws and regulations, though they may contain provisions that are more stringent or demanding than these laws and regulations.

*Traditional Peoples** whose rights are not acknowledged in national law as equivalent to those of *Indigenous Peoples** in the context of the Management Unit are treated as local communities for the purpose of the FSC Principles and Criteria. Traditional Peoples whose rights are acknowledged in national law to be the equivalent of those of Indigenous Peoples in the context of the Management Unit are treated as equal to Indigenous Peoples for the purpose of the FSC Principles and Criteria.

Where there might be situations of conflict between the FSC Principles and Criteria and laws, specific FSC procedures will apply.

Explanatory Notes regarding scope

1. Being in compliance with the Principles and Criteria relates to the management system being practiced by The Organization rather than the land use or vegetation type. Therefore, any land use and vegetation type may be certified, assuming it is in compliance with the Principles and Criteria and contributes to the mission of FSC. This explicitly includes all vegetation types along the continuum between pristine natural forest and intensively managed plantations.
2. Further guidance on land uses and vegetation types that may be certified can be found in the following FSC documents:
 - FSC-POL-10-004 (2005) Scope of the FSC Principles and Criteria
 - FSC-DIS-01-001 The scope of application of the FSC Principles and Criteria for Forest Stewardship, January/May 2005.
 - FSC-DIR-20-007 FSC Directives on Forest Management Evaluations
3. The Principles and Criteria cover all of The Organization's relevant management activities whether within the Management Unit or outside; whether directly undertaken or contracted out, for example:
 - In relation to developing and applying measures to conserve habitat and biodiversity.
 - In relation to local communities affected by management activities inside or outside the Management Unit such as the construction and maintenance of long-haul access road and rail links.
 - In relation to various facilities such as those for integrated wood processing,



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- administration, product processing, nurseries and housing
4. A Management Unit is defined as (see also glossary): A spatial area or areas submitted for FSC certification with clearly defined boundaries managed to a set of explicit long term management objectives which are expressed in a management plan. This area or areas include(s)
 - all facilities and area(s) within or adjacent to this spatial area or areas under legal title or management control of, or operated by or on behalf of The Organization, for the purpose of contributing to the management objectives,
 - all facilities and area(s) outside, and not adjacent to this spatial area or areas and operated by or on behalf of The Organization, solely for the purpose of contributing to the management objectives.
 5. 'Complementing other initiatives' in the context of laws means that the Principles and Criteria require compliance with national and laws and ratified international conventions and agreements according to Principle 1 but may lay down provisions in Principle 2 to 10 that are more stringent than those laid down in these laws and regulations. So, for example:
 - Where the legal provisions of a country meet or exceed the requirements of the Principles and Criteria then compliance with these legal provisions is considered sufficient for compliance with the Principles and Criteria, provided that compliance has been evaluated by conformity assessment bodies.
 - Where the legal provisions of a country do not meet or exceed the requirements of the Principles and Criteria then following these legal provisions alone will not be considered sufficient for compliance. For example, the planning required in Criterion 7.2 may go beyond what is required by national or local law but is, nevertheless, a requirement for compliance with the FSC Principles and Criteria.
 6. In the case of conflicts between laws and the Principles and Criteria (see also glossary), which are defined as situations where it is not possible to comply with the Principles and Criteria and a law at the same time, FSC-STD-20-007 Forest Management Evaluations applies. According to section 8.20 of FSC-STD-20-007, conflicts between laws/regulations and the Principles and Criteria shall be evaluated by the certification body on a case by case basis, in arrangement with the involved or affected parties.

4. Scale, Intensity and Risk

In accordance with ISEAL requirements, the FSC Principles and Criteria are generally independent of spatial scale and intensity of management activities. All certified Management Units must comply with all Principles and Criteria including its Preamble. However, the FSC Principles and Criteria recognize that achieving compliance with the Principles and Criteria may differ depending on the scale, intensity and risk of negative impacts related to *The Organization**, its Management Unit and/or management activities.

Depending on scale, intensity and risk, the actions required to comply with the Principles and Criteria may vary from one Organization to another. Generally, the concept of *Scale, Intensity and Risk** applies to all Criteria. However, explicit reference is included in specific Criteria where it is known that a level of flexibility arising from Scale, Intensity and Risk is required to achieve compliance across the range of potentially certifiable vegetation types, land uses and related management systems. Further details concerning the interpretation of Scale Intensity and Risk, including the types and limits of flexibility, are provided in

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Indicators of FSC approved regional, national or sub-national Forest Stewardship Standards (FSS) and certification body adapted standards.

The uniqueness of the environmental resources and the relative ecological fragility of the area submitted for certification will be considered in all certification assessments.

Explanatory Notes regarding Scale, Intensity and Risk

1. The concept of Scale, Intensity and Risk is based on the assumption that these factors determine the likelihood of unacceptable environmental and social impacts and thereby non-compliance with the Principles and Criteria. Different approaches may be required of Management Units at either end of a scale; for example, small scale, low intensity managed Management Units (SLIMF's) or family managed groups harvesting of non-timber forest products seasonally at one end and large, intensively managed Management Units at the other.
2. 'Scale' can refer to:
 - the size of the Management Unit
 - the size of The Organization
 - the area of land, or proportion of the Management Unit, affected by a particular activity.
3. So, a large Management Unit is likely to be considered as "large scale". An activity such as hunting may also be considered "large scale" if it affects a large part of the Management Unit, even if the intensity is very low.
4. 'Intensity' is a measure of the force or strength. An activity should be judged on the basis of its impact on the environment, society or economy. It is not appropriate to measure intensity by comparing the impact of an action in one Management Unit with another in the region. So, a given rate of timber extraction (volume / hectare) may be considered low intensity in one forest type, but high intensity in another.
5. 'Risk' refers to the probability of an unacceptable negative impact arising from any activity in the Management Unit combined with its seriousness in terms of consequences. Different risks may be sufficiently serious to result in a non-compliance with an Indicator, a Criterion and ultimately a Principle.
6. When the scale and intensity of activities, and the risks of unacceptable negative impacts are low, The Organization is expected to decide on an appropriate package of monitoring, assessments, and prevention or mitigation measures, adequate for ensuring compliance with the Principles and Criteria. The manager is not required to carry out elaborate assessments or other measures simply because the results may be valuable, useful or interesting. However, where scale and intensity and risk are high, monitoring, assessment, prevention or mitigation measures will have to be intensified.
7. Scale, Intensity & Risk are especially helpful for taking decisions when there is a shortage of good data. This is the case for smaller enterprises everywhere (SLIMFs), and for those with lower levels of production and income, and especially in countries with weak national or regional forest research capabilities. In these cases larger and well-developed Organizations may be required to generate their own data in support of their management activities. In smaller operations, especially in the tropics, it may make better management sense to evaluate risks, based on empirical experience and any relevant research, rather than to invest heavily in expensive data-collection.
 - Details on taking account of scale and intensity in regional, national or sub-national Forest Stewardship Standards is provided in FSC-STD-60-002 Structure

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and Content of National Forest Stewardship Standards.

- Guidance on the Interpretation of the FSC Principles and Criteria in relation to SLIMFs is provided in FSC-GUI-60-001 Interpretation of the FSC Principles and Criteria to Take Account of Small Scale and Low Intensity.
- Examples of international generic indicators for different scales and intensities are provided in guidance FSC-GUI-60-004 V1-0 FSC Forest Stewardship Standards: Structure, Content and Suggested Indicators.
- In addition guidance for adjustments to account for spatial scale, intensity of management, and risk of management activities is provided in:
 - FSC-STD-01-003 (SLIMF Eligibility Criteria);
 - FSC-STD-30-005 (FSC Standard for Group Entities in Forest Management Groups);
 - FSC-GUI-60-001 V2-0 (Interpretation of the FSC P+C to Take Account of Small Scale and Low Intensity).

5. Responsibility for compliance

As a performance based standards system, the FSC Principles and Criteria are explicit about defining where responsibility lies.

Responsibility for ensuring compliance with the FSC Principles and Criteria lies with the person(s) or entities who is/are the certificate applicant or holder. For the purpose of FSC certification these person(s) or entities are referred to as '*The Organization*'* which is responsible for decisions, policies and management activities related to the Management Unit. The Organization is also responsible for ensuring that other persons or entities permitted or contracted by The Organization to operate in, or for the benefit of, the Management Unit comply with the requirements of the FSC Principles and Criteria. Accordingly, The Organization is required to take corrective actions in the event of such persons or entities not being in compliance with the P&C.

Explanatory Notes regarding responsibility

1. The Organization is defined as (see also glossary): The person or entity holding or applying for certification and therefore responsible for ensuring compliance with the requirements upon which FSC certification is based.
2. Unless stated otherwise in the Principles and Criteria, The Organization is not responsible for ensuring compliance of other entities or persons that have been granted legal use rights by third parties separate to those held by or granted to The Organization.
3. Examples of persons or entities permitted or contracted by The Organization to operate in the Management Unit include:
 - workers, employees, contractors and sub-contractors while working under a contract to The Organization for the Management Unit
 - self employed contractors and casual and part-time workers.
 - local communities permitted to enter the Management Unit or to harvest non timber forest products
4. Contractor compliance will be evaluated by Conformity Assessment Bodies, for example,
 - through interviews with workers and employees in relation to worker rights,



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- reference to a contract to the effect that the contractor commits to adhere to the requirements for FSC certification,
 - certification of the contractor that shows adherence to the requirements.
5. Where The Organization is provided proof that a contractor or subcontractor is in breach of the P&C, it is required to take corrective actions, including cancellation of contract.

6. Basis for certification

FSC does not insist on perfection in satisfying the FSC Principles and Criteria. Unforeseen changes in cultural, ecological, economic and social environments may cause occasional failures in performance. Because the FSC Principles and Criteria are a performance based standard, certification decisions are guided by:

- the extent to which management activities satisfy each FSC Criterion
- the importance and/or consequence of failing to satisfy each FSC Criterion

FSC A.C. develops specific standards that address all aspects of failure to satisfy the FSC Principles and Criteria, whether that failure (non-conformity) is partial or complete.

Explanatory Notes regarding certification

The definition and procedures for certification decisions, for example assessment of conformity and consequences of non-conformities with the FSC Principles and Criteria and regional, national and sub-national Forest Stewardship Standards are described in FSC-STD-20-001 General requirements for FSC accredited certification bodies – application of ISO/IEC Guide 65: 1996 (E) and FSC-STD-20-007 Forest Management Evaluations.

7. Interpretations and disputes

Questions of interpretation of the P&C are normally addressed at the regional, national or sub-national level where this is supported by national stakeholders subject to final approval by the Board of Directors of FSC A.C.

When disputes arise between stakeholders concerning compliance or the interpretation of the P&C then the relevant FSC procedures for dispute resolution and interpretation shall apply.

Explanatory Notes regarding interpretations and disputes

The relevant procedures for dispute resolution are laid down in:

- FSC-STD-01-005 Dispute resolution system
- FSC-PRO-01-005 Processing appeals
- FSC-PRO-01-008 Processing complaints in the FSC Certification Scheme
- FSC-PRO-01-009 Processing Formal Complaints in the FSC Certification Scheme

8. This Revision

This version of the FSC Principles and Criteria has been developed and revised in accordance with FSC-PRO-01-001 V2-0 The Development and Approval of FSC Social and



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Environmental International Standards.

This standard has, in turn, been developed in compliance with:

- the ISEAL Code of Good Practice for Setting Social and Environmental Standards (public version 4, document P005, January 2006)
- the applicable requirements of ISO/IEC Guide 59 Code of Good Practice for Standardization
- the WTO Agreement on Technical Barriers to Trade (TBT), Annex 3: Code of Good Practice for the Preparation, Adoption and Application of Standards (January 1995).

Rationales

1. The preamble is intended to supplant the Introduction of the original Principles and Criteria (FSC-STD-01-001 Version 4-0).
2. In comparison with the Introduction to Version 4-0 of the P&C, the preamble was updated with a view to clarifying the scope of the FSC Principles and Criteria in line with a number of interpretive and clarifying decisions taken by FSC subsequent to the approval of the original P&C in November 1994.
3. These all confirm that the scope of the P&C extends beyond the certification of natural forests and the production of timber to several vegetation types, products, services and purposes. The applicable documents, in their most current version, are:
 - FSC-POL-10-004 (2005) Scope of the FSC Principles and Criteria
 - FSC-DIS-01-001 (The scope of application of the FSC Principles and Criteria for Forest Stewardship, January/May 2005).
 - FSC-DIR-20-007 FSC Directives on Forest Management Evaluations
 - Motion 44 of the 2008 General Assembly 'FSC Certification of Forest Conservation and Forest Protected Areas'
4. The preamble was also revised to allow the possible future expansion of FSC certification to other services, for example carbon sequestration. See for example Motion 43 of the 2008 General Assembly.
5. In line with subject 2.12 of FSC-GUI-20-200 Guidelines for Certification Bodies (Updated March 2005) the preamble was clarified to reflect that some of P&C have to be applied to facilities located in the Management Unit because of their social and environmental impacts. Compared with these guidelines the scope was extended beyond integrated wood processing facilities to for example administrative offices, nurseries etc. in order to make sure that their potential social and environmental impacts are addressed as well.
6. The concept of Scale and Intensity has been included in the Principles and Criteria since their approval in November 1994 based on the assumption that the smaller the Management Unit or Organization and the lower the intensity the lower the risk of unacceptable environmental and social impacts. The word risk was included in the P&C to make this inherent concept more visible and align the Principles and Criteria with recent developments in other certification system, for example the Marine Stewardship Council or the new ISO 31000 series which both have adopted a risk based approach. The Preamble was revised to reflect this approach.



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D. The FSC Principles and Criteria**1 Principle #1 (revised): Compliance with laws**

The Organization shall comply with all *applicable laws**, regulations and nationally-*ratified** international treaties, conventions and agreements.

Explanatory Notes

1. The first four Criteria of Principle 1 deal with the basic elements of legality for The Organization and its Management Unit. Criterion 1.1 and 1.2 deal with confirming the legal status of The Organization and the Management Unit. Criterion 1.3 addresses the rights of The Organization to operate in the Management Unit. Criterion 1.4 deals with the protection against unauthorized and illegal activities. The second four Criteria deal with tracking and tracing (Criterion 1.5), legal issues (Criterion 1.6), anti-corruption (Criterion 1.7), and the long-term commitment to FSC (Criterion 1.8). These Criteria are not strictly related to compliance with laws, but with the management of legal issues and corporate environmental and social commitment by The Organization.
2. The Criteria under FSC Principle 1 concern the legal aspects of The Organization's work in and related to the Management Unit. The Criteria are grouped here to facilitate demonstration of compliance with legal requirements. The practical elements, performance and quality aspects of The Organization's work are covered by other Principles and Criteria. There may be some overlap with other Principles, in order to improve the intelligibility of the wording.
3. International treaties, conventions and agreements are only applicable – in the sense of Principle 1 – when through ratification they become part of the national domestic law in the country where the Management Unit is located. In these cases they may be associated legal obligations as referred to in Criterion 1.3.
4. In some countries, ratification of international conventions automatically makes such a convention part of national (domestic) law. In other countries, ratification may require a legislative process to convert the ratified convention into national law, and this process may involve considerable delay.
5. In situations, where conventions have not been ratified nationally or where during a period of delay, the ratified international convention is not a national law, compliance may be an FSC requirement in these P&C.
6. Conventions referenced in the FSC Principles and Criteria include:
 - the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1975) – see Explanatory Note 9 to Criterion 6.4;
 - UN Convention on Biological Diversity (CBD 1992) – see Explanatory Note 6 to Criterion 3.6, and Criterion 4.8;
 - International Labor Organization (ILO, many separate Conventions, and a Declaration on Fundamental Principles and Rights at Work (1998) which links the eight core ILO labor Conventions) – see Criteria under Principles 2 and 4.
7. The ILO Code of Practice on Safety and Health in Forestry Work is a non-binding guidance, and so is not referenced by FSC Principle 1. The UN Declaration on the Rights of Indigenous Peoples (UNDRIP 2007) is a Declaration and so is non-justiciable and thus not referenced by FSC Principle 1. Compliance with both ILO Convention 169 and UNDRIP 2007 is required by FSC Principle 3 and compliance with the ILO Code is required by FSC Principle 2. All three requirements may be satisfied by national or local legislation which meets or exceeds the ILO and UNDRIP specifications.



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8. Customary law and rights claimed under customary law are treated in Principles 3 and 4. However, in countries where customary law is recognized by the government to have parallel legal status alongside statutory and common law, or civil law, such customary laws have the same status as statutory law in the FSC Principles and Criteria for the purpose of Principle 1, in their own areas of legal competence. For example, in some countries, customary law may be invoked to settle territorial disputes between indigenous communities, or arguments over resource rights between Indigenous Peoples and non-indigenous land users. For most situations in the FSC Principles and Criteria, especially in Principle 3, stakeholders are referencing individual customary rights, not the entire system of rights.
9. With respect to Principle 1, The Organization may have standard operating procedures (SOPs) which positively exceed the requirements of national and local laws. Note that other Principles and Criteria may set higher requirements than national and local laws. A SOP is a written document or instruction detailing all steps and activities of a process or procedure. For example, a SOP provides the documentation of all procedures used in any manufacturing process that could affect the quality of the product; (source ISO 9000).
10. Applicable law' (see also glossary) means applicable to the Management Unit in question and those laws which affect the implementation of the FSC Principles and Criteria. This includes any combination of statutory law (Parliamentary-approved) and case law (court interpretations), subsidiary regulations, associated administrative procedures, and the national constitution (if present) which invariably takes legal precedence over all other legal instruments.
11. Demonstration of compliance with the Criteria of Principle 1 does not necessarily involve documentation. SLIMFs may not have appropriate documentation but may be able to demonstrate compliance by, for example, attested oral records or honor systems.
12. In case of conflict between legal instruments and the requirements of the FSC Principles and Criteria, section 8.20 applies from FSC-STD-20-007 Forest management evaluations – "The certification body shall evaluate any conflicts between laws/ regulations and certification requirements of the applicable Forest Stewardship Standard, on a case by case basis, in arrangement with involved or affected parties". 'Involved parties' has the same meaning as 'interested stakeholders' in the Glossary.

Rationale:

1. Conforms to ISO wording, deletes unnecessary words, corrects misunderstanding about national application of international conventions.
2. Adapts wording proposed by some ASI-accredited Conformity Assessment Bodies and by some ENGOs, mainly SmartWood's Generic Standard for Verification of Legal Compliance, document code SW VL-02, 15 November 2007, by agreement with SmartWood. SmartWood gives examples of verifiable indicators. http://www.rainforest-alliance.org/forestry/documents/vlc_standard.pdf but many more are being proposed in country-specific Legality Verification Schemes.
3. The general rationale for more explicit Criteria in Principle 1 (compared with V4-0 of FSC-STD-01-001) is that the relationship with legality verification schemes is more clearly indicated and the existence of parallel but different legal procedures is recognized.
4. FSC has determined that a legality verification scheme (LVS) shall form part of a Modular Approach Programme (MAP) and that Principle 1 shall relate to such LVS. For



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information on elements, perhaps sub-Criteria, which may be important for LVS in a MAP please refer to the Explanatory Notes on Principle 1 and Legal Verification Schemes below. These elements do not have the status of Criteria.

Original Principle 1: Forest management shall respect all applicable laws of the country in which they occur, and international treaties and agreements to which the country is a signatory, and comply with all FSC Principles and Criteria.

1.1 (new) The Organization shall be a legally defined entity with clear, documented and unchallenged *legal registration*, with written authorization from the *legally competent*^{*} authority for specific activities.

Explanatory notes:

1. Legal registration (see also glossary) is the national or local legal license or set of permissions to operate as an enterprise, with rights to buy and sell products and/or services commercially. The license or permissions can apply to an individual, a privately-owned enterprise or a publicly-owned corporate entity. The rights to buy and sell products and/or services do not carry the obligation to do so, so legal registration applies also to Organizations operating a Management Unit without sales of products or services; for example, for unpriced recreation or for conservation of biodiversity or habitat.
2. Legally competent (see also glossary) means mandated in law to perform a certain function. In this case to authorize The Organization to carry out specific activities.
3. If legal registration documents are not available, perhaps lost through storm damage or civil war, this Criterion would be satisfied by clear evidence of local stakeholder acceptance that The Organization did have such registration.
4. Examples of evidence of registration may include a valid business license to operate within the jurisdiction, and a tax registration number. SLIMFs may have other kinds of evidence of their legal existence (*persona juridica*), or may not need to be legally defined or registered; for example, entities managing some family-owned forests or Management Units on indigenous lands.

Rationale: This new Criterion fills a gap in earlier versions of the P&C in line with requirements in LVS.

1.2 (revised 2.1) The Organization shall demonstrate that the *legal status*^{*} of the Management Unit, including *tenure*^{*} and *use rights*^{*}, and its boundaries are clearly defined.

Explanatory notes:

1. Legal status (see also glossary) means the way in which the Management Unit is classified according to law. In terms of tenure, it means the category of tenure, such as communal land or leasehold or freehold or State land or government land, etc. If the Management Unit is being converted from one category to another (for example, from State land to communal indigenous land) the status includes the current position in the transition process. In terms of administration, legal status could mean that the land is owned by the nation as a whole, is administered on behalf of the nation by a government department, and is leased by a government Ministry to a private sector operator through a concession.
2. This Criterion requires that The Organization demonstrates clear evidence of tenure

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- and/or use rights to the land and/or resources, and the defined duration of the tenure and/or use rights. The long-term commitment to FSC which is required by Criterion 1.8 also requires long-term tenure of the Management Unit. If the tenure is freehold, the duration may be indeterminate. Acceptable evidence of tenure includes land title, customary rights, concessions or lease agreements; see also Criterion 3.1.
3. According to Criteria 3.2 and 3.3 and 4.2, where the resource access rights of The Organization overlap with pre-existing tenures, resource or land use the holders of the pre-existing legal or customary rights maintain control over their tenure and resource rights unless they delegate their control to third parties with free, prior and informed consent. "Pre-existing" means prior to the tenure and/or use rights of The Organization.
 4. Clearly defined boundaries mean that the boundaries can be verified independently by the certification body. This may be through delineation, which would mean that the boundaries have been surveyed, and either a detailed and legal boundary description is available or physical demarcation with land marks has been completed which would allow the entire boundary to be traced and verified on the ground. However, there may also be other options for defining boundaries in a way that they can be verified independently.

Rationale: The status of the Management Unit needs to be clearly established in its own right, apart from its relation to The Organization.

Original Criterion 2.1: Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.

1.3 (revised 1.1, 1.2 and 1.3) The Organization shall have *legal** rights to operate in the Management Unit, which fit the *legal status** of The Organization and of the Management Unit, and shall comply with the associated legal obligations in applicable *national and local laws** and regulations and administrative requirements. The legal rights shall provide for harvest of products and/or supply of *ecosystem services** from within the Management Unit. The Organization shall pay the legally prescribed charges associated with such rights and obligations.

Explanatory notes:

1. Where this is legally required The Organization must be able demonstrate that the Management Unit is legally classified for the types of land use or commercial activities included in the legal right to operate. "Legally classified" means designated or zoned by the competent legal authority controlling land use(s), such as a centralized land use planning agency of government.
2. Where legally required, The Organization is also required to have written authorization from the legally competent agency to operate and/or harvest within and/or obtain ecosystem services from the Management Unit. Legally competent means mandated in law to perform such a function.
3. A legal right to operate also only exists, if the process by The Organization has obtained the right to operate and/or to harvest products and/or to obtain ecosystem services in the management unit was legally valid.
4. Associated legal obligations are likely to be some or all of the examples of components of Legal Verification Schemes (please refer to the Explanatory Notes on Principle 1 and Legal Verification Schemes below). They also include all applicable nationally-ratified international treaties, conventions and agreements.



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5. Legal obligations may include that the documents in the management plan which require formal approval have been validly approved by the legally competent agency, if a management plan is legally required. Note that a management plan is a requirement of Criterion 7.2 even if not legally required. A management plan as such may not be required to be approved, but some equivalent legal authorization may be necessary. Documents in the management plan may include production restrictions and quotas associated with permitted harvest rights for the Management Unit. Documents which may require legal approval by the legally competent agency include any or all of the following: valid annual operating or harvest plans (see Criterion 7.2); assessments of social and environmental impact, and plans for countering negative impacts, (see Criteria 4.3-4.8 (social) and Criteria 6.2-6.3 (environmental)); business / investment plan (see Criterion 5.6).
6. Forest management and business / investment plans and annual operating plans of The Organization, if required by law, are up to date, contain accurate information and be implemented in full and on time as required by the law. Business / investment and annual operating plans are included here because in some jurisdictions they are more important for regulation of the activities of The Organizations than the management plan. In jurisdictions which require that validly approved plans must be implemented, a change in circumstances requires a change in the annual operating plan and re-approval. In some countries the Codes of Practice are only advisory, or they may be obligatory only for administratively-determined enterprises or Management Units. Criterion 7.2 prescribes management plans, whether or not they are required by law.
7. The last sentence of the Criterion means that The Organization must comply with all applicable national and local laws and administrative requirements concerning payment of taxes, import and export duties, royalties, fees and penalties concerning the resource management, use of and trade in the goods and services which The Organization derives from the Management Unit up to the first point of sale. Also, if required by the law The Organization needs to make and document such payments in full, and according to the prescribed payment process schedule.
8. The detail regarding payments for access to the resources and services from the Management Unit is to enable verification that all legal charges are invoiced and paid. Such payments may be intended to defray some or all of the legal owner's costs for administering the Management Unit, or may be a revenue generating exercise unrelated to sustainable management but legally required, or some combination of both purposes; see FSC Principle 5.
 - Where required by law The Organization must authenticate its payments to government agencies with validated and dated receipts. Authentication of payments also conforms with best international practice in the Extractive Industries Transparency Initiative (EITI) and the Publish-What-You-Pay campaign.
 - Where required by law, payments for resource access which are made to non-government land owners and right holders, and contracts relating to obligatory social development services associated with forest harvesting permits (such as the 'cahiers des charges' imposed by governments in francophone Africa), must be authenticated in the same way.
 - Delayed and partial payments are not acceptable unless permitted by law.
 - Surcharges on late payments are included if legally required.
 - Administratively-calculated ("compounded") and court-imposed penalties are included in this Criterion.
 - There is no obligation to make advance payments unless these are required by law.



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The list of charges in this explanatory note is not comprehensive or inclusive because nomenclature varies with jurisdictions. For example, “fees” might include charges for making applications for licenses, the costs of due diligence checks, inspections, issue of licences, stamp duty on the issued licences. The intention of the Criterion is that all kinds of resource access and relevant business taxes shall be paid according to the law.

9. Salaries are requirements in Principle 4.

Rationale:

1. Replaces original Criterion 1.1 and 1.2 and addresses that detailed procedures and permissions are required in LVS; see Explanatory Notes on Principle 1 and Legal Verification Schemes below.
2. Also replaces the requirement of original Criterion 1.3 that in signatory countries the provisions of all binding international agreements shall be respected. Through ratification (see also glossary) these international agreements become part of the national law and thus legal obligations associated with the right to operate in the Management Unit. The requirement to comply with CITES where ratified is now covered in proposed Criterion 1.5. Compliance with the most relevant ILO Conventions (whether or not ratified), is required according to proposed Criterion 3.4 and 4.1.

Original Criterion 1.1: Forest management shall respect all national and local laws and administrative requirements.

Original Criterion 1.2: All applicable and legally prescribed fees, royalties, taxes and other charges shall be paid.

Original Criterion 1.3: In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.

1.4 (revised 1.5) The Organization shall develop and implement measures, and/or shall engage with regulatory agencies, to protect the Management Unit from unauthorized or illegal resource use, settlement and other illegal activities.

Explanatory notes:

1. This Criterion requires The Organization to develop and implement protection measures where this is appropriate and legally possible.
2. The Criterion recognizes that this is not always possible, for example when The Organization is not the landowner or does not have appropriate legal rights of control. For example, The Organization may not have the right to erect fences, to lock gates, or to expel those carrying out such unauthorized or illegal activities. If and where the land is owned by a third party The Organization should implement a collaborative strategy with the land owner and other stakeholders to prevent by all reasonable means the occurrence of illegal activities.
3. Where it is not possible, The Organization would be required to engage with regulatory agencies to identify, report, and control the unauthorized or illegal activities that may occur within the Management Unit.
4. For resolution of problems when an activity is illegal by statutory law but allowed under customary law, see Criteria 3.1 and 4.1.



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Rationale: The proposed wording prescribes a more active approach in relation to illegal or unauthorized activities than in FSC-STD-01-001 V4-0; it requires the identification and implementation of measures for protection from such activities.

Original Criterion 1.5: Forest management areas should be protected from illegal harvesting, settlement and other unauthorized activities.

1.5 (revised 1.3) The Organization shall comply with the applicable *national and local laws** and *ratified** international conventions and *obligatory codes of practice** relating to the transportation and trade of forest products within and from the Management Unit and/or up to the point of first sale.

Explanatory notes:

1. Compliance with the applicable provisions and requirements of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1975) is required where CITES has been ratified nationally.
2. This Criterion requires The Organization to have, where these are legally required, procedures and practices which provide effective control of forest products from the point of origin (for example, the standing tree) until ownership is transferred. Where legally required The Organization must also have and use a system to identify products as having verified legal compliance (for example, through documentation or marking and tracking systems) up to the point of first sale.
3. Criterion 1.5 is not a substitute for the FSC chain of custody system for tracking and verifying progress through the market chain to the point of final sale; see Criterion 8.4.
4. Control of illegal timber outside the Management Unit is through implementation of chain-of-custody requirements and verifications, outside the scope of the FSC Principles and Criteria.
5. 'Obligatory code of practice' (see also glossary) means a manual or handbook or other source of technical instruction which The Organization must implement by law.

Rationale: A more workable Criterion than original Criterion 1.3, clarifying the need for tracking from the point of origin, and complementing FSC chain-of-custody requirements.

Original Criterion 1.3: In signatory countries, the provisions of all binding international agreements such as CITES, ILO Conventions, ITTA, and Convention on Biological Diversity, shall be respected.

1.6 (revised 2.3) The Organization shall identify, prevent and resolve disputes over issues of statutory or *customary law** which can be settled out of court in a timely manner, through *engagement** with *affected stakeholders**.

Explanatory notes:

1. This Criterion deals only with issues of law. Dispute resolution for other matters is covered by Criterion 4.6. The intention of this Criterion is to require all parties to seek out-of-court settlement before invoking the available legal procedures, as a way of minimizing cost and stakeholder friction.
2. Disputes may involve strictly legal issues as well as issues of customary tenure and use
3. Stakeholder consultation and mechanisms agreed with stakeholders such as negotiation processes, mediation and other means of resolving legal disputes should be



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applied as preferred options for preventing and resolving civil disputes. These might be based on existing legal frameworks. A neutral third party may be required for mediation. Law suits should be invoked only as a last resort. See Criteria 2.6, 4.6, and 7.6 for details of engagement and dispute resolution mechanisms.

4. The intention is to ensure that within the Management Unit there are no disputes of substantial magnitude or involving a significant number of interests that are unresolved over a prolonged period of time, and that disputes do not require recourse to legal or court procedures, if the disputes can be resolved out of court. Disputes of a substantial magnitude or duration involving a significant number of interests will normally disqualify an Organization's Management Unit(s) from being certified.
5. The Criterion is also intended to avoid trivial but time-consuming challenges in court to the legality of The Organization's authority to operate in the Management Unit.
6. The phrase 'which can be settled out of court' recognizes that laws in some countries may prevent this Criterion from being used. For example, this Criterion cannot be invoked if national or local law requires that a legal issue be judged through a court process, and cannot be mediated. Legal issues such as infractions of logging rules or non-payments of forest charges or environmental pollution are subject to due legal procedures and are not correctly managed by negotiation processes.

Rationale:

1. Criterion 1.6 is based on original Criterion 2.3. It has been included in Principle 1 because the existence of legal disputes can prevent granting certification, for example, where there is overlap between concession areas and community land.
2. Stakeholder consultation on potential and actual legal disputes is an important means to prevent conflicts and to contribute to a comprehensive resolution process if such disputes exist.
3. In accordance with Policy Motion 4 (converted to Statutory Motion 7 and approved) of the 2005 General Assembly, which requested the removal of guidelines for the certification process from the Principles and Criteria, the 2nd sentence of original Criterion 2.3 is to be moved out of the FSC Principles and Criteria to guidance for CABs.

Original Criterion 2.3: Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. The circumstances and status of any outstanding disputes will be explicitly considered in the certification evaluation. Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.

1.7 (new) The Organization shall publicize a commitment not to offer or receive bribes in money or any other form of corruption, and comply with anti-corruption legislation where this exists. In the absence of anti-corruption law, The Organization shall implement other anti-corruption measures proportionate to scale and intensity of management activities and the risk of corruption.

Explanatory notes:

1. Criterion 1.7 recognizes that corruption is generally regarded as illegal but not all countries have anti-corruption laws and regulations.
2. Other anti-corruption measures include for example that, where national legislation permits, The Organization develops or participates in formal integrity pacts with other



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organizations in the public and private sectors, such that each participant agrees in well publicized statements not to engage in corruption by offering or receiving bribes, whether in money or in any other forms. Performance related to such statements should then be monitored by an independent third party.

Transparency International has especially promoted integrity pacts for public procurement and contracting. TI has published “The integrity pact – the concept, the model and the present applications: a status report”, Transparency International Integrity Pact and Public Procurement Programme (December 2002, URL = http://www.transparency.org/global_priorities/public_contracting/integrity_pacts) with many examples. 14 or more countries had such pacts by 2005.

‘Integrity pact’ means an agreement between the participants not to offer bribes to or demand bribes from the other members of the pact. The pact is enforced by ensuring maximum transparency in all transactions and by careful monitoring of transactions by independent observers such as NGOs. The pact requires the application of severe sanctions when violations occur. Source: “Tools for civil society action to reduce forest corruption: drawing lessons from Transparency International” by Ken Rosenbaum for the Forest Integrity Network, World Bank (2005).

Integrity pacts usually cover the four kinds of bribes categorized by Transparency International: (1) bribes which are paid to access a scarce benefit or to avoid a common cost; (2) bribes which are paid to receive a benefit that is not itself scarce but which is controlled through exercise of discretion; (3) bribes which are paid for incidental benefits such as speedy service or inside information; (4) bribes which are paid to entice the other side to withhold a benefit or impose a cost on someone else. Source: Transparency International Sourcebook 2000.

In addition to The Organization itself, integrity pacts should cover all contractors while working under a contract to The Organization for the Management Unit, and should include the conformity assessment body or bodies contracted to audit The Organization for FSC certification.

3. Bribes are usually in money but may be in other tangible or intangible benefits. Examples include “a contribution to your favorite football team”, indirect payments made to family relatives or close friends of the target person, gifts of food or drink or household items, overseas holidays, tickets to sporting events, privileged access to otherwise inaccessible resources.
4. In situations where bribery and corruption are elements of the customary modes of business, and an enterprise cannot operate without making informal payments or gifts, The Organization should implement the TI Business Principles for Countering Bribery (second edition 2009).
5. Risk of corruption may be determined at a country level by reference to the corruption perception index published annually by Transparency International, http://www.transparency.org/policy_research/surveys_indices/cpi/2009
6. Note that most governments have anti-corruption legislation but the critical issue for The Organization is whether the laws are actually applied fully, transparently, objectively and equitably.

Rationale: There are many examples of high levels of corruption in the forestry sector in



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many countries. This new Criterion addresses the issue while recognizing that the risk of corruption varies depending on specific situations.

1.8 (revised Criterion 1.6) The Organization shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria in all the Management Units which are under the *managerial control** of The Organization. A statement of this commitment shall be contained in a *publicly available** document made freely available.

Explanatory note:

1. The Organization is as self-defined and registered in compliance with Criterion 1.1.
2. The commitment of adherence to the FSC Principles and Criteria should be contemporaneous with, or previous to, the application for certification.
3. Managerial control (see also glossary) means responsibility of the kind defined for corporate directors in national commercial law.
4. The intention of Criterion 1.8 is for The Organization to demonstrate that it and all subordinate parts of The Organization (including affiliates, subsidiaries and legally associated bodies) comply and intend to continue to comply with the FSC Principles and Criteria, as a prime and explicit measure against “green washing”.
5. Green washing is the promotion of deceitful claims made by enterprises which “participate in the FSC system while simultaneously engaging in unacceptable forestry practices in their non-FSC certified forest and plantation areas”.
6. Alternatively, those subordinate parts of The Organization that do not fully comply with the FSC Principles and Criteria,
 - must comply with the requirements of the FSC Controlled Wood policy and procedures; and
 - are formally registered and operating in a FSC-approved modular approach programme, as defined in FSC-POL-10-003 Modular approaches to forest certification (June 2005), at the time of application for FSC certification; or
 - must comply with FSC-POL-20-002 Partial certification of large ownerships (June 2000)
7. The Organization is not required to submit all Management Units for certification at the same time, but all Management Units under its managerial control should be declared to the ASI-accredited Conformity Assessment Body and must be open for inspection by the Conformity Assessment Body; see annex 1 of FSC-POL-20-002 Partial certification of large ownerships (June 2000).
8. Where a previously unassociated Organization wishes to submit just one Management Unit or one group of Management Units for certification as a trial, The Organization must demonstrate that the products from all other Management Units under its managerial control comply with the FSC policy and procedures for controlled wood, as defined in FSC-STD-30-010 FSC controlled wood standard for forest management enterprises and using the risk evaluation procedures of FSC-STD-40-005 FSC standard for company evaluation of FSC controlled wood.

Rationale:

1. Original Criterion 1.6 was the principal defense against green washing. The replacement Policy for the Association with FSC is not yet operable, so this requirement of long-term commitment should be retained.
2. Policy Motion 5 (converted to Statutory Motion 7 and approved) at the FSC General Assembly 2005 proposed a demonstration of commitment in a public document.



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3. The inclusion of compliance with Controlled Wood requirements for the non-applicant Management Units clarifies what is required as the minimum standard for management of such Units.

Original Criterion 1.6: Forest managers shall demonstrate a long-term commitment to adhere to the FSC Principles and Criteria.

Explanatory Notes on Principle 1 and Legality Verification Schemes

FSC has determined that a legality verification scheme (LVS) shall form part of a Modular Approach Programme (MAP) and that Principle 1 shall relate to such LVS legality verification. Elements, perhaps sub-Criteria, which may be important for LVS legal verification in a MAP are provided here, for information. These elements do not have the status of Criteria but include requirements which may also be components of the early stages of the MAP. Legality Verification (or Assurance) Schemes have been developed:

- a. to be a component of a Voluntary Partnership Agreement under the Forest Law Enforcement, Governance and Trade (FLEGT) action plan of the European Commission (2003);
- b. to facilitate the operation of the Lacey Act of the USA (amended 2008) for control of illegally harvested forest products in international trade;
- c. to be a component of a Monitoring, Reporting and Verification scheme associated with UN-REDD and/or the REDD+ Readiness Preparation projects of the World Bank's Forest Carbon Partnership Facility; REDD means Reduced Emissions from Deforestation and forest Degradation, and REDD+ includes conservation of biodiversity, sustainable forest management, enhancement of stocks of forest carbon, and improved forest-based human livelihoods. These projects are expected to be consistent with the architecture of REDD+ when approved by the UN Framework Convention on Climate Change (UNFCCC).

The detailed prescriptions for national legality verification schemes (LVS) have come into the public domain in the second half of 2010 when this draft was developed far exceed the scope of the drafts which were available earlier. They are becoming much more prescriptive, are more closely connected to national laws (and so more variable between countries) and include activities far removed from responsible forest stewardship. It is not feasible for Principle 1 to track or mirror LVS closely, but some reference is needed to comply with the FSC determination for MAP.

The following possible legal requirements for The Organization to operate in the Management Unit are addressed in the indicated Criteria of Principle 2 to 10. These requirements are or may be components of legality Verification Schemes:

- The Organization shall comply with applicable national and local laws and ratified international conventions and obligatory codes of practice and administrative procedures relating to health and safety of employees and their families, and labour conditions. Examples of such international conventions are the UN International Convention on the Elimination of All Forms of Racial Discrimination (UN-CERD 1965), the UN International Covenant on Economic, Social and Cultural Rights (UN-CESR 1976), the UN Convention on the Elimination of All Forms of Discrimination against



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Women (UN-CEDAW 1981) the social requirements of the UN Convention on Biological Diversity (1992), and the applicable ILO Conventions. Note that the UN Universal Declaration of Human Rights (1948) and the UN Declaration on the Rights of Indigenous Peoples (2007) are non-justiciable Declarations and so cannot appear directly in Principle 1. The ILO Code of Practice on Safety and Health in Forestry Work is advisory and so cannot appear directly in Principle 1. Human rights and labor practices are covered by Principle 2. There may be legal exemptions for small- and medium-scale forest enterprises and family businesses.

- The Organization shall comply with legal requirements for contracts to all workers, in appropriate local languages and with culturally intelligible wording. Such workers shall be paid not less than the legal minimum wage if such a standard exists, and shall be treated in conformity with national and local regulations; see also Principle 2. Criteria 2.3 and 2.5.

There may be legal exemptions for small- and medium-scale forest enterprises and family businesses.

'Culturally intelligible wording' means statements and explanations in the contracts which are expressed in language which is entirely understood by the workers, appropriate to their native languages, cultures and educational attainments.

- The Organization shall comply with applicable national and local laws and ratified international conventions and obligatory codes of practice relating to management of the environment in the Management Unit; see Criteria under Principle 6. These requirements include mitigation of impacts identified in any applicable and legally required environmental impact assessment and/or mitigation plan; see performance Criterion 6.3.

'Obligatory code of practice' means a manual or handbook or other source of technical instruction which The Organization must implement by law.

- The Organization shall comply with legally required procedures for surveying, managing and protecting rare, threatened or endangered species and/or habitats in the Management Unit; see Criteria 6.1-6.5 and Criteria 9.1-9.3.
- Unless legally permitted and with permission from the resource owner(s), employees and contractors of The Organization shall be prohibited from hunting, fishing, trapping, collecting and trading in wildlife. Legally required mechanisms or safeguards to control or prevent hunting, fishing, trapping, collecting and trading in wildlife are covered by Criterion 6.6. Note that this paragraph deals with control within the full authority of The Organization, while Criteria 1.4 and 6.6 deal with control measures when The Organization may not have full authority in law.

'Resource owner' of the wildlife may be an entity different from The Organization.

- The Organization shall comply with the environmental and social requirements of the UN Convention on Biological Diversity (CBD 1992) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES 1975), if these conventions have been ratified nationally. These two international conventions are not legally binding if they have not been ratified nationally, but compliance is required elsewhere in the FSC Principles and Criteria; see for example performance Criteria 3.6, 4.86 and 6.4.
- The Organization shall provide timely and culturally appropriate notice about major management activities where notification of affected and/or interested stakeholders is



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legally required; see performance Criterion 4.45 for affected stakeholders.

2 Principle #2 (revised): Workers rights and employment conditions

The Organization shall maintain or enhance the social and economic well being of *workers**.

Explanatory Notes:

1. There might be situations especially in countries that have ratified the 8 ILO core conventions, where meeting most or all of the Criteria under this Principle will be fulfilled through compliance with national and local laws relating to labor conditions and occupational health and safety. In any case, compliance with legal provisions is subject to evaluation by certification bodies.
2. However, there might also be situations where national and local social and labor laws are so weak that compliance with them will not suffice to comply with these criteria. In these situations the criteria under this principle will prevail and compliance is required.
3. Compliance with national and local laws is required according to Criterion 1.3, which requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit.
4. The term 'workers' (see also glossary) refers to all employed persons including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self employed contractors and sub-contractors. The criteria under this principle apply to all these persons.
5. Other entities or persons permitted or contracted by The Organization to operate in the Management Unit or for the benefit of the Management Unit are also required to comply with this Principle and all its Criteria because the Principle applies to all workers irrespective of their relationship with The Organization.
6. Compliance with the Criteria of this Principle does not require The Organization to provide these contractors, their subcontractors or their employees with other benefits that may be provided voluntarily to directly employed workers (such as pension schemes, bonuses, profit sharing schemes) not obligated by labor legislation or other norms such as ILO Conventions.

Rationale:

1. In line with the proposal in Statutory Motion 8 converted to Statutory Motion 7 approved at the General Assembly 2005 Principle 4 'Community relations and workers rights' was divided into 2 separate principles. In the light of the proposed deletion of original Principle 2 it is proposed that 'Workers Rights' becomes new Principle 2. Principle 4 is dedicated solely to 'Community Relations'.
2. The wording of the principle is based on the original wording of Principle 4.

Original Principle 4: Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.

2.1 (revised 4.3) The Organization shall *uphold** the principles and rights at work as defined in the ILO Declaration on Fundamental Principles and Rights at Work (1998) based on the 8 ILO core conventions.

Explanatory Notes:

1. The ILO Declaration on Fundamental Principles and Rights at Work (1998) covers the



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following four fundamental principles and rights at work:

- a) freedom of association and the effective recognition of the right to collective bargaining;
 - b) the elimination of all forms of forced or compulsory labor;
 - c) the effective abolition of child labor; and
 - d) the elimination of discrimination in respect of employment and occupation,
2. These fundamental principles and rights are based on the 8 ILO core conventions, which are:
- | | |
|--------------------|--|
| ILO convention 29 | (Forced Labour Convention, 1930) |
| ILO convention 87 | (Freedom of Association and Protection of the Right to Organise Conventions, 1948) |
| ILO convention 98 | (Right to Organise and Collective Bargaining Convention, 1949) |
| ILO convention 100 | (Equal Remuneration Convention, 1951) |
| ILO convention 105 | (Abolition of Forced Labour Convention, 1957) |
| ILO convention 111 | (Discrimination (Occupation and Employment) Convention, 1958) |
| ILO convention 138 | (Minimum Age Convention, 1973) |
| ILO convention 182 | (Worst Forms of Child Labour Convention, 1999) |
3. Compliance with this Criterion is required irrespective of whether a country has ratified the Declaration on Fundamental Principles and Rights at work or the 8 ILO core conventions. This Criterion only refers to those parts of the ILO core conventions that clearly specify workers rights.
4. Hence, compliance with this Criterion means that The Organization and all contractors while working under a contract to The Organization:
- 4.1 Do not use compulsory labor (see ILO Convention 29 and 105).
 - 4.1.1 The term 'forced or compulsory' labor means all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily (based on ILO Convention 29, Article 2, Paragraph 1).
 - 4.1.2 Debt bondage is one example of forced labor.
 - 4.1.3 Contractors have to comply with this Criterion. However, contractors themselves are also protected from forced or compulsory labor. The same applies to self-employed persons.
 - 4.2 Do not interfere with or impede the right of workers to establish and join organizations of workers (see ILO Convention 87 and 98)
 - 4.2.1 The Term 'organization of workers' means any organization for furthering and defending the interests of workers (based on ILO Convention 87, Article 10).
 - 4.2.2 Interfering or impeding the right to establish and join organizations includes anti union discrimination and acts of interference by employers or employers organizations in the establishment, functioning or administration of workers organizations.
 - 4.2.3 Anti union discrimination in particular means
 - Acts that make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership.
 - Acts that cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours (based on ILO Convention 98, Article 1, paragraph 2).



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- 4.2.4 Interference in the establishment, functioning or administration of workers organizations means in particular acts which are designed to promote the establishment of workers' organizations under the domination of employers or employers' organizations, or to support workers' organizations by financial or other means, with the object of placing such organizations under the control of employers or employers' organizations (based on ILO Convention 98, Article 2, paragraph 1).
- 4.3 Promote equality of opportunity and treatment through eliminating any discrimination in respect of access to vocational training, access to employment and to particular occupations and terms and conditions of employment including remuneration (see ILO convention 100 and 111).
- 4.3.1 The term 'discrimination' includes amongst others: any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation (based on ILO convention 111, Article 1, Paragraph 1 (a))
- 4.3.2 **Note:** Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof is not be deemed to be discrimination (based on ILO convention 111, Article 1, Paragraph 2).
- 4.3.3 The term 'remuneration' includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment (based on ILO convention 100, Article 1.)
- 4.4 Do not employ persons below the age of completion of compulsory schooling and in any case no person below the age of 15 years and do not employ persons below the age of 18 years for work that is likely to jeopardize their health, safety or morals (see ILO convention 138 and 182).
- 4.4.1 Criteria for determining the types of work which is likely to harm the health, safety or morals of persons are:
- work which exposes children to physical, psychological or sexual abuse;
 - work underground, under water, at dangerous heights or in confined spaces;
 - work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads;
 - work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health;
 - work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer. (Based on ILO Convention 182, Article 4, Paragraph 1 and ILO Worst Forms of Child Labour Recommendation, 1999, Paragraph 3).
- 4.4.2 ILO convention 138 provide exceptions to these rules under specific circumstances; for example for family and small scale holdings (see for example ILO Convention 182, Article 5, paragraph 3, Article 6 paragraph 1, Article 7 paragraph 1 and 2).



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Rationale:

1. Following up on approved motion 40 of the 1999 General Assembly the FSC Board of Directors in March 2002 approved FSC-POL-30-401 FSC Certification and the ILO Conventions, clarifying that:
 - a. Forest managers are legally obliged to comply with all ILO Conventions which have been ratified in that country.
 - b. Forest managers are expected to comply with the eight ILO Core Conventions in all ILO member countries, by virtue of their country's ILO membership, even if not all the conventions have been ratified. This is an obligation arising from the ILO Declaration on Fundamental Principles and Rights at Work as endorsed by all ILO member countries. The Declaration states that "all Members, even if they have not ratified the Conventions in question, have an obligation, arising from the very fact of membership in The Organization, to respect, promote and to realize, in good faith with the Constitution, the principles concerning the fundamental rights which are the subject of those conventions".
 - c. FSC's policy for voluntary certification expects managers to comply with all the ILO conventions that have an impact on forestry operations and practices, in all countries (including countries which are not ILO-members, and have not ratified the conventions).
2. In line with FSC POL-30-401 proposed Criterion 2.1 is an update of original Criterion 4.3 in order to refer more specifically to the Fundamental Principles and Rights at Work based on the 8 ILO Core Conventions and to also include contractors.
3. An analysis by the Principles and Criteria Review Working Group showed that there are four non-core ILO conventions addressing issues with an impact on forestry operations and practices. These are ILO convention 131 Minimum Wage Fixing Convention (1970), ILO convention 142 Human Resources Development Convention (1975), ILO convention 155 Occupational Safety and Health Convention (1981), ILO convention 169 Indigenous and Tribal Peoples Convention (1989). Compliance with ILO convention 169 is now addressed in Principle 3. The issues relevant for forestry operations and practices in ILO convention 131, 142 and 155 are addressed in proposed Criteria 2.3, 2.4 and 2.5.
4. This Criterion only refers to those parts of the ILO Core Conventions explicitly dealing with workers rights. The ILO Core Conventions also address obligations for states regarding enforcing these worker rights. FSC as a voluntary certification scheme cannot influence if and how states enforce the ILO Core Conventions but can require certified Organizations to comply with the Principles and Rights of Workers as defined in these Core Conventions.

Original Criterion 4.3: The rights of workers to organize and voluntarily negotiate with their employers shall be guaranteed as outlined in Conventions 87 and 98 of the International Labour Organisation (ILO).

2.2 (new) The Organization shall promote *gender equality** in employment practices, training opportunities, awarding of contracts, *engagement** processes and management activities.

Explanatory Notes:

1. Specific actions to promote gender equality cannot be strictly determined at the international level, but should be decided according to local circumstances (for example



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- cultural, religious, traditional), national laws and the size of the enterprise (remembering that promoting equality does not simply mean doing something to benefit women)
2. Many of the appropriate measures concern the management of the forest enterprise rather than the forest itself, and are therefore fully within the scope of FSC and certification. The following examples may be appropriate but are not exclusive nor have to be in place simultaneously:
 - Engagement and information in local languages as well as in national languages, especially when there is a possibility that women and some minority groups may be unfamiliar with the national language.
 - Meetings and management committees organized to include women and men, and to facilitate the active participation of both.
 - Any payments to local residents or community members go to women and men, avoiding the assumption that payments to men always equally benefit women and children.
 - Specific efforts to provide appropriate employment opportunities for women, and to adapt existing employment opportunities and conditions to make them suitable for women and compatible with women's role in the family and society.
 - Salary scales and employment conditions to promote equality of opportunity, and common pay and grading systems (equal pay for similar work), and equitable participation in job responsibilities, promotions, positions and training opportunities for men and women
 - Maternity and paternity leave, and other provisions for parents.
 - Flexible working policies and practices (variable hours, part-time, home-working, work during school terms, etc.) and vacation policies.
 - Procedures for preventing and eliminating sexual harassment and discrimination based on gender, marital status, parenthood or sexual orientation.
 3. FAO has published training materials on gender analysis and mainstreaming in forestry (for example Gender Analysis and Forestry Training Package: www.fao.org/forestry/foris/pdf/gender/tr-e01/tr-e01.0.pdf) and guidance on considering gender in national forest programs (for example www.fao.org/docrep/W6206E/w6206e04.htm). FAO has also published reports on Gender Mainstreaming in Forestry in individual countries (for example for Kenya, <ftp://ftp.fao.org/docrep/fao/010/k0744e/k0744e00.pdf>). ILO has published a large number of gender strategy and standards documents: www.ilo.org/public/english/support/lib/resource/subject/gender.htm#standards
 4. This Criterion does not require that the workforce will be proportionate by gender. The Criterion requires that The Organization does not discriminate in its employment practices and that the working conditions and terms of employment take appropriate account of gender-based needs.

Rationale:

1. Statutory Motion 12 approved at the FSC General Assembly 2002 mandated the addition of gender equality to the FSC Principles and Criteria.
2. Gender equality is not covered by the ILO core conventions.
3. Gender equality is enshrined in the UN Universal Declaration of Human Rights (1948) and the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979).
4. The legal context of gender equality in the workplace is changing rapidly. Many



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countries have introduced legislation for gender equity, equality and/or quotas. For example in the European Union, public authorities have a duty to incorporate gender equality requirements into their employment practices and into the obligations of contractors. This means that the gender equality record of a company bidding for a public authority contract can be taken into account in decisions about awarding contracts. “A contractor’s gender equality track record is ... a relevant indicator of their ability to deliver the specified good, works or services effectively, efficiently and to a high standards” (EU Equality and Human Rights Commission, 2007, Gender Equality Duty of Public Authorities – Procurement Guide). It is high time for FSC to take similar steps.

2.3 (revised 4.2) The Organization shall implement health and safety practices to protect workers from occupational safety and health hazards. These practices shall, proportionate to scale, intensity and risk of management activities, meet or exceed the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work.

Explanatory Notes:

1. This Criterion refers to the ILO Code of Practice on Safety and Health in Forestry Work in its most current version.
2. Compliance with national laws regarding health and safety is required according to Criterion 1.3, which requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit. Complying with these national laws if their provisions meet or exceed the recommendations of the code will suffice to comply with this Criterion.
3. Where no national laws exists or where the national law does not meet the ILO Code the recommendations of the ILO code will have to be implemented depending on scale intensity and risk.
4. This Criterion is important for maintaining core elements of health and safety rights for all forest workers so that they are enjoying labor rights that are fair and equitable regarding health and safety.
5. For further guidance on traditional family-managed harvesting of timber and NTFPs reference is made to FSC-GUI-60-001 V2-0 (Guidance on the interpretation of FSC Principles and Criteria to take account of small scale and low intensity, May 2009, Principle 4, pages 20-24).

Rationale: The proposed wording is based on original Criterion 4.2 but was revised for compliance with FSC-POL-30-401 FSC Certification and ILO Conventions which requires compliance with the ILO Code on Safety and Health in Forestry.

Original Criterion 4.2: Forest management should meet or exceed all applicable laws and/or regulations covering health and safety of employees and their families.

2.4 (new) The Organization shall pay wages that meet or exceed minimum forest industry standards or other recognized forest industry wage agreements or *living wages**, where these are higher than the legal minimum wages. When none of these exist, The Organization shall through *engagement** with workers develop mechanisms for determining living wages.

Explanatory Notes:



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1. The establishment of legal minimum wages is addressed in ILO convention 131 (Minimum Wage Fixing Convention, 1970).
2. In line with Article 2 of this ILO convention, Criterion 1.3 by requiring compliance with the legal obligations associated with the right to operate in the Management Unit requires The Organization to pay legal minimum wages.
3. The terms forest industry minimum standard and recognized forest industry wage agreements refer to wages paid for a specific task area or field of functions or position.
4. This Criterion addresses situations where living wages, wages according to industry minimum standards or wages according to wage agreements for the forestry sector are higher than the legal minimum. Where none of these exist The Organization is required to establish living wages through engagement with workers.
5. Recognized wage agreements include those established in collective bargaining agreements as negotiated between employers or employers organizations and employee organizations (trade unions).
6. Where no legal minimum wages exist, by default industry minimum standards or wage agreements or living wages will be higher and must therefore be applied.
7. The legal minimum applies where it is higher than forest industry minimum standards or wage agreements.
8. In 2006, according to the ILO more than 90% of all countries had legislation regarding minimum wage fixing (Source: Minimum wages policy, Conditions of Work and Employment Program, Information Sheet No. W-1).
9. Living wage is defined as (see also glossary) the level of wages sufficient to meet the basic living needs of an average-sized family in a particular economy.
10. In order to establish living wages, reference could be made to minimum legal or minimum industry standards or wage agreements for comparable task areas or field of functions or positions in comparable sectors in the region or country. Region is understood as the smallest geographical area possible. For example, where no legal and no industry minimum standard or wage agreement exists for the province/federal state the national legal or industry minimum standard applies. Where none exist on the national level reference could be made to legal or industry minimum standards as established in neighboring countries.
11. This Criterion does not apply for persons that are owners or part owners or belong to the group of owners of the Management Unit. Examples could be family members in the case of small scale family owned Management Units or community members whose income in part or in total depends on the profits generated in the Management Unit.

Rationale: This Criterion is needed for situations where no legal minimum wage has been established. Also, it is important that all FSC certified companies pay at least the standard established in the forestry sector to avoid unfair competition on the basis of personnel costs.

2.5 (revised 7.3) The Organization shall demonstrate that workers have job-specific training and supervision to implement safely and effectively the *management plan** and all management activities.

Explanatory Notes:

1. In some cases, for example, self employed persons, these might be responsible themselves for obtaining the necessary training. However, The Organization must be able to demonstrate that all workers have received the training necessary to implement the management plan and all management activities.



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2. The key is the ability to implement the management plan and all management activities safely and effectively. This implies appropriate re-training, for example, after changes to the management plan have occurred.
3. Training is especially important in relation to the use of chemicals, for example, pesticides or fertilizers, to avoid adverse health impacts on workers and other stakeholders as well as negative environmental impacts, for example, pollution of water resources.

Rationale:

This requirement is important to ensure those that are charged with carrying out the activities have the proper skill set to do so and oversight by The Organization to ensure it is done properly and safely.

Original Criterion 7.3: Forest workers shall receive adequate training and supervision to ensure proper implementation of the management plan.

2.6 (new) The Organization through *engagement** with workers shall have mechanisms for resolving grievances and for providing fair compensation to employees for loss or damage to property, *occupational diseases**, or *occupational injuries** sustained while working for The Organization.

Explanatory Notes:

1. Resolving grievances does not mean that every party involved is completely satisfied but that an agreement was reached not to pursue further actions related to this specific grievance.
2. 'Loss' refers to private property of workers.
3. 'Damage' refers to both private property and the health and life of workers.
4. Fair compensation for loss and damage to property means that compensation has to be provided when caused through a fault of The Organization.
5. Fair compensation for damage to the health and life of workers means that compensation has to be provided for occupational diseases or injuries and deaths incurred while working for The Organization.
6. Where local or national laws for resolving grievances and compensation exist, compliance with these laws is required according to Criterion 1.3. Criterion 1.3 requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit. These legal obligations might suffice to comply with this Criterion if agreed through engagement with workers. Otherwise additional mechanisms as developed through engagement with workers are required.
7. Through the engagement it will be possible to define what are the appropriate mechanisms for decision making as well what is considered fair compensation.
8. Mechanisms may include insurances.
9. Engagement with workers and establishment of mechanisms might be through third parties chosen by workers to negotiate on their behalf (for example unions, worker councils, lawyers).

Rationale: This proposed criterion addresses a gap in the original FSC Principles and Criteria.

3 Principle #3 (revised): Indigenous Peoples' rights



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The Organization shall identify and *uphold** *Indigenous Peoples'** legal and *customary rights** of ownership, use and management of land, territories and resources affected by management activities.

Explanatory Notes:

1. There might be situations, especially in countries that have ratified United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO convention 169 (1989), where meeting most or all of the Criteria under this Principle will be fulfilled through compliance with national and local laws pertaining to the protection of the rights of Indigenous Peoples. Compliance with the applicable national and local laws pertaining to Indigenous Peoples rights is also required according to Criterion 1.3, which requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit.
2. Some Indigenous Peoples may not own the resources (legal title or legal ownership) but may continue to have resource access rights (for example collective or communal collecting of NTFPs not only for economic but also for cultural reasons).
3. 'Uphold' (see also glossary) in this context means 'to acknowledge, respect, sustain and support' Indigenous Peoples' legal and customary rights. By upholding rights, The Organization will therefore neither diminish the de facto rights exercised by Indigenous Peoples nor their claim to legal rights.
4. Criteria 3.1, 3.2 and 3.3 describe a sequence of events (identification, engagement, agreement) which The Organization should follow. Criteria 3.4, 3.5 and 3.6 describe outcomes which The Organization is required to demonstrate with regard to Indigenous Peoples' rights.
5. Other entities or persons permitted or contracted by The Organization to operate in the Management Unit or for the benefit of the Management Unit are also required to comply with this Principle and its Criteria.

Rationale: The original wording of the Principle only recognized that rights exist but did not clarify that The Organization must identify and uphold these rights, which is a much stronger directive than just recognizing these rights.

Original Principle: The legal and customary rights of indigenous peoples to own, use and manage their lands, territories, and resources shall be recognized and respected.

3.1 (new) The Organization shall identify the Indigenous Peoples that exist within the Management Unit or are affected by management activities. The Organization shall then through *engagement** with these Indigenous Peoples identify their rights of *tenure**, access to and usage of forest resources, *customary rights**, legal rights and obligations, that apply within the Management Unit. The Organization shall also identify areas where these rights are contested.

Explanatory Notes:

1. The Criterion requires identification of Indigenous People with a fair and legitimate claim to be allowed access to benefits, goods or ecosystem services from the Management Unit. They include those who have affirmed their rights to lands, forests and other resources based on long established usage, and also those who have not yet done so (from a lack of awareness or empowerment). Organizations should record all existing claims of rights.



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2. Indigenous Peoples affected by management activities include those neighboring the Management Unit, and those that are more distant, who may experience negative impacts as a result of activities within the Management Unit. In these cases they would be affected stakeholders according to Criterion 7.6.
3. This Criterion requires that the nature of the rights in question, and the precise groups or sub-groups who affirm these rights, and who can be recognized as holding these rights, is analyzed locally through engagement with the Indigenous Peoples and involvement of local institutions, and organizations and local authorities.
4. In some regions, for example South America, South East Asia there is often no written language or records supporting claims made by Indigenous People with regards to customary rights. In these cases other culturally acceptable ways for identifying, agreeing and documenting the rights need to be applied, for example, oral and honor systems, written accounts, audio tapes, film records, etc.
5. Identification of rights through engagement includes collecting and documenting (records, maps) of information on both documented legal rights and claims which are not supported by records or written documentation. This includes collection and documentation of overlapping claims of Indigenous Peoples and distinctions between rights of ownership and other legal or customary rights.
6. Information to be recorded by The Organization when the rights of Indigenous Peoples are contested or cannot be identified may include, for example, the *de facto* situation with regard to legal and customary rights, the nature of the rights being contested and the positions of the parties involved. Such recording should be in collaboration with the relevant Indigenous Peoples.

Rationale: This proposed Criterion addresses a gap in the original FSC Principles and Criteria.

3.2 (revised 3.1 and 3.2) The Organization shall recognize and *uphold** the legal and *customary rights** of Indigenous Peoples to maintain control over management activities within or related to the Management Unit to the extent necessary to protect their rights, resources and lands and territories.

Delegation by Indigenous Peoples of control over management activities to third parties requires *free, prior and informed consent**.

Explanatory Notes:

1. The terminology 'within or related to' clarifies that the Criterion covers the protection of the rights, resources, lands and territories inside and outside the Management Unit as affected by management activities related to the Management Unit.
2. 'Rights to resources, lands and territories' refers to the rights of Indigenous Peoples to access, use and manage land and resources, and their rights to consume and sell forest products, as defined under prevailing legislation or customary rights, as identified in 3.1.
3. This Criterion does not preclude the right of Indigenous People to operate their own Management Unit; (see also FSC-GUI-30-004 FSC Principles 2 and 3: Guidance on Interpretation, section 4.1).
4. A demonstration by Indigenous People of effective control over their land and resources would be the implementation of their own management plan which had been prepared according to Criterion 7.2; see also FSC-GUI-30-004 FSC Principles 2 and 3: Guidance



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on Interpretation, section 5.7.1.

5. The Criterion also covers situations where Indigenous Peoples have residual rights of resource access but no longer have formal tenure of the land and territories, for example situations where the State owns the land and the State has granted licenses/concessions for forest management directly to The Organization.
6. The first sentence of the Criterion applies in situations where actors other than the Indigenous Peoples themselves (for example state authorities) have delegated control to The Organization. In these cases the Indigenous Peoples have a right to control the management activities to the extent necessary to protect their rights, resources and territories.
7. In cases where the Indigenous Peoples have themselves delegated control of management activities to The Organization, Criterion 3.3 applies.
8. Free, prior and informed consent is (see also glossary) a legal condition whereby a person or community can be said to have given consent to an action prior to its commencement, based upon a clear appreciation and understanding of the facts, implications and future consequences of that action, and the possession of all relevant facts at the time when consent is given. Free, prior and informed consent includes the right to grant, modify, withhold or withdraw approval.

Rationale:

1. The revision clarifies the rights of Indigenous Peoples as inherently provided in the Principle.
2. The proposed wording is more legally defensible and globally applicable than original Criterion 3.1 and 3.2. It also strengthens the rights of Indigenous Peoples by referring explicitly to prior consent.

Original Criterion 3.1: Indigenous peoples shall control forest management on their lands and territories unless they delegate control with free and informed consent to other agencies.

Original Criterion 3.2: Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of Indigenous Peoples.

3.3 (new) In the event of delegation of control over management activities a binding agreement between The Organization and the Indigenous Peoples shall be concluded through free prior and informed consent. The agreement shall define its duration, provisions for renegotiation, renewal, termination, economic conditions and other terms and conditions. The agreement shall make provision for monitoring by Indigenous Peoples of The Organization's compliance with its terms and conditions.

Explanatory Notes:

1. 'Binding agreements' may be but are not limited to the written agreements. They may as well be based on oral and honor systems, to be applied in cases where written agreements are not favored by Indigenous Peoples, either for practical reasons or on principle. The Organization must maintain appropriate records of these agreements which may include written accounts, audio tapes, film records, etc.
2. Any agreements reached should be considered part of a continuous process, based on dialogue and negotiation.
3. The process of Free, Prior and Informed Consent (FPIC) applies not only in the case of

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- legally recognized rights, but may also include cases where rights of Indigenous Peoples are unclear or under negotiation.
4. Other terms and conditions include amongst others: Provisions for protecting the rights, resources, lands and territories of the Indigenous Peoples, ownership, use and confidentiality of indigenous knowledge, intellectual property rights, provisions for dispute resolution, identification and protection of sites of special cultural, ecological, economic, spiritual or religious significance.
 5. The agreement also needs to define the terms for negotiating, changing, giving or withdrawing consent, including voting systems.
 6. Economic conditions include for example cost and benefit sharing.
 7. There might be situations where a binding agreement means a need for continued renegotiation and readjustment of its terms and conditions, for example “adat”-like customs in which no subject or decision is ever regarded as finally closed.

Rationale: See proposed Criterion 3.2 above.

3.4 (revised 3.2) The Organization shall recognize and *uphold** the rights, customs and culture of Indigenous Peoples as defined in the United Nations Declaration on the Rights of Indigenous Peoples (2007) and ILO convention 169 (1989).

Explanatory Notes

1. The Criterion refers to those articles of the UN Declaration and ILO Convention which cover explicitly the rights, customs and culture and spiritual relationship between the Indigenous Peoples and the Management Unit. The Criterion applies also in countries and jurisdictions that have not ratified the UN Declaration and/or ILO Convention 169.
2. For the meaning of ‘uphold’ in this context, see Explanatory Note 3 to Principle 3, above
3. Compliance with this Criterion may exceed The Organization’s legal obligations in the country or jurisdiction within which the Management Unit lies.
4. Where this Criterion is in conflict with laws, separate FSC procedures apply (see FSC-STD-20-007 Forest Management Evaluations). Such conflicts (see also glossary) are defined as situations where it is not possible to comply with the Principles and Criteria and a law at the same time. In the case of this Criterion an example would be that one or more articles of the ILO convention 169 are in conflict with a specific law.
5. The applicable articles of the United Nations Declaration are:

Article 1: Indigenous peoples have the right to the full enjoyment, as a collective or as individuals, of all human rights and fundamental freedoms as recognized in the Charter of the United Nations, the Universal Declaration of Human Rights and international human rights law.

Article 2: Indigenous peoples and individuals are free and equal to all other peoples and individuals and have the right to be free from any kind of discrimination, in the exercise of their rights, in particular that based on their indigenous origin or identity.

Article 3: Indigenous peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

Article 4: Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.



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- Article 5:** Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their rights to participate fully, if they so choose, in the political, economic, social and cultural life of the State.
- Article 7:** (1) Indigenous individuals have the rights to life, physical and mental integrity, liberty and security of person.
(2) Indigenous peoples have the collective right to live in freedom, peace and security as distinct peoples and shall not be subjected to any act of genocide or any other act of violence, including forcibly removing children of the group to another group.
- Article 8:** (1) Indigenous peoples and individuals have the right not to be subjected to forced assimilation or destruction of their culture.
- Article 9:** Indigenous peoples and individuals have the right to belong to an indigenous community or nation, in accordance with the traditions and customs of the community or nation concerned. No discrimination of any kind may arise from the exercise of such a right.
- Article 10:** Indigenous peoples shall not be forcibly removed from their lands or territories. No relocation shall take place without the free, prior and informed consent of the indigenous peoples concerned and after agreement on just and fair compensation and, where possible, with the option of return.
- Article 11:** (1) Indigenous peoples have the right to practice and revitalize their cultural traditions and customs. This includes the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites, artefacts, designs, ceremonies, technologies and visual and performing arts and literature.
- Article 12:** (1) Indigenous peoples have the right to manifest, practice, develop and teach their spiritual and religious traditions, customs and ceremonies; the right to maintain, protect, and have access in privacy to their religious and cultural sites; the right to the use and control of their ceremonial objects; and the right to the repatriation of their human remains.
- Article 17:** (1) Indigenous individuals and peoples have the right to enjoy fully all rights established under applicable international and domestic labour law.
(3) Indigenous individuals have the right not to be subjected to any discriminatory conditions of labour and, inter alia, employment or salary.
- Article 18:** Indigenous peoples have the right to participate in decision-making in matters which would affect their rights, through representatives chosen by themselves in accordance with their own procedures, as well as to maintain and develop their own indigenous decision-making institutions.
- Article 20:** (1) Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities.
(2) Indigenous peoples deprived of their means of subsistence and development are entitled to just and fair redress.
- Article 21:** (1) Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security.
- Article 23:** Indigenous peoples have the right to determine and develop priorities and



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strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.

- Article 24:** (1): Indigenous peoples have the right to their traditional medicines and to maintain their health practices, including the conservation of their vital medicinal plants, animals and minerals. Indigenous individuals also have the right to access, without any discrimination, to all social and health services.
- Article 25:** Indigenous peoples have the right to maintain and strengthen their distinctive spiritual relationship with their traditionally owned or otherwise occupied and used lands, territories, waters and coastal seas and other resources and to uphold their responsibilities to future generations in this regard.
- Article 26:** (1): Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired. (2): Indigenous peoples have the right to own, use, develop and control the lands, territories and resources that they possess by reason of traditional ownership or other traditional occupation or use, as well as those which they have otherwise acquired.
- Article 28:** (1) Indigenous peoples have the right to redress, by means that can include restitution or, when this is not possible, of a just, fair and equitable compensation, for the lands, territories and resources which they have traditionally owned or otherwise occupied or used, and which have been confiscated, taken, occupied, used or damaged without their free, prior and informed consent. (2): Unless otherwise freely agreed upon by the peoples concerned, compensation shall take the form of lands, territories and resources equal in quality, size and legal status or of monetary compensation or other appropriate redress.
- Article 29:** (1) Indigenous peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources.
- Article 31:** (1) Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts. They also have the right to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.
- Article 32:** (1) Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources.
- Article 34:** Indigenous peoples have the right to promote, develop and maintain their institutional structures and their distinctive customs, spirituality, traditions, procedures, practices and, in the cases where they exist, juridical systems or customs, in accordance with international human rights standards.
- Article 40:** Indigenous peoples have the right to have access to and prompt decision

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through just and fair procedures for the resolution of conflicts and disputes with States or other parties, as well as to effective remedies for all infringements of their individual and collective rights. Such a decision shall give due consideration to the customs, traditions, rules and legal systems of the indigenous peoples concerned and international human rights.

6. The relevant articles of the ILO convention are:

Article 1: (1) This Convention applies to:

(a) tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations;

(b) peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

(2) Self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply.

Article 3: (1) Indigenous and tribal peoples shall enjoy the full measure of human rights and fundamental freedoms without hindrance or discrimination. The provisions of the Convention shall be applied without discrimination to male and female members of these peoples.

(2) No form of force or coercion shall be used in violation of the human rights and fundamental freedoms of the peoples concerned, including the rights contained in this Convention.

Article 4: (1) Special measures shall be adopted as appropriate for safeguarding the persons, institutions, property, labour, cultures and environment of the peoples concerned.

(2) Such special measures shall not be contrary to the freely-expressed wishes of the peoples concerned.

Article 5: In applying the provisions of this Convention:

(a) the social, cultural, religious and spiritual values and practices of these peoples shall be recognised and protected, and due account shall be taken of the nature of the problems which face them both as groups and as individuals;

(b) the integrity of the values, practices and institutions of these peoples shall be respected;

(c) policies aimed at mitigating the difficulties experienced by these peoples in facing new conditions of life and work shall be adopted, with the participation and co-operation of the peoples affected.

Article 7: (1) The peoples concerned shall have the right to decide their own priorities for the process of development as it affects their lives, beliefs, institutions and spiritual well-being and the lands they occupy or otherwise use, and to exercise control, to the extent possible, over their own economic, social and cultural development. In addition, they shall participate in the formulation, implementation and evaluation of plans and programs for national and



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- regional development which may affect them directly.
- Article 8:** (1) In applying national laws and regulations to the peoples concerned, due regard shall be had to their customs or customary laws.
- Article 14:** (1) The rights of ownership and possession of the peoples concerned over the lands which they traditionally occupy shall be recognized. In addition, measures shall be taken in appropriate cases to safeguard the right of the peoples concerned to use lands not exclusively occupied by them, but to which they have traditionally had access for their subsistence and traditional activities. Particular attention shall be paid to the situation of nomadic peoples and shifting cultivators in this respect.
- Article 15:** (1) The rights of the peoples concerned to the natural resources pertaining to their lands shall be specially safeguarded. These rights include the right of these peoples to participate in the use, management and conservation of these resources.
- Article 16:** (1) Subject to the following paragraphs of this Article, the peoples concerned shall not be removed from the lands which they occupy.
(2) Where the relocation of these peoples is considered necessary as an exceptional measure, such relocation shall take place only with their free and informed consent. Where their consent cannot be obtained, such relocation shall take place only following appropriate procedures established by national laws and regulations, including public inquiries where appropriate, which provide the opportunity for effective representation of the peoples concerned.
(3) Whenever possible, these peoples shall have the right to return to their traditional lands, as soon as the grounds for relocation cease to exist.
(4) When such return is not possible, as determined by agreement or, in the absence of such agreement, through appropriate procedures, these peoples shall be provided in all possible cases with lands of quality and legal status at least equal to that of the lands previously occupied by them, suitable to provide for their present needs and future development. Where the peoples concerned express a preference for compensation in money or in kind, they shall be so compensated under appropriate guarantees.
(5) Persons thus relocated shall be fully compensated for any resulting loss or injury.
- Article 17:** (1) Procedures established by the peoples concerned for the transmission of land rights among members of these peoples shall be respected.
(2) The peoples concerned shall be consulted whenever consideration is being given to their capacity to alienate their lands or otherwise transmit their rights outside their own community.
(3) Persons not belonging to these peoples shall be prevented from taking advantage of their customs or of lack of understanding of the laws on the part of their members to secure the ownership, possession or use of land belonging to them.
- Article 20:** (2) ('Governments') shall do everything possible to prevent any discrimination between workers belonging to the peoples concerned and other workers, in particular as regards:
- (a) admission to employment, including skilled employment, as well as measures for promotion and advancement;
 - (b) equal remuneration for work of equal value;
 - (c) medical and social assistance, occupational safety and health, all social



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security benefits and any other occupationally related benefits, and housing;

(d) the right of association and freedom for all lawful trade union activities, and the right to conclude collective agreements with employers or employers' organizations.

(3) The measures taken shall include measures to ensure:

(a) that workers belonging to the peoples concerned, including seasonal, casual and migrant workers in agricultural and other employment, as well as those employed by labor contractors, enjoy the protection afforded by national law and practice to other such workers in the same sectors, and that they are fully informed of their rights under labor legislation and of the means of redress available to them;

(b) that workers belonging to these peoples are not subjected to working conditions hazardous to their health, in particular through exposure to pesticides or other toxic substances;

(c) that workers belonging to these peoples are not subjected to coercive recruitment systems, including bonded labor and other forms of debt servitude;

(d) that workers belonging to these peoples enjoy equal opportunities and equal treatment in employment for men and women, and protection from sexual harassment.

Article 21: Members of the peoples concerned shall enjoy opportunities at least equal to those of other citizens in respect of vocational training measures.

Article 23: **(1)** Handicrafts, rural and community-based industries, and subsistence economy and traditional activities of the peoples concerned, such as hunting, fishing, trapping and gathering, shall be recognized as important factors in the maintenance of their cultures and in their economic self-reliance and development.

Rationale:

1. See proposed Criterion 3.2 above.
2. The proposed Criterion is strengthened by the link to the UN Declaration on the Rights of Indigenous Peoples of September 13, 2007 and ILO convention 169 (1989).
3. This is an incorporation of FSC-POL-30-401 FSC Certification and ILO Conventions which requires that managers comply with all ILO conventions that have an impact on forestry operations and practices (see also Rationale 1 to proposed Criterion 2.1).

Original Criterion 3.2: Forest management shall not threaten or diminish, either directly or indirectly, the resources or tenure rights of indigenous peoples.

3.5 (revised 3.3) The Organization, through *engagement*^{*} with Indigenous Peoples, shall identify sites which are of special cultural, ecological, economic, religious or spiritual significance and for which these Indigenous Peoples hold legal or *customary rights*^{*}. These sites shall be recognized by The Organization and their management and/or protection shall be agreed through engagement with these Indigenous Peoples.

Explanatory note:

1. Mapping of such sites at appropriate scales might be needed to ensure that they can be identified and protected from damage before management activities take place.



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However, there might be situations where Indigenous Peoples do not wish to identify precisely such sites on maps. These situations are addressed in FSC-GUI-30-004 FSC Principles 2 and 3: Guidance on Interpretation.

2. Such sites might be but are not necessarily High Conservation Values (HCV 6) – see Principle 9.

Rationale:

1. The proposed Criterion addresses concerns expressed repeatedly by Indigenous Peoples about damage caused by careless or uninformed field crews.
2. The proposed Criterion recognizes that there might be certain situations where management rather than total protection of such sites is possible provided that the affected local communities agree.

Original Criterion 3.3: Sites of special cultural, ecological, economic or religious significance to indigenous peoples shall be clearly identified in cooperation with such peoples, and recognized and protected by forest managers.

3.6 (revised 3.4): The Organization shall *uphold** the right of Indigenous Peoples to protect and utilize their traditional knowledge and shall compensate Indigenous Peoples for the utilization of such knowledge and their *intellectual property**. A binding agreement as per Criterion 3.3 shall be concluded between The Organization and the Indigenous Peoples for such utilization through *free, prior and informed consent** before utilization takes place and shall be consistent with the protection of intellectual property rights.

Explanatory Notes:

1. Examples of traditional knowledge include, amongst others, the identification and uses of particular species and varieties of flora and fauna and their products, traditional management systems, innovations.
2. Upholding in this context means:
 - That The Organization does not compete with the Indigenous Peoples in relation to legally registering their traditional knowledge as intellectual property, for example in the form of patents.
 - Respect, preservation and maintenance of knowledge, innovations and practices of Indigenous Peoples and promotion of their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices; (based on Article 8 (j) of the Convention of Biological Diversity)
 - Protection of customary use of biological resources in accordance with traditional cultural practices (based on Article 10 (c) of the Convention on Biological Diversity)
3. If the country has ratified the UN Convention on Biological Diversity, The Organization is also required to comply with its provisions under Criterion 1.3. Criterion 1.3 requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit.
4. Intellectual property rights of Indigenous Peoples apply to knowledge, which is not in the public domain, as covered in articles 8(j) and 10(c) of the Convention on Biological Diversity (CBD).
5. This Criterion does not apply to traditional knowledge that is already in the public domain.



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Rationale: Clarification of the original criterion. The new wording takes into account that original Criterion 3.4 does not require prior informed consent to actually use the knowledge of indigenous peoples as long as compensation is being paid.

Original Criterion 3.4: Indigenous peoples shall be compensated for the application of their traditional knowledge regarding the use of forest species or management systems in forest operations. This compensation shall be formally agreed upon with their free and informed consent before forest operations commence.

4 Principle #4 (revised): Community relations

The Organization shall contribute to maintaining or enhancing the social and economic well-being of *local communities**.

Explanatory Notes:

1. Principle 4 applies to Indigenous Peoples **in addition** to Principle 3. Criteria 4.3, 4.4, 4.5 and 4.6 deal with issues which are not covered under the Criteria of Principle 3.
2. Traditional peoples whose rights are not acknowledged in national law as equivalent to those of indigenous people in the context of the Management Unit shall be treated as local communities for the purpose of the P&C. Traditional peoples whose rights are acknowledged in national law to be the equivalent of those of indigenous people in the context of the Management Unit shall be treated as equal to Indigenous Peoples for the purpose of the P&C (see also Preamble to the P&C).
3. Traditional peoples (see also glossary) are social groups or peoples who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use.
4. Criteria 4.1 and 4.2 describe a sequence of events: identification, engagement and agreement with local communities. Criteria 4.3 to 4.8 describe the outcomes, which The Organization needs to achieve with regards to community relations: Ensuring positive social impacts from The Organization's management of the Management Unit (Criterion 4.3, 4.4, 4.7 and 4.8), addressing negative impacts (Criterion 4.5), and resolving grievances (4.6), protection of significant sites (Criterion 4.7) and protection of traditional knowledge and intellectual property (Criterion 4.8).

Rationale:

1. In line with Statutory Motion 8 converted to Statutory Motion 7 approved at the 2005 General Assembly it is proposed to unfold Principle 4 in order to improve clarity of the FSC Principles and Criteria. It is proposed that original Principle 4 'Community relations and workers rights' is divided into 2 separate principles. In the light of the proposed deletion of original Principle 2 it is proposed that 'workers rights' becomes new Principle 2.
2. The wording of the principle is based on original wording of Principle 4 but is now focusing on local communities based on the decision to divide Principle 4.
3. Long Term is redundant and difficult to audit in this context and was therefore removed.

Original Principle #4: Community relations and worker's rights

Forest management operations shall maintain or enhance the long-term social and economic well-being of forest workers and local communities.



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4.1 (new) The Organization shall identify the local communities that exist within the Management Unit and those that are affected by management activities. The Organization shall then, through *engagement** with these local communities, identify their rights of *tenure**, access to and usage of forest resources, *customary rights**, legal rights and obligations that apply within the Management Unit.

Explanatory Notes:

1. The Criterion requires identification of communities with a fair and legitimate claim to be allowed access to benefits, goods or services from the Management Unit. They include those who have affirmed rights to lands, forests and other resources based on long established usage, and also those who have not yet done so (from a lack of awareness or empowerment). Organizations should take account of all existing claims of rights.
2. Communities affected by management activities include those neighboring the Management Unit, and those that are more distant who may experience negative impacts as a result of activities within the Management Unit. In these cases they would be affected stakeholders according to Criterion 7.6.
3. This Criterion requires that the nature of the rights in question, and the precise groups or sub-groups who affirm these rights, and who can be recognized as holding these rights, are analyzed locally, through engagement with the communities and involvement of local institutions, and organizations and local authorities.
4. In some regions, for example South America, South East Asia there is often no written language or records supporting claims made by local communities with regards to customary rights. In these cases other culturally acceptable ways for identifying, agreeing and documenting the rights need to be applied, for example, oral and honor systems, written accounts, audio tapes, film records, etc.
5. Identification of rights through engagement includes collecting and documenting (records, maps) information on both documented legal rights and claims, which are not supported by records or written documentation. This includes collection and documentation of overlapping claims of communities and distinctions between rights of ownership and other legal or customary rights.

Rationale: The proposed Criterion addresses a gap in the P&C. In order to be able to recognize and uphold the legal and customary rights of local communities according to Criterion 4.2 The Organization must at first identify the local communities that hold such rights.

4.2 (revised 2.2) The Organization shall recognize and *uphold** the legal and *customary rights** of local communities to maintain control over management activities within or related to the Management Unit to the extent necessary to protect their rights, resources, lands and territories.

Delegation by local communities of control over management activities to third parties requires *free, prior and informed consent**.

Explanatory Notes:

1. The terminology 'within or related to' clarifies that the Criterion covers the protection of the rights, resources, lands and territories inside and outside the Management Unit as affected by management activities related to the Management Unit.
2. 'Resources, lands and territories' refers to the rights of local communities to access, use



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- and manage land and resources, and their rights to consume and sell forest products, as defined under prevailing legislation or customary rights, as identified in 4.1.
3. This Criterion does not preclude the customary right of communities to operate their own Management Unit; see FSC-GUI-30-004 (FSC Principles 2 and 3: Guidance on Interpretation, section 4.1).
 4. One way for a community to demonstrate effective control over their land and resources would be to implement their own forest management plan, prepared according to proposed Criterion 7.2; see FSC-GUI-30-004 (FSC Principles 2 and 3: Guidance on Interpretation, section 5.7.1).
 5. The first sentence of the Criterion applies in situations where actors other than the communities themselves (for example state authorities) have delegated control to The Organization. In these cases the communities have a right to control the management activities to the extent necessary to protect their rights, resources and territories.
 9. Free, prior, and informed consent is (see also glossary) a legal condition whereby a person or community can be said to have given consent to an action prior to its commencement, based upon a clear appreciation and understanding of the facts, implications and future consequences of that action, and the possession of all relevant facts at the time when consent is given. Free, prior and informed consent includes the right to grant, modify, withhold or withdraw approval.

Rationale:

1. The proposed Criterion is based on original Criterion 2.2 which deals with local communities and was therefore moved to Principle 4.
2. Redundancies were removed, the wording was clarified and rights of local communities regarding delegation were strengthened as compared to original Criterion 2.2 by requiring prior consent.

Original Criterion 2.2: Local communities with legal or customary tenure or use rights shall maintain control to the extent necessary to protect their rights or resources, over forest operations unless they delegate control with free and informed consent to other agencies.

4.3 (revised 4.1) The Organization shall provide *reasonable** opportunities for employment, training and other services to local communities, contractors and suppliers proportionate to scale and intensity of its management activities.

Explanatory Notes:

1. The employment, training, and other services referred to in Criterion 4.3 are provided by The Organization to the local communities, local contractors and local suppliers, and are directly or indirectly linked to its management activities. According to Criterion 4.4 additional activities, which are not linked directly or indirectly to management activities, need to be implemented.
2. This Criterion is also different from Criterion 5.4, which deals with services and goods provided by local providers to The Organization.
3. In order to comply with this Criterion a needs assessment, for example in relation to training, would normally be needed.
4. Under this Criterion, training opportunities and other services to be provided by The Organization include those necessary to enable local communities to participate fully in forest management activities according to the rights identified in 4.1.
5. Another example would be training provided by The Organization to local contractors



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and local suppliers to enable these to provide the services and local value adding to The Organization referred to in Criterion 5.4. Compliance with this Criterion does not require The Organization to enable or to underwrite the formation of new local businesses where none existed previously. However, the training and services that The Organization provides according to this Criterion could improve the conditions necessary for such local businesses to emerge.

6. Another example might be training provided to potential local workers to enable these to work for The Organization in the Management Unit.
7. Examples of services provided to local communities may be but are not limited to:
 - Transportation provided by The Organization to its workers is made available to the local community;
 - Access is provided to the local community to health care facilities and services provided by the organization;
 - Access roads built by The Organization can be used by the local communities. However, The Organization is also required to establish safeguards against possible negative impacts of such access roads, for example facilitated access resulting in illegal hunting, fishing, trapping etc.; see also Criterion 1.5 on safeguards required against unauthorized activities.

Rationale: Expanding the scope to contractors and suppliers clarifies the aim of improving local benefits from forest management, and integrating it into the local economy.

Original Criterion 4.1: The communities within, or adjacent to, the forest management area should be given opportunities for employment, training, and other services.

4.4 (revised 4.4) The Organization shall implement additional activities, through *engagement** with local communities, that contribute to their social and economic development, proportionate to the scale, intensity and socio-economic impact of its management activities.

Explanatory Notes:

1. Criterion 4.3 is directly or indirectly linked to the management activities. According to Criterion 4.4 additional activities, which are not linked directly or indirectly to management activities, need to be implemented.
2. Examples of such additional activities may be but are not limited to:
 - Support provided to local communities or individuals in managing and certifying their own forests and marketing of their products.
 - Participation in economic and social initiatives of other local players, for example local governments.
 - Contributions to social and economic development activities.
 - Investments in community infrastructure, such as roads, health care and services etc.
3. The engagement will provide the basis for determining the needs of local communities and the appropriate activities by The Organization. For example, the needs of local communities and the level and extent of efforts required to meet these needs depend on the socio-economic conditions and will therefore differ between countries but also between sub-national regions within countries and even between local communities within such sub-national regions. Socio-economic conditions that will affect the needs and efforts may include, for example, the size of the community, its accessibility and its



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poverty status.

4. The Organization's capacity to meet the needs of the local communities consistently over time will depend on The Organization's economic cycle.

Rationale: See proposed Criterion 4.5 below.

4.5 (revised 4.4) The Organization, through *engagement** with local communities, shall take action to identify, avoid and mitigate significant negative social, environmental and economic impacts of its management activities on affected communities. The action taken shall be proportionate to the scale, intensity and risk of those activities and negative impacts.

Explanatory Notes:

1. Criterion 4.3 and 4.4 address positive impacts of management and other activities implemented by The Organization. Criterion 4.5 addresses negative impacts.
2. This Criterion prescribes a sequential process:
 - A Social Impact Assessment (SIA).
 - Measures to avoid potential negative impacts identified in the SIA.
 - Mitigation measures when avoidance was not possible.
3. Compensation for cases where avoidance or mitigation have failed is addressed in Criterion 4.6.
4. Examples of negative social and economic impacts could be but are not limited to:
 - Marginalization of other players in the local economy, for example peasant farmers or local businesses.
 - Increased local unemployment.
 - Out-migration of local population and decline of local skills and labor.
 - Road and industrial accidents.
 - Loss or damage affecting legal or customary rights, property, resources, or livelihoods of communities.
5. This Criterion does not prohibit The Organization from providing services to local communities and thereby compete with services provided by local businesses, for example transport services or company stores that are open not only to employees but also to contractors and local people. However, the company has a responsibility to contribute to mitigating the resulting negative effects on affected communities.
6. Examples of mitigation measures could be:
 - Hiring of laid off workers, peasant farmers.
 - Contributing to local economic development initiatives by other players, for example local governments, aimed at mitigating the negative effects of social and economic changes.
 - Increased use of local services and value adding (see Criterion 5.4).
7. Other examples are situations where the forest activities could result in the establishment of remote local villages. In these cases The Organization would be required to take measures to avoid or mitigate the negative effects of its future withdrawal from the affected area.

Rationale Criterion 4.4 and 4.5: Criterion 4.4 and 4.5 are based on original Criterion 4.4. The proposed criteria more clearly differentiate between positive impacts (Criterion 4.4) and negative impacts (Criterion 4.5). The planning and consultation components of original Criterion 4.4 are now addressed in Principle 7.



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Original Criterion 4.4: Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups (both men and women) directly affected by management operations.

4.6 (revised 4.5) The Organization, through *engagement** with local communities, shall have mechanisms for resolving grievances and providing fair compensation to local communities and individuals with regard to the impacts of management activities of The Organization.

Explanatory Notes:

1. Avoidance and mitigation of negative social and environmental impacts is required in Criterion 4.5. This Criterion requires compensation for negative social and environmental impacts when avoidance and mitigation have failed as determined through engagement with the affected stakeholders.
2. Negative social and environmental impacts include for example loss or damage, which affect the legal or customary rights, property, resources or livelihoods of local communities.
3. Resolving grievances does not mean that every party involved is completely satisfied but that an agreement was reached not to pursue further actions related to this specific grievance.
4. Where local or national laws for resolving grievances and compensation exist, implementation of their provisions might suffice to comply with this Criterion if agreed through engagement with the local communities. If there is no agreement with local communities that these laws suffice then additional mechanisms, as developed through engagement with local communities, are required.
5. Mechanisms also include third party mediation.
6. Fairness is subjective, therefore, the engagement process and resulting mechanisms are important also to determine what is considered fair by all parties involved. This process might also include the involvement of third party mediation.

Rationale:

1. Clarification of the responsibilities of The Organization.
2. The requirement of original Criterion 4.5 to avoid loss or damage is covered as a negative impact by proposed Criterion 4.5. Proposed Criterion 4.5 requires measure for avoiding negative social or environmental impacts.

Original Criterion 4.5: Appropriate mechanisms shall be employed for resolving grievances and for providing fair compensation in the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples. Measures shall be taken to avoid such loss or damage.

4.7 (new) The Organization, through *engagement** with local communities, shall identify sites, which are of special cultural, ecological, economic, religious or spiritual significance and for which these local communities hold legal or *customary rights**. These sites shall be recognized by The Organization and their management and/or protection shall be agreed through engagement with these local people.

Explanatory Notes:



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1. Mapping of such sites at appropriate scales might be needed to ensure that they can be identified and protected from damage before management activities take place. There might be situations where local communities, for example, consisting of Traditional Peoples, do not wish to precisely identify such sites. These situations are addressed in FSC-GUI-30-004 FSC Principles 2 and 3: Guidance on Interpretation.
2. Such sites might be but are not necessarily high conservation values (HCV 6) – see Principle 9.
3. The responsibility for protection as well as compliance with all agreements between The Organization and the local communities extends to all contractors and all other persons or organizations permitted by The Organization to operate in the Management Unit.
4. This Criterion clarifies that the activities of local communities in these sites must be justified by legal or customary rights.

Rationale:

1. The proposed Criterion addresses concerns expressed repeatedly by communities about damage caused by careless or uninformed field crews.
2. The proposed Criterion also recognizes that there might be certain situations where management rather than total protection of such sites is possible provided that the affected local communities agree.

4.8 (new) The Organization shall *uphold** the right of local communities to protect and utilize their traditional knowledge and shall compensate local communities for the utilization of such knowledge and their *intellectual property*. A binding agreement as per Criterion 3.3 shall be concluded between The Organization and the local communities for such utilization through *free, prior and informed consent** before utilization takes place, and shall be consistent with the protection of intellectual property rights.

Explanatory Notes:

1. Examples of traditional knowledge include, amongst others, the identification and uses of particular species and varieties of flora and fauna and their products, traditional management systems, innovations.
2. Upholding in this context means
 - that The Organization does not compete with the Local Communities in relation to legally registering their traditional knowledge as intellectual property, for example in the form of patents.
 - Respect, preservation and maintenance of knowledge, innovations and practices of Local Communities and promotion of their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices; (based on Article 8 (j) of the Convention of Biological Diversity)
 - Protection of customary use of biological resources in accordance with traditional cultural practices (based on Article 10 (c) of the Convention on Biological Diversity)
3. If the country has ratified the UN Convention on Biological Diversity, The Organization is also required to comply with its provisions under Criterion 1.3. Criterion 1.3 requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit.
4. Intellectual property rights of Local Communities apply to knowledge, which is not in the public domain, as covered in Articles 8(j) and 10(c) of the Convention on Biological



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Diversity (CBD).

5. This Criterion does not apply to knowledge that is already in the public domain.

Rationale: The proposed Criterion addresses a gap in the P&C with regards to the intellectual property rights of communities. The UN Convention on Biological Diversity in Article 8j specifically addresses local communities.

Criteria that were relocated to other Principles

Original Criteria 4.2 (occupational health and safety) and 4.3 (the right to organize and negotiate voluntarily) were revised and relocated to Principle 2 (Criteria 2.1 and 2.3).

Rationale: Principle 2 now deals exclusively with worker rights.

5 Principle #5 (revised): Benefits from the forest

The Organization shall efficiently manage the range of multiple products and services of the management unit to maintain or enhance *long term* economic viability** and the range of environmental and social benefits.

Explanatory notes:

1. This Principle requires maintenance or enhancement of three objectives: long term economic viability, environmental benefits and social benefits. These three objectives are of equal importance which requires that a balance must be found. The P&C prescribe the requirements to be followed to achieve this balance. In line with the objectives of this Principle, Criterion 5.1 requires the identification and production of diversified products and benefits in order to contribute to local economic development. Criterion 5.2 requires measures to ensure that this production can be sustained in the long term without impairing ecosystem functions and ecosystem services. Criterion 5.3 requires the consideration of positive and negative externalities. Criterion 5.4 requires use of local providers as one means to contribute to local economic development. Criterion 5.5 deals with the commercialization of carbon related ecosystem services. Criterion 5.6 requires planning and expenditures appropriate for maintaining long term economic viability.
2. Economic viability is understood as (see also glossary): The capability of developing and surviving as a relatively independent social, economic or political unit. Economic viability may require but is not synonymous to profitability.
3. A management unit may simply be run on a not-for-profit basis. In these cases economic viability of the Management Unit may be achieved through donations, or by establishing a fund solely dedicated to providing the financial means required to ensure the economic viability of the Management Unit.
4. Long term economic viability in this context is used to acknowledge the need that 'for profit' business enterprises need to accommodate short term market fluctuations. However, in order to be considered economically viable; 'for-profit' Organizations also need to make a reasonable return on investment in the longer term.
5. Efficient management aims at maintaining or enhancing both long term economic viability and the range of ecosystem services and social benefits that can be provided by the Management Unit. It would require that The Organization does not knowingly limit another viable business opportunity through its activities even though The Organization cannot be expected to anticipate all possible opportunities in the future.



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6. Efficient management aiming at enhancing social benefits may include providing opportunities to local entrepreneurs in order to comply with Criterion 5.1 and 5.4.
7. This Principle does not exclude Organizations whose management objectives aim at producing a very limited range of products and services.
8. The management objectives may exclusively aim at providing ecosystem services or social benefits, for example conservation, biodiversity protection.
9. Benefit sharing agreements are based on contracts or otherwise binding agreements and rights as required and defined under Principle 2 to Principle 4.

Rationale: Improved auditability by removing the term encourage from the original Principle. Emphasizes the difference between long term viability and short term efficiency. Clarification and removal of ambiguity.

Original Principle 5: Forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure economic viability and a wide range of environmental and social benefits.

5.1 (revised 5.2 and 5.4) The Organization shall identify, produce, or enable the production of, diversified benefits and products, based on the range of resources and *ecosystem services** existing in the Management Unit in order to strengthen and diversify the local economy proportionate to the scale and intensity of management activities.

Explanatory note:

1. The Organization is expected to make reasonable attempts to identify the range of products and benefits available on the Management Unit. This may be assisted by using the results of engagement activities identified in Criterion 7.6 as well as local knowledge of the Management Unit and feedback from Indigenous Peoples.
2. Criterion 5.1 is different from Criterion 5.4. According to Criterion 5.4, the local entrepreneurs are commissioned to provide services or products to The Organization. According to Criterion 5.1 The Organization is expected to diversify the production of benefits and services from the management unit. For commercial operations a diversification of commercial opportunities is expected to increase adaptability to market fluctuations and thereby increase the likelihood of long term economic viability of The Organization. On the other hand the diversification provides the basis for contributing to a diversified and more stable local economy.
3. This requirement does not expect that all products and services are always harvested, developed or marketed by The Organization itself. However, it is expected that The Organization, as long as this does not prevent achieving its own management objectives or compliance with the Principles and Criteria, provides opportunities to local entrepreneurs and individuals willing to do so, to develop, process and market products and services derived from the Management Unit, to retrieve products and services from the Management Unit or to allow them to enjoy the benefits and products from the Management Unit.
4. Examples of how The Organization can provide such opportunities may be: Allowing local people and enterprises to harvest Non Timber Forest Products, to provide recreational activities within the Management Unit (for example hiking or mountain bike tours), to collect dead wood for local processing or to graze livestock.
5. This Criterion recognizes that the extent of possible diversification depends on the specific situation (existing range of resources, ecosystem services and opportunity



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costs) of the Management Unit. For example, it would be expected there is less variation in a Plantation relative to a complex Natural Forest. This also recognizes that continual diversification (ad infinitum) is not required. Not all potentially marketable products from a Management Unit are always saleable, nor do they always command a consistent price. Numbers of saleable products may be proportionately less in the more biologically diverse Management Units.

Rationale:

1. The Criterion addresses a gap in the original P&C by requiring The Organization to take a stock of potential products and benefits from the Management Unit regardless of whether those particular benefits are of direct interest to The Organization or not.
2. In addition, in line with the decision to move away from the timber focus the scope of proposed Criterion 5.1 is wider (existing resources and services) than that of original 5.2 and 5.4 which both focus on products.

Original Criterion 5.2: Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.

Original Criterion 5.4: Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.

5.2 (revised 5.6) The Organization shall demonstrate that effective measures are in place so that the harvesting rates and yields of products and other services derived from the Management Unit do not impair the long-term ability of the Management Unit to continue providing those products and services, the *ecosystem functions** and *ecosystem services** of the Management Unit.

Explanatory Notes:

1. FSC acknowledges that Management Units offer a mixture of tangible products and ecosystem services which vary over time. FSC also acknowledges that human harvests change over time in response to changing local and domestic needs and markets. While outputs may vary in species composition, dimensions and qualities, this Criterion requires that the capacity of the Management Unit to regenerate its full potential range of products and services is maintained and/or enhanced.
2. 'Effective measures', for purposes of this Criterion, may include a very wide variety, depending on the products and services derived from the Management Unit, the system for harvesting and extraction, the entities carrying out the harvest or extraction, and their scales and intensities and risks. In cases of substantial harvesting of commercial products, the effective measures may include frequent inventories, sample plots, growth and yield studies, rules for minimum diameters, annual allowable cuts, cutting cycles and rotations, and estimates of annual and periodic increments by species and sizes. In simpler cases, The Organization may rely substantially on regional guidelines and site quality classifications developed by authorities and research organizations. In very small and low-impact systems, for NTFPs and for traditional collection for local use, it may be enough to indicate the traditional, customary or current practices as sufficiently effective measures, so long as there is no reason to believe that any ecosystem services or environmental values are impaired. The choice and justification of the measures should be decided by The Organization seeking certification, should be explained in the management planning documentation, and should be checked by the

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Conformity Assessment Bodies.

3. “Harvesting rates and yields of products and other services” refers to the ability to maintain long-term viable populations, successful reproduction and development to maturity.
4. This Criterion also aims at avoiding creaming / high grading of the Management Unit’s most valuable species.
5. This Criterion requires that harvest cycles for specific products (for timber these may be legally required to be shorter than biological or maximum-volume-increment rotations) are in accordance with
 - size or volume limitations (for example felling diameter limits in the case of timber) which sustain the flows specified in the forest management plan, and
 - with the consistent application of reduced impact harvesting techniques.

This is a defence against incautious “re-entry” into already-logged forest in search of newly-profitable timbers during the regeneration period after first logging. The danger of “re-entry” is that it may cause such heavy and frequent damage that many species are prevented from developing to maturity.

6. Reduced Impact Harvesting means logging using techniques to reduce the impact on the residual stand. (**Source:** Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests, IUCN- 2006)
7. This Criterion does not require Sustained Yields in the sense of fixed annual or periodic yields of the same quantities, qualities, sizes or species. It does require that the production systems and harvesting practices are compatible with the stated long-term objectives of management, and do not prejudice the productive capacity of the site or impair species survival. Management and silvicultural practices should not prejudice the ability of the Management Unit to maintain a continuity of production of the same forest products in quantities that match the management objectives, and that allow for changes in objectives over time.
8. There might be unforeseen events (windthrow, fire damage, and trees killed by epidemic insect pests) that cause short-term increases in production, which significantly exceed levels of responsible management. In these cases compliance with this criterion would require The Organization to adjust the outputs from the Management Unit in order to return to the levels of responsible forest stewardship. This applies similarly to surges in production or shifts in preference for one product or service as a result of changing market opportunities. These changes in production will also have to be rationalized in the management plan (see Criterion 7.2).

Rationale:

1. FSC recognizes that the previous focus on timber did not reflect the variety of goods and services available from most Management Units. The implication of even-flow yields did not match the reality of the accumulated and practically unrepeatable stored volume of product in pristine forest, especially temperate and tropical rainforests, over the sustainable level in managed Management Units.
2. The proposed version responds to stakeholder concerns and uncertainties about FSC’s position on Sustainable Forest Management and sustained yields, and the difficulty of assessing compliance with the original Criterion, which have been expressed by applicants, CABs, NIs and ASI.

Original Criterion 5.6: The rate of harvest of forest products shall not exceed levels which can be permanently sustained.



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5.3 (revised 5.1) The Organization shall demonstrate that the positive and negative externalities* of operation are included in the *management plan**.

Explanatory Notes:

1. The engagement process required according to Criterion 7.6 will help identify the positive and negative externalities. This would also complement existing known externalities and requirements of local and national laws.
2. Externalities are defined as (see also glossary): The positive and negative impacts of activities on stakeholders that are not directly involved in those activities, or on a natural resource or the environment, which do not usually enter standard cost accounting systems, such that the market prices of the products of those activities do not reflect the full costs or benefits.
3. Externalities may result in costs because of the need to prevent, mitigate, restore and compensate negative impacts as required in these Principles and Criteria and will therefore require appropriate financial planning and cost accounting of The Organization for the management unit.
4. Examples of potential negative externalities could be but are not limited to:
 - a. Tree plantations may substantially decrease the water that is available to neighboring communities and farmers for domestic and agricultural uses, especially where rainfall is low.
 - b. Disturbance of local populations during harvest, if trucks transport logs out of the Management Unit during day and night.
 - c. Damage to rural roads.
 - d. Fencing of Management Units may prevent local people from exercising their 'customary rights' to cross the unit or collect Non Timber Forest Products (NTFP's).
 - e. The hiring of specialized non-local contractors rather than local contractors where these exist, may have a negative effect on local employment.
 - f. The export of logs and other products, instead of selling them to local processors (small sawmills, carpentries) may depress industries and employment.
 - g. Contamination of water courses resulting in reduced fishing opportunities, change in diversity of aquatic fauna and flora.
 - h. Degradation of land areas; for example through erosion, extraction of road building materials, which may result in decreased opportunities of the use of those lands for forestry or other land uses
 - i. Loss of species.
 - j. Release of stored carbon
5. Examples of potential positive externalities could be but are not limited to:
 - a. Direct local employment
 - b. Provision of clean water through nitrogen amelioration.
 - c. Providing access to the Management Unit for recreational purposes or collection of NTFP's.
 - d. Allowing local populations to use hauling roads.
 - e. Use of local processing, local services and value adding (see Criterion 5.5)
 - f. Allowing local entrepreneurs to develop, process and market products and services as provided by the Management Unit (see Criterion 5.3)
 - g. Potential restoration of a previously denuded area unrelated to normal forest



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- management
 - h. Provision of biodiversity refugia.
 - i. Carbon sequestration
 - j. Protection of HCVs
 - k. Erosion stabilization.
 - l. Water protection.
6. In the identification of these externalities, the scale of the proposed operations is important as well as the intensity of these operations to identify risks and possible consequences associated with the risks.

Rationale: The original Criterion 5.1 was too aspirational and has been divided into two separate criteria (Criterion 5.3 and 5.6) in order to avoid compound criteria.

Original Criterion 5.1: Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.

5.4 (revised 5.2) The Organization shall use local processing, local services, and local value adding to meet the requirements of The Organization where these are available proportionate to scale, intensity and risk. If these are not locally available, The Organization shall make *reasonable** attempts to help establish these services.

Explanatory Notes:

1. The intention of this Criterion is for The Organization to promote further socio-economic benefits through economic opportunities beyond the direct employment at The Organization.
2. There is a further obligation for The Organization, especially in areas where economic development history has been limited, to provide training opportunities (Criterion 4.3). These training opportunities could be used to help foster (new) local processing, local services, and local value adding.
3. This Criterion is also different from Criterion 4.3 in the sense that Criterion 4.3 deals with opportunities and services provided by The Organization to the local communities while Criterion 5.4 deals with products and services that are provided by local actors to The Organization.
4. In areas where local service providers are already in place, the preference is to support these businesses before hiring other service providers who are not local.
5. Scale, intensity and risk, in this context, is applied to ensure that the intention of the Criterion is the mutual benefit of The Organization and the service provider over time regardless of the decision to support existing local service providers or to help create new ones. The Organization will receive a reliable service that was safely produced, of good quality and at a reasonably competitive price (not necessarily the cheapest). To help interpret reasonable, neither the service provider, nor The Organization, should receive an extraordinary benefit at the expense of the other.
6. This Criterion applies within the limits of applicable laws on regulating competition. That is, it does not require infringing for example the EU Competition Directive, which generally prevents explicit favoring of local entities over more distant entities.
7. The Organization is not required to outsource those services that can be provided by an existing branch or affiliate of The Organization.



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Rationale:

1. Proposed Criterion 5.5 covers the local processing component of original Criterion 5.2.
2. This Criterion is now legally more compatible with international and national competition regulations.

Original Criterion 5.2: Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.

5.5 (new) If The Organization seeks financial reward for the provision of *ecosystem services** related to carbon sequestration and storage, or avoided deforestation or degradation The Organization shall demonstrate compliance with an FSC recognized defensible and credible carbon standard.

Explanatory Notes

1. It the responsibility of FSC to assess whether or not a carbon standard can be accepted as defensible and credible.
2. Several standards setting organizations have published "best practices" principles and criteria for forest carbon projects which FSC can borrow and use to evaluate for compatibility with the FSC system.

Rationale

1. In many parts of the world, FSC certified operations are already being used and recognized in voluntary carbon markets and in compliance markets (on UNFCCC registries), or as a platform for potential payments under an avoided deforestation (REDD) program.
2. Substantial new public and private capital is already flowing into forest carbon projects and as such represents powerful new source of financing for investments in well managed forests and conserved forests.
3. Application of Criterion 5.5 requires the existence of FSC protocols for recognizing defensible and credible carbon standards. Such a protocol does not yet exist, but FSC's Forest Carbon Working Group has delivered a recommendation to FSC to finalise these protocols before the revised P&C come into effect.
4. One possible source of protocols for assessing such standards are the criteria and integrity tests in the WWF Forest Carbon Standards Assessment Guide (2010), which refers to the accounting methodologies under the Intergovernmental Panel on Climate Change (IPCC) (WWF (2010) Forest Carbon Standards – a WWF assessment Guide. 31p http://assets.panda.org/downloads/forest_carbon_assessment_guide.pdf)
5. The FCWG recommendation also includes that FSC's protocols will have to take into account the existence of loopholes in the IPCC methodologies that allow some forest-related emissions to be omitted from carbon accounts.

5.6 (revised 5.1) The Organization shall demonstrate through its planning and expenditures proportionate to scale, intensity and risk its commitment to long-term *economic viability**.

Explanatory Notes:

1. Criterion 5.6 deals with the planning and expenditures required to demonstrate that The Organization is committed to survive and develop in the long term (see explanatory note



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2 of Principle 5 and glossary for a definition of economic viability). This commitment matches the long-term strategy anticipated in Criterion 1.9. This would require some or all of the following items, for example: strategic capital investments in the management unit and /or its manufacturing facilities that may or may not be located in the Management Unit.

2. The long term focus requires that the planning takes account of short term and long term issues. This includes effective cost control, use of industry best practices, research and development (either internal and/or external sources).
3. In the case of 'for-profit' Organizations, an economically viable Organization is able to withstand short term adverse market conditions and show in the long term financial health.
4. Demonstration of commitment means using best practice with current knowledge, recognizing that in reality long term economic viability cannot be guaranteed no matter how well an organization manages and plans.
5. The expenditures referred to in this Criterion include for example
 - costs related to safeguards against "mining" of the resources or 'creaming (excessive selective harvesting or high grading)' of the Management Unit's most valuable species according to Criterion 5.2 and
 - costs related to preventing, mitigating and compensating for negative externalities as required in the P&C (see proposed Criterion 5.3).

Rationale:

1. This proposed Criterion is a culmination of the previous 5 criteria which tests the long term success of The Organization regardless if it is a "for profit" entity or not and regardless of the products and services it chooses to provide.
2. The previous organization of Principle 5 did not appear to follow a logical sequence and as such, was often confusing in what the overall intent of the Principle was.
3. The environmental and social costs of original Criterion 5.1 are now addressed in proposed Criterion 5.3.

Original Criterion 5.1: Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.

Criteria that were removed from Principle 5

Original Criterion 5.3 was replaced by Criterion 10.11. Original Criterion 5.5 was removed from the Principles and Criteria.

Original Criterion 5.3: Forest Management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.

Original Criterion 5.5: Forest Management operations shall recognize, maintain, and where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.

Rationale

1. The subject matter dealt with in original Criterion 5.3 was moved to Principle 10, Criterion 10.11, which is now the focus Principle for management activities such as



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- harvesting.
2. The subject matter dealt with in original Criterion 5.5 is adequately addressed elsewhere in the revised Principle and Criteria. The assessment of Environmental Values, which include water resources, potential risks of management activities, and the measures to protect and maintain Environmental Values are covered in proposed Criteria 6.1 to 6.3. In addition, Environmental Values and Services are covered in general and specific ways in many criteria. Measures to ensure the continued existence of viable populations of native species, including explicitly fisheries, are covered in Criterion 6.6.
 3. While the term 'watershed' is not used in the P&C anymore, the adequate management and protection of 'water catchments' and 'water resources' are covered by Criterion 6.7, by HCV 4 and by Criterion 10.10 and 10.11 and as elements of management planning and monitoring under Criterion 7.2, 8.1 and 8.2 which include the monitoring of management impacts on soil and water resources.

6 Principle #6 (revised): Environmental values and Impacts

The Organization shall maintain and/or restore *ecosystem functions**, *biological diversity**, water and biomass resources, soils, *landscape values** and *ecosystem services** of the Management Unit.

Explanatory Notes:

1. This Principle and its Criteria refer to a wide range of elements, including ecosystem functions, biological diversity, water soil and biomass resources, soils, atmosphere and landscape values. They are included in the term Environmental Values. This term does not have an internationally recognized definition, and was not included in the original P&C, but it is used in the criteria of this and other Principles to avoid repeating a list of the technical elements. Further explanations and definitions of these are provided in the explanatory notes to Criterion 6.1. Some of these elements are also covered under Principle 10, especially those directly affected by site-disturbing activities.
2. Environmental Values are defined as (see also glossary) the following set of elements of the biophysical and human environment
 - a. ecosystem functions
 - b. biological diversity
 - c. water resources
 - d. soils
 - e. atmosphere
 - f. landscape values.The actual worth attributed to these elements depends on human and societal perceptions.
3. Ecosystem function is defined as (see also glossary) an intrinsic ecosystem characteristic related to the set of conditions and processes whereby an ecosystem maintains its integrity (such as primary productivity, food chain, biogeochemical cycles). Ecosystem functions include such processes as decomposition, production, nutrient cycling, and fluxes of nutrients and energy.
4. Ecosystem services (see also glossary) are the benefits people obtain from ecosystems. These include provisioning services such as food, forest products and water; regulating services such as regulation of floods, drought, land degradation, air quality, climate and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other



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- nonmaterial benefits.
5. The environmental values consist of a combination of biophysical assets (biological diversity, water resources, soils and atmosphere) ecosystem functions and landscape values (including cultural values). The ecosystem is made up of a subset of these elements: the biophysical assets and the ecosystem functions. Ecosystem services are the benefits people obtain from ecosystems. It logically flows that the objective of maintaining or restoring ecosystem services can be achieved by maintaining or restoring environmental values. Therefore, ecosystem services are covered collectively through the Criteria for this Principle.
 6. The first three Criteria of Principle 6 deal with procedures which are elements of responsible forest stewardship.
 - an assessment of environmental values (Criterion 6.1)
 - the identification of potential negative impacts (environmental impacts, site-disturbing activities, stress factors, risks) of management activities on these environmental values (Criterion 6.2)
 - the identification and implementation of measures to prevent, remedy, and mitigate negative impacts (Criterion 6.3).
 7. This is approximately a chronological order, but this should not be applied rigidly. Assessments of environmental values and impacts may be simultaneous. Assessments of environmental values may have to be iterative, repeated whenever necessary to keep pace with changes in management practices and increased understanding of the environmental risks of those practices, as well with the natural and induced changes in the Management Unit. Some assessments may need to be repeated in more detail if risk assessments or monitoring show greater risks or negative impacts.
 8. Where applicable, the results of the assessment and identification of environmental values and potential negative impacts (including potential impacts of external events such as storms, fires and pests, and changes to habitats/environments outside the Management Unit boundary) and prevention, remediation and mitigation measures are to be incorporated in the Management Plan according to Criterion 7.2. However, in management units where no man-made site-disturbing activities are taking place or planned, such elements do not need to be included in the Management Plan. It is for these and other cases that Criterion 7.2 does not prescribe a list of elements that must always be included in the management plan.
 9. The next Criteria deal with elements which are important for preventing negative impacts on particular environmental values: rare and threatened species (Criterion 6.4), ecosystems (Criterion 6.5), biological diversity (Criterion 6.6), wetlands (Criterion 6.7), landscape values (Criterion 6.8) and conversions. Present and future conversion is covered in Criterion 6.9, while past conversion (the 1994 rule) is covered in Criterion 6.10.
 10. The words “maintain and/or restore” are used here to make it clear that The Organization is obliged to maintain environmental values that exist at the time of certification. It is also obliged to restore those that have been negatively affected by the activities of The Organization, as far as is reasonably possible, to the status that existed before they were negatively affected.
 11. The Organization is not necessarily obliged to restore those environmental values that have been affected by factors beyond the control of The Organization, for example by natural disasters, by climate change, or by the legally authorized activities of third parties, such as public infrastructure, mining, hunting or settlement. FSC-POL-20-003



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- “Excision of areas from scope of certification” describes the process by which such areas may be excised from the area certified, when appropriate.
12. The Organization is also not obliged to restore environmental values that may have existed at some time in the historic or pre-historic past, or that have been negatively affected by previous owners or organizations. However, The Organization is expected to take reasonable measures to mitigate, control and prevent environmental degradation which is continuing in the Management Unit as a result of such previous impacts.
 13. Cycling and fluxes of carbon and other elements are covered by the definition of Ecosystem Functions, and are therefore included in Environmental Values. The role of carbon in air quality regulation and climate regulation is also included among ecosystem services. The P&C do not explicitly require the monitoring of stocks and flows of carbon, but they require Organizations to take reasonable measures to maintain environmental values (measures which might include monitoring) according to the scale, intensity and risks of management activities.
 14. It is clear that forests and all other ecosystems have responded and will continue to respond to climate change, and that management objectives and practices will have to adapt. Local guidance is already available in some regions, and generic guidance will be provided when available.

Rationale:

1. The original wording of Principle 6 uses undefined terms “ecological functions and integrity of the forest” which are not generally used by international conservation organizations.
2. This Principle removes the association with forest as the primary focus, because the FSC Principles and Criteria cover all tree-related space in the Management Unit (see FSC-POL-10-004 (June 2005) Scope of Application of the FSC Principles and Criteria for Forest Stewardship) and supporting FSC-DIS-01-001 The scope of application of the FSC Principles and Criteria for forest stewardship (January/May 2005). The Principle moves focus from a spatially undefined area to the Management Unit, and it expands coverage to all types of ecosystems and landscapes, not only the unique and fragile ones. Unique, rare or threatened habitats and ecosystems are elements of HCV 3. Fragility of ecosystems is widely covered by the concepts of scale, intensity and risk and by Principle 9.
3. The word “enhance” is avoided because it is almost impossible to define it for purposes of certification. Many comments were registered against some uses of “enhance” (for example “does not provide a meaningful ecological benchmark”). In the sense that enhancement includes the concepts of increase and improvement, it is covered by this Principle.

Original Principle 6: Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.

6.1 (new) The Organization shall assess *environmental values** in the Management Unit with a level of detail, scale and frequency that is proportionate to the scale, intensity and risk of management activities, and is sufficient for the purpose of deciding the necessary conservation measures and for detecting and monitoring possible negative

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impacts of those activities.

Explanatory Notes:

1. The objective of this Criterion is to ensure an adequate and appropriate assessment, description and/or spatial mapping of the following environmental values (see also glossary) in the Management Unit:
 - a. ecosystem functions (as defined, including cycles and fluxes of nutrients and chemical compounds including carbon)
 - b. biological diversity (as defined, including the diversity of ecosystems and habitats, rare and threatened species, and rare and fragile ecosystems)
 - c. water resources
 - d. soils, and
 - e. atmosphere
 - f. landscape values (as defined, including the landscape level).
2. The assessment of environmental values should be carried out before introducing, starting, or changing the nature of, site-disturbing activities that create a risk of new negative environmental impacts. It will be necessary to repeat assessments when new information provides evidence of increased risks and impacts
3. The assessment must be sufficient to provide a basis for deciding on necessary conservation measures and as a baseline for detecting and monitoring future changes (caused by factors internal and external to the Management Unit), proportionate to the scale, intensity and risks of the planned management activities. It will include assessments of the rarity, vulnerability and conservation status of their component elements (cf. Notes on SI&R). Assessments may (and usually should) make use of studies carried out in neighboring or similar ecosystems.
4. Ecosystem function is defined as (see also glossary) an intrinsic ecosystem characteristic related to the set of conditions and processes whereby an ecosystem maintains its integrity (such as primary productivity, food chain, biogeochemical cycles). Ecosystem functions include such processes as decomposition, production, nutrient cycling, and fluxes of nutrients and energy. Ecosystem function can be summarized as four inter-related cycles:
 - a. Nutrients – as determined by underlying geology and soil properties;
 - b. Water – as assessed by quantities and qualities of water resources;
 - c. Biomass – as assessed from inventories of vegetation (including organic material in living organisms, litter, debris and soils) and chemical composition;
 - d. Biological – as assessed for habitats and species.Ecosystem function also includes ecological processes of regeneration and succession, carbon sequestration and losses.
5. Biological diversity (see also glossary) is the variability among living organisms from all sources including, amongst others, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.
6. In the case of SLIMFs and other very small, simple, non-controversial situations with minimal impacts, these assessments may be brief and simple documents.
7. Assessments should cover seasonal variation during the year, especially for annual and migratory species.
8. Assessments may include the recording of previously unwritten traditional knowledge if agreed by the people holding that knowledge, in line with Criteria 3.6 and 4.8.
9. Re-assessments of biomass and biodiversity are likely to be needed more frequently



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than for soils, which generally change more slowly. Water resources may need the most frequent surveys, in order to comply with legislation on pollution and to sustain the human health of the populations in and adjacent to the Management Unit.

10. This Criterion supports the information requirements of Criterion 7.2 and the monitoring requirements under Principle 8. FSC does not prescribe the methods or techniques to be used. They are likely to require consultations with specialists.

Rationale: There is no Criterion under the original Principle 6 which requires assessments before deciding on conservation measures and precautions against negative environmental impacts. Therefore, this Criterion is an essential and logical precursor to Criterion 6.2. An assessment of the nature of the Environmental Values in a Management Unit is an essential basis for an assessment of the potential impacts of management activities.

6.2 (revised 6.1) Prior to the start of site-disturbing activities, The Organization shall identify and assess the scale, intensity and risk of potential impacts of management activities on the identified *environmental values**.

Explanatory Notes:

1. Prior to site-disturbing activities: the impact assessment is carried out before introducing, starting, or changing the nature of site-disturbing activities that create a risk of new negative environmental impacts, or when new information provides evidence of increased risks and impacts. It is not normal practice to repeat impact appraisals every time a similar operation is repeated in the same way in similar situations. Impact appraisals include the evaluation of impacts on local communities, and will require engagement of interested and affected stakeholders, as appropriate. The scale, intensity and risk (i.e. the danger or importance) of the impacts may be assessed by standardized methodologies for Environmental Impact Appraisals, or Environmental & Social Impact Appraisals, as prescribed in national law or adapted from the procedures of international development banks.
2. The Criterion does not apply retroactively: FSC does not require that impact assessments were carried out before previous site-disturbing activities. However, the identification and assessment of ongoing site disturbing activities must be carried out before compliance with this Criterion is achieved, preferably before a certification audit is undertaken, and certainly before a certificate is issued. This applies even if no new site-disturbing activities are immediately anticipated.
3. Assessments of environmental impacts and their importance (scale, intensity and risk) may be part of the same exercise of identifying the environmental values, or may be carried out afterwards, but clearly cannot be carried out before complying with Criterion 6.1.
4. Engagement of stakeholders (for example local communities) will be required according to Criterion 7.6, if they may be affected negatively by management activities.
5. Assessments must also consider potential negative impacts on environmental values outside the Management Unit caused by management activities.
6. Impact assessments by The Organization may be needed for activities carried out by other entities (for example, by government agencies in accordance with their legal mandate) when such activities may interact with the management activities of The Organization (see FSC-POL-20-003 for the FSC Excision Policy).
7. Where applicable, the results of this identification and assessment must be included in the management plan (for further information on situations where this might not be



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needed see Explanatory Note 8 to Principle 6 above).

Rationale: See rationale to proposed Criterion 6.3.

6.3 (revised 6.1) The Organization shall identify and implement effective actions to prevent negative impacts of management activities on identified *environmental values**, and to mitigate and remedy those that occur, proportionate to the scale, intensity and risk of these impacts.

Explanatory notes:

1. This Criterion covers all kinds of environmental values, including ecosystem functions, biological diversity, water, soil and biomass resources and landscape values, each of which includes many elements including climate regulation. So, it covers any negative impacts on any environmental values that are not explicitly covered by Criteria 6.4 – 6.8. It also complements the requirements of Criterion 5.2 for environmental and social impact appraisal of externalities.
2. Where applicable, prevention, remedial and mitigation measures will be included in the management plan, to comply with Criterion 7.2 (for further information on situations where this might not apply, see Explanatory Note 6 to Principle 6 above).
3. Prevention is the preferred option.
4. The actions that should be planned and implemented to prevent, mitigate and remedy potential and actual negative impacts are covered in more detail in Criteria 6.4 to 6.8.
5. Proportionate to scale, intensity and risk means that higher levels of potential and actual negative impacts of management activities require larger efforts in relation to prevention, mitigation, and remedial measures.
6. This Criterion refers to the impacts that occur in and outside of the Management Unit as a result of site-disturbing activities and any other management activities, including on-site infrastructure. These actions should be identified and planned before introducing, starting, or changing the nature of site-disturbing activities that create a risk of new negative environmental impacts, and should be revised whenever new information provides evidence of increased risks and impacts.
7. Engagement with stakeholders (for example, local communities) may be required according to Criterion 7.6 when deciding on the prevention, remedial or mitigation measures, if they may be affected negatively by management activities.

Rationale for criteria 6.2 and 6.3:

1. The proposed Criteria cover all kinds of certified Management Units and address the recommendation of the Policy Working Group of the Plantations Review that ‘the management of an FSC certified plantation shall take an active approach to prevent mitigate and if needed remedy/restore for any environmental effects of its management on ecosystem integrity. Consequently, a higher level of impact shall correspond with higher conservation efforts to maintain ecosystem integrity’.
2. Criterion 6.2 complements the requirements for Environmental Impact Assessments which exist in the regulations of many countries, and ensures that such assessments are based on an adequate assessment of environmental values, and that the results are incorporated into management planning and actions.
3. Criterion 6.2 also complements some of the requirements of Principle 10, which apply at all times (not only “before the start of site-disturbing activities”).



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4. The reference to “on-site processing facilities” in original Criterion 6.1 was removed because there is no reason to treat these as different from other facilities and sites within the boundary of the Management Unit. For further information on how the P&C apply to other facilities and sites, please refer to the Preamble.

Original Criterion 6.1: Assessment of environmental impacts shall be completed – appropriate to the scale, intensity of forest management and the uniqueness of the affected resources – and adequately integrated into management systems. Assessments shall include landscape level considerations as well as the impacts of on-site processing facilities. Environmental impacts shall be assessed prior to commencement of site-disturbing operations.

6.4 (revised 6.2) The Organization shall protect *rare* and threatened species** and their *habitats** in the Management Unit through *conservation areas**, *connectivity** and/or (where necessary) other direct measures for their survival and viability. These *conservation areas** and other 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.

Explanatory Notes:

1. Criterion 6.4 deals with the survival of rare and threatened species (as defined, and as identified through compliance with Criterion 6.1 - see Explanatory Note 1b), while Criterion 6.5 deals with conservation of ecosystems not especially linked to rare or threatened species, and Criterion 6.6 deals with biological diversity in general. Rare, fragile and threatened habitats and ecosystems are covered in HCV-4 in Criterion 9.1.
2. Habitats for rare and threatened species include areas for procreation, feeding and shelter, including seasonal cycles of breeding, migration, hibernation etc.
3. The objective of the Criterion is to ensure survival and viability of rare and threatened species and their habitats. Therefore, the conservation areas may include or consist of areas that provide full protection and security against human interference and site-disturbing activities, with natural processes and/or areas that provide long-term spatial protection, where this is necessary for their survival and viability. Conservation areas in general are covered by Criterion 6.5, while this Criterion 6.4 covers the special requirements of those rare and threatened species which may require other measures in addition to other designated conservation areas, such as the scheduling of management activities during breeding seasons.
4. Some areas may require deliberate management interventions to maintain or improve the attributes of the area for the benefit of rare and threatened species.
5. The survival of rare and threatened species does not always require habitats that are completely protected from human activities. Therefore, depending on the specific situation, controlled forest management, harvesting and other interventions in the Management Unit and in some of the Management Unit conservation areas may be fully compatible with the objective of ensuring survival and viability of rare and threatened species and their habitats.
6. “Proportionate to scale, intensity and risk” means that higher levels of potential and actual negative impacts of management activities require larger efforts in relation to

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- species protection. Other direct measures may include restoration of habitats, introduction or enrichment with animal or plant species, the control of alien predators and pests, the scheduling of management activities to avoid disturbance during nesting or fruiting seasons, the implementation of low-impact harvesting, and other prevention remedial, or mitigation measures.
7. Rare species (see also glossary) are uncommon or scarce, but not classified as threatened. These species are located in geographically restricted areas or specific habitats, or are scantily scattered on a large scale. They are approximately equivalent to the IUCN (2001) category of Near Threatened (NT), including species that are close to qualifying for, or are likely to qualify for, a threatened category in the near future. They are also approximately equivalent to imperiled species.
 8. Threatened species (see also glossary) is a species that meets the IUCN (2001) criteria for Vulnerable (VU), Endangered (EN) or Critically Endangered (CR), and is facing a high, very high or extremely high risk of extinction in the wild. These categories may be re-interpreted for FSC purposes according to official national classifications (which have legal significance) and to local conditions and population densities (which should affect decisions about appropriate conservation measures).
 9. Compliance with this Criterion will contribute to compliance with CITES rules, especially for CITES-listed species that are intended for export.
 10. 'geographic range and ecological requirements of rare and threatened species beyond the boundary of the Management Unit' means, for example, that rare and threatened species whose range outside a Management Unit is small, fragile and heavily threatened may require greater protective measures inside the Management Unit than other rare and threatened species that have wide and secure ranges.
 11. A Conservation Area (see also glossary) is an area managed primarily for conservation of species, habitats, ecosystems or other site-specific values, or for purposes of monitoring, evaluation or research, not necessarily excluding other management activities.
 12. Conservation areas are areas of land and ecosystems actively managed, to provide a credible assurance of achieving any one or more of the following objectives:
 - (A) to ensure the long-term maintenance of viable populations of species resident in the Management Unit (Criterion 6.6), with special reference to rare and threatened species and their habitats (Criterion 6.4),
 - (B) to ensure the long-term maintenance of samples of natural ecosystems found in, or typical of, the Management Unit, including their characteristic age and size distributions and soil characteristics, with special reference to rare and threatened ecosystems and habitats, and those that are vulnerable to disturbances, sufficient to serve as base-line reference points for detecting and monitoring environmental changes in other parts of the Management Unit (Criterion 6.5), and
 - (C) to establish and maintain natural ecosystems, adapted to the site (Criterion 6.5), as a contribution to the conservation of flora and fauna in the region (Criterion 6.6), and to their resilience and adaptability to climate change. Conservation Areas are managed in ways that provides credible assurance these and/or other objectives are achieved, to be determined case by case. This may require some interventions, and may not necessarily exclude other practices such as controlled harvesting. Conservation Areas may be moved from time to time within the Management Unit, when necessary to fulfill their objectives.

Rationale:



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1. The revised wording addresses landscape level considerations regarding ecological needs of rare and threatened species (as defined).
2. The terms 'rare and threatened' replace the term 'rare, threatened and endangered' because this is in line with the more current use and definitions by IUCN (2001 and later).
3. Management of hunting, fishing, trapping and collecting is dealt with in proposed Criterion 6.6.

Original Criterion 6.2: Safeguards shall exist which protect rare, threatened and endangered species and their habitats (for example, nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.

6.5 (revised 6.4 and 10.5) The Organization shall identify, conserve and/or restore representative sample areas of natural *ecosystems** within the Management Unit. The size, design and *connectivity** of these areas, and the management measures applied in them, shall be proportionate to the uniqueness, vulnerability, conservation status and value of these ecosystems at the *landscape** level, and to the scale, intensity and risk of management activities in the Management Unit as a whole.

Explanatory Notes:

1. Criterion 6.5 deals with conservation of ecosystems which are not especially linked to rare or threatened species, while Criterion 6.4 deals with the protection of rare and threatened species and their habitats.
2. The purpose of the samples is to provide long-term protection of the ecosystems, to help ensure the viability of the species occupying the Management Unit, to help maintain the resilience and adaptability of the Management Unit to climate change, and at the same time to provide baseline data for assessments and monitoring of the effects of management in the Management Unit as a whole, and of natural cyclical and secular changes including climate change
3. This Criterion makes it clear that every certified management unit is expected to include sample areas which are managed and protected primarily (but not necessarily exclusively) for purposes of conservation (and, where necessary, restoration) of native ecosystems. Other management objectives may be applied in the same areas, so long as they are compatible with the primary objective of conservation.
4. The scale of conservation and/or restoration is determined by the conservation status, value and uniqueness of the ecosystems in question as well as the scale, intensity and risk of management activities in the Management Unit as a whole. Special rules may be applied to very small properties among SLIMFs, and to group certificates.
5. The Criterion refers to both conservation and/or restoration, because restoration might not be required in Management Units with intact examples of natural ecosystems.
6. "Restore" in the context of this Criterion means that in Management Units with only degraded (or no) examples of natural ecosystems, The Organization is expected to designate and manage sample areas principally for the conservation of biological diversity, using appropriate restoration techniques where necessary to create areas of adaptable and resilient ecosystems of native species. It may take some considerable time to establish such areas. Their location, designation, objectives and management program should be covered in the management planning documentation (and, when appropriate, in maps) at the time of certification.



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7. The concept of uniqueness takes account of the extent and range of these ecosystems inside and outside the Management Unit. It includes the concepts of rarity, conservation status, value and importance. Uniqueness is high if the management unit contains a large proportion of a natural ecosystem with limited distribution. Uniqueness is low when the Management Unit contains only a small proportion of its natural range.
8. Conservation status refers to the formal status of the ecosystem, in national regulations or habitat classification systems. Conservation value concerns how rare or uncommon an ecosystem is, how important it is to the species that occupy or use it, and how vulnerable it is to disturbance.
9. The Criterion clarifies that the size, the management practices and level of protection of the sample must be proportionate to the uniqueness, conservation status and value of the natural ecosystems. Accordingly, The Organization has a greater responsibility to conserve natural ecosystems where there is good reason to believe that specific natural ecosystems are inadequately protected in the region, according to available stakeholder and expert opinion. Accordingly, samples may be smaller or fewer when these ecosystems are effectively protected elsewhere in the region, and when they are common or widespread.
10. The identification of suitable sample areas, and compliance with this Criterion, may require engagement of national and local authorities, scientific experts and/or other knowledgeable stakeholders mandated for or specialized in the conservation and restoration of ecosystems.
11. The Criterion does not require that these conservation areas in each Management Unit should be given legal 'protection status' under national laws and regulations. Such legal status may be appropriate and beneficial in some circumstances, to be considered by managers case by case. The samples may be integrated into national or regional habitat protection plans in order to contribute to landscape level conservation, but this does not imply a transfer of ownership or responsibility.

Rationale:

1. This Criterion covers a topic where there is a difference of opinion between those who feel that no conservation areas should be required within the Management Unit wherever ecosystem protection is adequate outside the Management Unit (where national conservation systems are well developed and well implemented), and those who insist that every Management Unit must provide ecosystem conservation areas, regardless of the scale and effectiveness of conservation efforts outside the Management Unit in the surrounding landscape. The proposed wording takes account of these opposing views by clarifying that the effort required by The Organization should be proportionate to the uniqueness, conservation status and value of the ecosystems existing in the wider landscape context within which the Management Unit is located.
2. The Working Group considered proposals for off-sets outside the Management Unit, but there was not sufficient support for these proposals.
3. The proposed Criterion does not require that any portion of existing plantations be converted / restored to some natural ecosystem, as implied by the ambiguous original Criterion 10.5, which refers to "a proportion of the overall forest management area". All Management Units are expected to manage sample areas for conservation, which may in some cases require that some planted areas be managed towards more natural ecosystems.
4. This rationale is fully compatible with the precedents set during 15 years of FSC



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certification, and with the Draft Generic Indicators 6.2.8L and 6.2.8LP, shown in FSC-GUI-60-004 Structure and Content of Forest Stewardship Standards.

Original Criterion 6.4: Representative samples of existing ecosystems within the landscape shall be protected in their natural state and recorded on maps, appropriate to the scale and intensity of operations and the uniqueness of the affected resources.

Original Criterion 10.5: A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.

6.6 (revised 6.2 and 6.3) The Organization shall implement management activities that effectively maintain the continued existence of the naturally-occurring *native species** in viable populations in the Management Unit, and that prevent losses of *biological diversity**. The Organization shall demonstrate that measures are in place to manage hunting, fishing, trapping and collecting.

Explanatory Notes:

1. This Criterion concerns biological diversity (as defined, including genetic, species and ecosystem diversity), beyond the rare and threatened species covered in Criterion 6.4, and aims to ensure the continued existence of the naturally-occurring native species in viable populations in the Management Unit, and to help prevent their local extinction (inside or outside the Management Unit) and irreversible losses of biological diversity.
2. This Criterion requires decisions not only about the implementation of management activities but also about the addition of safeguards and mitigation measures to avoid or reduce the negative impacts of management activities, to maintain diversity and avoid loss of diversity.
3. Compliance with this Criterion will be highly sensitive to the scale, intensity and risks of The Organization's management activities, and to the size of the Management Unit.
4. FSC recognizes that not all biological diversity can be maintained intact and unaltered in all management situations, and that it is seldom possible for managers to identify the status of all species, or to guarantee the survival of every one. Responsible forest stewardship may lead to changes in the population densities of species, but The Organization is required to work for a balance, ensuring that no biological diversity is put at risk by its activities. Losses may be caused by factors beyond the control of The Organization (including regional population declines, land use changes outside the Management Unit, climate change, and other situations in which the population of some native species in a particular Management Unit may no longer be viable in the long term). Therefore, negative impacts on some elements of biological diversity in a Management Unit will not necessarily lead to cancelling a certificate. However, it may lead to recommendations from ASI-accredited conformity assessment bodies (CABs) for measures to improve the safeguards against such impacts, if it is evident that avoidable losses have occurred. These measures complement some of the requirements of Principle 10.
5. The requirement to demonstrate that "measures are in place" for the management of hunting, fishing, trapping and collecting recognizes that The Organization may not have the mandate to manage these activities, where they are enforced or implemented by state agencies or other authorized parties.
6. Forest regeneration, succession and natural cycles are among the components



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required for ensuring long-term viable populations.

Rationale:

1. The Criterion has been revised for two main reasons: First, to improve the terminology and clarify what is expected in ways that can be audited and measured and, second, to make sure that the requirements are applicable in the full range and variety of management situations and intensities and not only in “natural forests”.
2. Criterion 6.3 was drafted and approved in 1994 as a component of the Forest Stewardship Standard for Natural Forests, and it remained unchanged when Principle 10 for Plantations was added in 1996. The P&C were then applied to all communities dominated by trees, but it has not been clear how Criterion 6.3 could be properly applied in plantations and other areas subject to more intensive management. The Policy Working Group of the Plantations Review recommended work “to develop procedures and criteria for managers to assess the environmental impact of a given management practice and the corresponding prevention, mitigation and remediation measures at the management unit levels” and Expert Team B of the Technical Phase of the Plantations Review was convened for this purpose. Expert Team B made specific recommendations in terms of cycles of flows of nutrients and energy that were applicable to Criterion 6.3.
3. The proposed wording acknowledges that it is not possible or necessary to maintain environmental values unaltered in all management situations.
4. Items such as forest regeneration, succession and natural cycles figure in the existing P&C, but are no longer explicitly mentioned in proposed new criteria, since they are among the components required for ensuring long-term viable populations.
5. The requirement to manage hunting, fishing, trapping and collecting was moved from the Criterion dealing with rare and threatened species (Original Criterion 6.2, proposed Criterion 6.4) because hunting, fishing, trapping and collecting can pose a problem not only for rare and threatened species but species in general.

Original Criterion 6.2: Safeguards shall exist which protect rare, threatened and endangered species and their habitats (for example, nesting and feeding areas). Conservation zones and protection areas shall be established, appropriate to the scale and intensity of forest management and the uniqueness of the affected resources. Inappropriate hunting, fishing, trapping and collecting shall be controlled.

Original Criterion 6.3: Ecological functions and values shall be maintained intact, enhanced, or restored, including:

- a) Forest regeneration and succession.
- b) Genetic, species, and ecosystem diversity.
- c) Natural cycles that affect the productivity of the forest ecosystem.

6.7 (revised 6.5 and 10.2) The Organization shall protect or restore natural water courses and water bodies, and riparian zones, including their natural cycles and flows and aquatic connectivity.

Explanatory Notes:

1. Water bodies include for example wetlands, ponds, lakes, swamps, bogs, springs and water courses, seasonal and permanent.
2. The requirement for protection includes conservation, and the obligation to avoid



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- negative impacts caused by management activities. Requirements for ensuring management activities are appropriate for the protection of water resources are addressed in Principle 10 (see Criterion 10.5, 10.6 and 10.10).
3. The requirement for restoration refers primarily to the responsibility to remedy the negative impacts of The Organization's own impacts, to apply mitigation measures, including appropriate restoration techniques.
 4. The natural cycles and flows include hydrological cycling, water quality and quantity and any other elements of the ecosystem function in aquatic environments.
 5. This Criterion is not Scale, Intensity and Risk sensitive, since The Organization has full responsibility to protect, and avoid damage to, all water resources. However, the management activities needed to avoid, remedy and mitigate negative impacts will certainly be SIR-sensitive. Special provisions in Indicators may be introduced for SLIMFs and other very small, simple, non-controversial situations with minimal impacts.
 6. The Organization is not be responsible for repairing all damage caused by previous owners, concession holders or other users, but has some responsibility for preventing or mitigating continued environmental degradation caused by previous owners and the activities of third parties, depending on the terms of its use or ownership rights.

Rationale:

1. In line with the decision to incorporate Principle 10 on plantations this Criterion now combines some of the requirements of original Criteria 6.5 and 10.2, focused on water resources and aquatic habitats.
2. However, some items from original Criterion 6.5 are covered elsewhere in proposed Principle 6 and 10. Negative impacts on soil must be prevented, mitigated or remediated according to Criterion 6.3. Additionally, soil protection is addressed in Criterion 10.10 and 10.11. Criterion 10.10 and 10.11 also address prevention of negative impacts resulting from road construction as well as harvesting and associated activities.
3. Restoration and conservation (including full protection where appropriate) of natural ecosystems (for example natural forests) of original Criterion 10.2 are addressed in proposed Criterion 6.4 and 6.5, including connectivity, as well in Criterion 6.9 and 6.10 in relation to conversion. The other requirements of Criterion 10.2 are now addressed in Criterion 6.8.

Original Criterion 6.5: Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.

Original Criterion 10.2: The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.

6.8 (revised 10.2 and 10.3) The Organization shall manage the *landscape** in the Management Unit to maintain and/or restore a varying mosaic of species, sizes, ages, spatial scales and regeneration cycles appropriate for the *landscape values** in that region and for enhancing environmental and economic *resilience**.



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Explanatory Notes:

1. This Criterion has two purposes, dealing with structure and layout of the Management Unit, both internally and in relation to the surrounding landscape: (a) environmental and economic resilience, and (b) landscape values (as defined). The environmental values covered by this Criterion include connectivity, as well as those which are based on people's perceptions
2. The Organization is not required to maintain landscapes unchanged in their current states in the Management Unit. Principle 6 requires the maintenance (or restoration) of a wide variety of environmental values and ecosystem functions, but it does not stipulate or imply returning to any previous, historic, pre-historic or "natural" environment or landscape.
3. Environmental & economic resilience means the ability to endure pests, changes in demand for forest products and services, climate change and other hazards. These can be enhanced by, for example, a mosaic or other pattern of conservation areas, connectivity (Criterion 6.4 and 6.5), riparian zones (Criterion 6.7) and also a mosaic of species, age classes and structures (Criterion 6.8).
4. Landscape values (see also glossary) can be visualized as layers of human perceptions overlaid on top of the physical landscape. Some landscape values, like economic, recreation, or subsistence value are closely related to physical landscape attributes. Other landscape values such as intrinsic or spiritual value are more symbolic in character with value location influenced more by individual perception or social construction than physical landscape attributes.
5. According to Criterion 7.6 managers are required to take account of the opinions and needs of affected stakeholders in evaluating landscape values and in planning and executing management activities. It is especially important here because local communities and individuals may have strong emotional attachments to a particular landscape pattern arising from historical sequences of human interventions, even when these did not necessarily reflect best environmental and social land use practices. Priority should be given to the preferences of people and communities who are traditionally connected to the land, especially Indigenous Peoples, traditional peoples and long-established communities.
6. Landscapes, and perceptions of their values, change and evolve on all scales of time and space, and the Management Unit landscape may also do so, but the changes in the Management Unit caused by management activities should not prejudice these values. The Organization must implement measures to maintain these values, and to avoid or mitigate damage. It may also be expected to remedy past negative impacts, while recognizing that such measures may have to be spread over many years, and should not put at risk the overall goals of the FSC for social benefits and economic viability.
7. Improvement or enhancement of degraded areas is not prevented by the Criterion, while respecting environmental values and local opinions.
8. FSC recognizes that all landscapes are "dynamically varying mosaics", at different scales of space and time, and that landscape values are important in artificial or man-made landscapes as well as in "natural or semi-natural" landscapes.

Rationale:

1. This Criterion addresses the landscape elements of original Criteria 10.2 and 10.3 in line with the decision to incorporate Principle 10 on Plantations into Principle 1 to 9.



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2. Those elements of original Criterion 10.2 that are not covered in the proposed Criterion are covered by other proposed Criteria under Principle 6 (Criterion 6.4, 6.5 and 6.7).
3. These and other elements help to maintain the resilience of the Management Unit in the face of pests, changes in demand, climate change and other hazards.
4. Landscape values are not mentioned in the original P&C. However, there is a strong perception that the references to mosaic and the natural landscape in the original Criteria 10.2 and 10.3 were partly motivated by a concern to protect those features of the landscape that are valued by local affected stakeholders, and to avoid major changes to “cultural landscapes”.

Original Criterion 10.2: The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.

Original Criterion 10.3: Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.

6.9 (revised 6.10) The Organization shall not convert *natural forest** to *plantations**, nor natural forests or plantations to any other land use except when the conversion

- a) affects a very limited portion of the area of the Management Unit, and
- b) will produce clear, substantial, additional, secure *long term** conservation benefits in the Management Unit, and
- c) does not occur in or threaten HCVs, nor any sites necessary to maintain or enhance those HCVs.

Explanatory Notes:

1. “A very limited portion” is currently defined as “no more than 0.5% of the area of the Management Unit in any one year, and no more than 5% in total”. This definition may be modified by FSC, by due process (see FSC-STD-30-010 Controlled Wood Standard for Forest Management Enterprises and FSC-STD-40-005 Company Evaluation of Controlled Wood, FSC Glossary of Terms).
2. For further information on conversion rules see FSC-DIR-20-007 FSC Directive on Forest Management Evaluations.
3. HCVs are protected by Principle 9, but this Criterion strengthens their protection.
4. This Criterion applies to current and future or planned conversion. Past conversion is covered by Criterion 6.10.
5. The requirement for “conservation benefits” applies to different situations, to be judged by CABs and Nis. Examples of “other land uses” inside the management unit which may produce conservation benefits may include:
 - Shelter belts or windbreaks to protect sensitive sites and ecosystems;
 - Fuelwood plantations for a community that would otherwise collect fuel in a HCV ecosystem.
 - Infrastructure, watch towers, and facilities which help with protection, environmental education, sustainable tourism etc.



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6. A forest is defined as (see also glossary) an area of land with a tree canopy cover of more than 10%, or of young trees able to reach 10% cover in situ. It does not include land used primarily for agriculture or urban use.
Clarification: For FSC purposes, this includes areas of bamboo, palms, windbreaks, shelterbelts, rubber plantations and cork oak stands, if they reach the canopy cover criteria. It also includes the associated forest roads and other openings and gaps. Agroforestry systems and fruit tree plantations may be included for purposes of FSC certification, although they will not necessarily be included in internationally-agreed definitions of forests.
7. A natural forest is defined (see also glossary) as an area of land with a tree canopy cover of more than 10%, or with young trees able to reach 10% cover in situ, in which all or almost all trees and other plants are indigenous species, and not classified as a plantation. This includes stands of any ages and sizes.
Clarification: For FSC purposes, it includes areas in which natural forests have been affected by harvesting or other disturbances, and in which the trees are being or have been regenerated naturally or by planting or sowing with species typical of natural forests in that site. This clarification covers the situation in some temperate forests dominated by one or few species (often conifers) in which the regeneration of forest with a similar species composition after logging is often carried out by a combination of natural and artificial regeneration, and is not considered as Conversion.
8. A plantation is defined (see also glossary) as an area of land with a tree canopy cover of more than 10%, or of young trees able to reach 10% cover in situ, including all areas established by planting or seeding with alien (exotic) tree species, as well as areas newly established by planting or seeding with native (indigenous) tree species which are characterized by few species and even spacing and/or even – ages.

Rationale

1. This confirms the prohibition included in original Criterion 6.10, while extending the prohibition to sites, ecosystems or habitats needed for protecting HCVs including any endangered ecosystems. This addresses the recommendation of the Policy Working Group of the Plantations Review that FSC should clarify how other HCV ecosystems should be dealt with in relation to conversion.
2. The Criterion is in line with current FSC standards and policies in relation to conversion, for example in relation to the conversion of plantations to other land uses, see FSC-DIR-20-007 Forest Management Evaluation.
3. FSC Generic Guidelines for HCVs will be prepared to give more guidance on the kinds of habitats, sites and ecosystems included as HCVs.
9. Original Criterion 6.10 refers to forests, not to natural forests. The proposed new definition of “natural forest” may include areas described as wooded ecosystems, woodland and savanna.

Original Criterion 6.10: Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:

- a) entails a very limited portion of the forest management unit; and
- b) does not occur on *high conservation value** forest areas; and
- c) will enable clear, substantial, additional, secure, long term conservation benefits across the forest management unit.

6.10 (revised 10.9) Management Units containing *plantations** that were established on



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areas converted from *natural forest** 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 responsible for the conversion, or
- b) the conversion affected a very limited portion of the area of the Management Unit and is producing clear, substantial, additional, secure *long term** conservation benefits in the Management Unit.

Explanatory Notes:

1. This Criterion applies only to “plantations” established by conversion after 1994, because the 1994 rule refers to plantations, not to “other land uses”. Areas that were converted to non-forest uses do not require a new Criterion: they can already be excluded from the Management Unit by application of FSC-POL-20-003 The Excision of areas from the scope of certification, or they can be covered by elements of the management planning documents (Criterion 7.2).
2. In this Criterion, “directly or indirectly responsible” means that The Organization in its currently registered or incorporated legal state (Criterion 1.1) was directly responsible for the conversion of the natural forest to plantations after November 1994; or was indirectly responsible through its supervision of contractors; or had transferred the conversion areas to another entity or entities, by sale or by management contract or similar arrangement, but had retained control over the policies and practices for the management of the conversion areas. This Criterion also applies to The Organization through any changes in name or other institutional arrangements, which have allowed continuity of the management intentions for the plantation from the time of the conversion from natural forest.
3. This retains November 1994 as the date on which the FSC Principles and Criteria were approved. Therefore, by natural justice, previous conversion of natural forest to plantation could not subsequently be penalized by FSC.

Rationale:

1. The phrase “directly or indirectly” is in original Criterion 10.9.
2. Bullet point b replaces the term ‘normally’ in original Criterion 10.9, which indicates that exceptions to the cut-off date might be possible. However, only in one case an exception rule was approved by FSC IC, allowing post November 1994 conversion in national standards, in cases where the converted area is reconverted to a natural condition. Only once was this option used by an FSC National Initiative as a temporary solution to end in 2001 (see FSC-ADV-31-001 Interpretation of C10-9). Therefore, there does not seem to be a need to keep the term ‘normally’.

Also, the original P&C create a contradiction by practically disallowing any kind of conversion of natural forest after November 1994 (original Criterion 10.9) and at the same time allowing post November 1994 conversion under the circumstances defined in original Criterion 6.10. The revised P&C address this contradiction by incorporating the criteria for acceptable conversion of original Criterion 6.10 into both, proposed Criterion 6.9 and Criterion 6.10. Regarding HCV see next note.

3. The Criterion deals with “Management Units containing plantations” rather than only the “Plantations” as used in original Criterion 10.9 because Forest Management Certificates cover whole Management Units, rather than specific vegetation types. This corresponds to current practice in relation to FSC certification.



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4. HCVs are not covered in this Criterion because (a) HCVs are not mentioned in original Criterion 10.9 which was drafted by the original FSC Principle 9 WG and adopted at the same time as Principle 9, (b) it is against natural justice to backdate a provision for HCVs to 1994 when the concept did not exist until 1999, (c) a requirement to identify the previous existence of HCVs in forest which was cleared up to 15 years ago is not readily auditable, (d) we wish to avoid raising the bar by adding anything that is not a current requirement, and (e) to avoid introducing a new backdated element, perhaps to 1999.
5. This proposal represents current policies, and does not respond to the recommendations of the Policy Working Group of the Plantations Review, nor to those of Expert Team D of the technical phase of the plantations review. Many stakeholders have made strong and conflicting criticisms of the current rules for the implementation of the 1994 policy, and have proposed a wide variety of changes. These cannot now be reconciled by the P&C WG. New policy proposals will be required in due course.

Original Criterion 10.9: Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.

Criteria that were removed from original Principle 6

Criteria dealing with operational issues (waste management, pesticides, biological control agents, exotic species) have been moved to proposed Principle 10 Management Activities.

Original Criterion 6.6 is now covered by proposed Criterion 10.7. Original Criterion 6.7 is covered by proposed Criterion 10.12. Original Criterion 6.8 is covered by proposed Criterion 10.8 and original 6.9 is covered by proposed Criterion 10.3.

Rationale:

1. Stakeholders and CABs have requested a clearer separation of field activities, silvicultural systems and other stand management works. The relocated criteria address more field level issues and have, therefore, been moved to Principle 10.
2. Principle 6 now concentrates on the ecological bases for responsible management.

Principle #7 (revised): Management planning

The Organization shall have a *management plan** consistent with its policies and *objectives** and proportionate to scale, intensity and risks of its management activities. The management plan shall be implemented and kept up to date based on monitoring information in order to promote *adaptive management**. The associated planning and procedural documentation shall be sufficient to guide staff, inform *affected** and *interested stakeholders** and to justify management decisions.

Explanatory notes:

1. Principle 7 and its Criteria indicate that the management plan must be prepared and approved prior to the start of new management activities.
2. Principle 7 covers the whole process of management planning. That is the setting of policies (visions and values) and corresponding objectives (Criterion 7.1), development and implementation of corresponding management plans (Criterion 7.2), establishment

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- of indicators for evaluating success in achieving defined objectives (Criterion 7.3), revision of management plans (Criterion 7.4) and information and engagement of affected and interested stakeholders (Criterion 7.5 and 7.6).
3. The design of the management planning depends on the scale, intensity, risks, policies (visions and values) and objectives of The Organization. This ensures that every type of Management Unit has planning and a management system but provides flexibility to adapt these to the type and situation of a Management Unit and the objectives of The Organization.
 4. The amount of documentation needs to be sufficient to guide staff in the implementation of the management plan and to justify management decisions towards interested stakeholders) and as input for internal and external (certification) audits. The performance of staff and others charged with implementing the plan will be a gauge as to the effectiveness of the level of documentation and other forms of communication.
 5. Adaptive management is defined as (see also glossary) a systematic process of continually improving management policies and practices by learning from the outcomes of existing programs.

Rationale:

1. The title of the principle was changed in order to reflect that the principle covers the entire process of management planning not just the documentation.
2. The principle focuses on objectives irrespective of what these are, recognizing that management objectives often extend beyond timber production.

7.1 (revised 7.1a) The Organization shall, proportionate to scale, intensity and risk of its management activities, set policies (visions and values) and *objectives** for management which are environmentally sound, socially beneficial and economically viable. Summaries of these policies and objectives shall be incorporated into the management plan, and publicized.

Explanatory notes:

1. A policy expresses the long term vision and values of The Organization with regards to complying with the FSC Principles and Criteria, as a minimum.
2. Policies and objectives regarding environmentally sound management (environmental policies and objectives) express the long term vision and values and objectives of The Organization with regards to achieving compliance with the environmental requirements in the P&C as a minimum (See Principle 6, Principle 9 and Principle 10). Policies and objectives dealing with the social benefits of management express the long term vision and values and objectives of The Organization with regards to fulfilling the social requirements of the P&C (See Principle 2, Principle 3, Principle 4, Principle 5) as a minimum. Policies and objectives dealing with economic viability would express the long term vision and values and objectives of The Organization to comply with the relevant requirements in the P&C (see Principle 5), as a minimum.
3. In this context publicizing means that the policies and objectives are adequately communicated to everyone in The Organization including contractors and suppliers, for example through posting them in prominent locations throughout the work place.
4. If the monitoring shows (see Principle 8) that the original objectives are not fully rational or achievable, the adaptive management approach requires that they are changed. However, changed management objectives must still ensure compliance with the P&C.
5. For certified groups, this Criterion applies to the entire group rather than every



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individual forest owner/management unit. That is, there need to be overall policies and objectives for the entire group rather than for every individual unit. However, these need to be broken down into more detail, for example, individual plans, targets, etc., for the different units.

Rationale: The establishment of policies and objectives is necessary as the basis for developing corresponding management plans.

Original Criterion 7.1: The management plan and supporting documents shall provide:

a) Management objectives.

(...)

7.2 (revised 7.1) The Organization shall have and implement a management plan for the Management Unit which is fully consistent with the policies and *objectives** as established according to Criterion 7.1. The management plan shall describe the natural resources that exist in the Management Unit and explain how the plan will meet the FSC requirements. The management plan shall cover forest management planning and social management planning proportionate to scale, intensity and risk of the planned activities.

Explanatory Notes:

1. The level of detail provided in management plans depends on the scale, intensity and risk of the management activities. Some management plans may be extremely short simple documents, perhaps only two pages, for very small, simple, minimum-impact, uncontroversial situations. Other management plans may consist of a collection of documents, plans, maps, records, reports and/or field guides and may be extremely long, detailed and complex. The key point is that the package of forest management planning documents is sufficiently comprehensive and detailed, but no more than necessary to ensure it can be effectively communicated and implemented.
2. Implementation of the plan is covered in the remainder of the Principles and Criteria.
3. The level of detail provided in the management plan must be sufficient to
 - a. Provide managers and decision-makers with information about the key elements of the management unit and the management system to enable them to implement the system, to ensure continuity of management in the event of staff changes, and to inform FSC and other stakeholders;
 - b. Explain and justify the management decisions and the activities planned; and
 - c. Enable CAB's to easily determine whether The Organization is effectively addressing the Principles and Criteria, how appropriately The Organization has assessed the environmental, social and economic aspects of the management unit and the context in which it is situated and whether The Organization's monitoring programs and environmental and social safeguards are sufficient to prevent, avoid, remediate or mitigate any negative impacts that may result from its management activities.
4. In order to fulfill these functions the Management Plan must be approved before activities take place and must include some or all of the following elements of management planning in a level of detail that is proportionate to the scale, intensity and risk of the management activities. It should not be inferred that larger organizations automatically require more documentation compared to SLIMF's. In many cases, risks for larger organizations may be low because local laws are already working well to ensure compliance with these requirements. Therefore, the level of extra



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documentation should be minimal.

Elements of Forest Management Planning

- a. A description of the natural resources, environmental and ecological elements.
- b. A description of the existing and planned management practices and systems;
- c. The rationale and justification for the selection of the resources and services to be utilized.
- d. The rationale and justification for any planned harvesting of natural resources, including volumes and rates;
- e. Plans for monitoring growth and estimating and allocating yields of natural resources;
- f. Environmental and biological monitoring systems planned or in place;
- g. A description of the monitoring information that is provided according to Criterion 8.1 and 8.4 and how and when this information can be accessed.
- h. Safeguards and measures to identify, assess, prevent or mitigate potential and actual negative impacts on environmental values.
- i. Strategies, safeguards and measures for the identification and protection of endemic, rare and threatened species and habitats and HCVs.
- j. Safeguards and measures to identify, conserve, and/or restore representative samples of ecosystems.
- k. Safeguards and measures to maintain or enhance or restore ecosystem functions and Environmental Values.
- l. Safeguards and measures to conserve or enhance natural water courses and impoundments, riparian zones, landscape connectivity (including wildlife corridors) and the variety and scales of stands of natural vegetation.
- m. Maps and plans for land-use zoning, conservation, harvesting, planting, infrastructure and other elements of planning;
- n. Technical descriptions of any high-impact activities, such as mechanical harvesting, processing or plantations;
- o. Sufficient data to show the overall economic viability of the management unit in the short, medium, and long term.
- p. Measures to ensure appropriate varieties of products and services.
- q. Investments in maintaining economic viability and ecosystem productivity
- r. Clear references to other documents used to support the management plan
- s. Linkages between the main planned activities and the stated management objectives.
- t. Where The Organization plans to participate in carbon markets, an assessment of the carbon stocks and flows needs to be part of the management plan.

Elements of Social Management Planning

- a. An overview of the local socio economic situation.
- b. An overview and brief description of major stakeholder groups that are potentially affected by The Organization.
- c. An overview of local government and development institutions and programs
- d. An analysis of the major social and environmental issues and conflicts in the area that may be impacted by activities in the Management Unit.
- e. Safeguards and measures to identify, assess, analyze, prevent, avoid, mitigate and remediate potential and actual negative social impacts.
- f. Programs and activities, regarding worker rights, occupational health and safety,



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gender equality, Indigenous Peoples, community relations, local economic and social development, land acquisition (if applicable), stakeholder engagement and resolution of grievances in line with The Organization's policies and objectives for socially beneficial management.

- g. Social monitoring systems planned or in place
 - h. References to existing documents used to support the management plan so as to avoid unnecessary duplication in documents
5. While its time focus is in the medium and long term, the management planning may often be supplemented by annual or operational plans which describe in detail the planned management activities which are needed to attain the prescribed objectives.
6. Whenever separate planning documents are needed to give adequate treatment to any of the elements of management planning, such documents are required to comply with any existing FSC guidance.

Rationale:

1. This Criterion is designed to ensure appropriate management planning that explicitly and visibly correlates the planned management activities with the available natural resources and with the social, environmental and economic situation prevailing in and around the forest management unit.
2. Moving the management planning elements into the explanatory notes recognizes the need to provide flexibility depending on scale, intensity, and risk and management objectives. This is in line with ISO and other standards which expect tailor-made planning rather than predefined management plans.
3. The inclusion of social management planning as one component of the management plan is based on the recommendations of the Policy and Technical Phase of the Plantations Review. One of the recommendations of the Policy Working Group of the Plantations Review was that Forest Managers shall adopt a systematic approach to social issues through implementing a Social Management System appropriate to the scale and intensity of the operation. Expert Team A of the technical phase of the plantations review concluded that this could be best achieved through a Social Management Plan.
4. The wording is outcome orientated because the required documentation does not follow fixed prescriptions but depends on scale, intensity and risk, the management objectives and on whether it ensures plans are clearly understood and therefore, effectively implemented.
5. The new wording improves practicability by clarifying that adjustments can be made proportionate to scale, intensity and risk and the management objectives of The Organization. In order to reflect this, the management plan elements required in original Criterion 7.1 have been moved to the section 'Elements of Forest Management Planning' of the explanatory notes to proposed Criterion 7.2.

Original Criterion 7.1: The management plan and supporting documents shall provide:

- a) Management objectives.
- b) Description of the forest resources to be managed, environmental limitations, land use and ownership status, socio-economic conditions, and a profile of adjacent lands.
- c) Description of silvicultural and/or other management system, based on the ecology of the forest in question and information gathered through resource inventories.
- d) Rationale for rate of annual harvest and species selection.

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- e) Provisions for monitoring of forest growth and dynamics.
- f) Environmental safeguards based on environmental assessments.
- g) Plans for the identification and protection of rare, threatened and endangered species.
- h) Maps describing the forest resource base including protected areas, planned management activities and land ownership.
- i) Description and justification of harvesting techniques and equipment to be used.

7.3 (new) The management plan shall include verifiable targets by which progress towards each of the prescribed management *objectives** can be assessed.

Explanatory note:

1. This Criterion requires the establishment of verifiable targets that allow for measuring how successful is the implementation of the management plan in achieving the objectives as set according to Criterion 7.1. These indicators are the basis for Criterion 8.1, which requires that achievement of the management objectives be monitored.
2. Targets should be expressed quantitatively if possible, to facilitate pictorial representation of rates of progress (for example a graph or table).
3. In order to enable The Organization to assess progress towards the management objectives the targets must be selected with regards to their suitability to provide the most direct indication of deviations from predictions and plans.
4. According to Criterion 7.6 affected stakeholders must be engaged in the management planning process and therefore appropriately when the targets require review and revision, during periodic updating of the plans. If the targets are amended, the reasoning should be carefully recorded in the amended forest management plan.

Rationale:

1. Both National Initiatives and CABs have reported the need for requiring forest managers to define their goals and means for measuring progress towards these goals.
2. The inclusion of the proposed new Criterion is in line with the ISO approach which requires reporting on performance in relation to defined goals.

7.4 (revised 7.2) The Organization shall update and revise periodically the management planning and procedural documentation to incorporate the results of monitoring and evaluation, stakeholder *engagement** or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

Explanatory notes:

1. Changing environmental circumstances include effects from climate change.
2. The updating includes feedback in order to close the loop for adaptive management.
3. Examples of changing circumstances are:
 - Unforeseen events that cause short-term increases in production which significantly exceed levels of responsible forest stewardship, for example blow down areas, fire damage and trees killed by epidemic insect pests.
 - Surges or collapses in production or shifts for timber species as a result of changing market opportunities.

Rationale:

1. As compared to original Criterion 7.2 this revision clarifies that the management plan



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revision and updating needs to take into account the results of stakeholder engagement.

Original Criterion 7.2: The management plan shall be periodically revised to incorporate the results of monitoring or new scientific and technical information, as well as to respond to changing environmental, social and economic circumstances.

7.5 (revised 7.4) The Organization shall make *publicly available** a summary of the management plan free of charge. Excluding confidential information, other relevant components of the management plan shall be made available to *affected stakeholders** on request and at cost of reproduction and handling

Explanatory note:

1. The respective elements of the management plan are identified in the explanatory note to proposed Criterion 7.2. Which elements are to be included in the summary depends on the design of the management plan which in turn must be proportionate to the scale, intensity and risk of the planned management activities (see 7.2).
2. This Criterion assumes that the summary of the management plan by its nature excludes confidential information.
3. There is also a recognition that the summary of the management plan may not fully provide all the detail relevant to an affected stakeholder on his/her issue(s). In this case, The Organization needs to provide this necessary detail to the affected stakeholder but at a cost of reproduction and handling to ensure fairness for all parties.
4. Notwithstanding Explanatory Note 3 above Principle 3 for Indigenous Peoples requires Free, Prior, and Informed consent. Therefore, the level of detail provided to Indigenous Peoples needs to be sufficient.
5. Examples of potentially confidential information may include information
 - related to investment decisions
 - about intellectual property rights
 - which is client confidential
 - which is by law confidential
 - whose provision could put at risk the protection of wildlife species and habitats.
 - about sites which are of special cultural, ecological, economic, religious or spiritual significance to Indigenous Peoples or local communities (see Criteria 3.5 and 4.7) as requested by these groups.
6. For some types of management units with very short and simple management plans, for example SLIMF's, it might be easier, more effective and efficient to simply make publicly available the entire management plan. If the entire management plan is made publicly available a summary is not required.

Rationale:

1. Clarification and simplification of the wording.
2. Distinguishing between affected stakeholders who may have a particular interest that may require more detail from the general public where a plan summary is sufficient.

Original Criterion 7.4: While respecting the confidentiality of information, organizations shall make publicly available a summary of the primary elements of the management plan, including those listed in Criterion 7.1.



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7.6 (revised 4.4) The Organization, proportionate to scale intensity and risk of management activities, shall proactively and transparently *engage* affected stakeholders** in its management planning and monitoring processes. The Organization shall respond transparently to requests from *interested stakeholders** for engagement in the planning and monitoring processes.

Explanatory notes:

1. Engaging or engagement (see also glossary) is the process by which The Organization communicates, consults and/or provides for the participation of interested and/or affected stakeholders ensuring that the concerns, desires, expectations, needs, rights and opportunities for the stakeholders are considered in the establishment, implementation and updating of the management plan.
2. "Considered" in the context of engagement, means that The Organization, based on a review of the input and requests put forward by stakeholders, determines the degree to which their concerns, desires, expectations, needs, rights and opportunities must be addressed in the management plan. The Organization is not necessarily required to respond positively to all requests being made.
3. There are two types of stakeholders: interested and affected. While FSC recognizes that both types might have legitimate interests in being engaged, FSC also recognizes that The Organization has higher responsibilities towards affected stakeholders. For example, unlike interested stakeholders, affected stakeholders may suffer from direct negative impacts from management activities.
4. Criterion 7.6 makes this clear by requiring The Organization to proactively engage affected stakeholders in planning and monitoring related to the management unit. Such proactive engagement is not required for interested stakeholders.
5. Proactively in this context means that The Organization has identified and reached out to the affected stakeholders and informed them about their rights according to the P&C, rather than waiting for them to approach The Organization.
6. The different levels of responsibility also become clear from the definitions of interested and affected stakeholder. The definition of interested stakeholder makes clear that the effort required to identify these (they have already indicated an interest or are known to have an interest) is lower than the effort required to identify affected stakeholders, which may not be known or have not made their interest known. It is assumed that interested stakeholders make themselves known to The Organization.
7. Definition of affected stakeholder (see also glossary): Any person, group of persons or entity that is or may be subject to the effects of the activities of a management unit. Examples include, but are not restricted to (for example in the case of downstream landowners), persons, groups of persons or entities located in the neighborhood of the Management Unit.
8. Definition of interested stakeholder (see also glossary): Any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of a management unit.
9. The following are examples of affected stakeholders (for further examples see also FSC-STD-20-012 V1-1 Evaluation of FSC Controlled Wood in Forest Management Enterprises):
 - local communities,
 - Indigenous Peoples
 - employees,
 - forest dwellers



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- neighbors
 - downstream landowners
 - local processors
 - local businesses
 - tenure and use rights holders.
 - organizations authorized or known to act on behalf of affected stakeholders (for example social and environmental NGO's, labor unions).
10. The following are examples of interested stakeholders:
- conservation organizations (for example environmental NGO's)
 - labor (rights) organizations, (for example unions)
 - human rights organizations (for example social NGO's)
 - local development projects
 - local governments,
 - national government departments functioning in the region
 - FSC National Initiatives
 - experts on particular issues, for example HCV.
11. It is not always possible to clearly differentiate between affected and interested stakeholders. The same stakeholder may be an interested stakeholder in one situation and an affected stakeholder in the other.
12. There will likely to be three forms of response to requests and input from interested and affected stakeholders:
- Modification of the management plan based on full incorporation of requests or inputs.
 - Modification of the management plan based on partial incorporation
 - No modification of the management plan based on rejection of requests or input.
13. Complaints arising from how The Organization responds to requests of affected stakeholders are subject to the mechanisms required according to Criterion 2.6 and 4.6. Complaints arising from how The Organization responds to requests of interested stakeholders are subject to the relevant FSC dispute resolution procedures.
14. In order to achieve transparency, stakeholder input as well as decisions made in response to that input must be documented. Ideally, this could be in a separate schedule to the management plan to be able to demonstrate at a later date how input received was incorporated, or not, in the final plan. ISEAL E029 Emerging Initiatives Module 6: Engaging Stakeholders provides further guidance on engagement.
15. In some cases free and prior informed consent is required (see for example Principle 3). In these cases this will be basis for decision making, engagement alone will not suffice.
16. When engaging IP's, culturally appropriate methods should be used

Rationale:

1. This Criterion goes back to the recommendations of the Policy and Technical Phase of the Plantations Review, which clearly identified that the onus for active stakeholder engagement should lie with the forest manager. It was also recommended to differentiate between 'interested stakeholders' and 'affected stakeholders', to indicate a different level of required engagement.
2. This is also not an entirely new requirement as suggested in previous drafts of the revised P&C because original Criterion 4.4 already requires consultation.

Original Criterion 4.4: Management planning and operations shall incorporate the results

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of evaluations of social impact. Consultations shall be maintained with people and groups (both men and women) directly affected by management operations.

8 Principle #8 (revised): Monitoring and assessment

The Organization shall demonstrate that progress towards achieving the management *objectives** the impacts of management activities and the condition of the management unit are monitored and evaluated, proportionate to the scale, intensity and risk of management activities in order to implement *adaptive management**.

Explanatory Notes:

1. The main objective of monitoring is to allow The Organization to implement adaptive management. This objective also determines the intensity, frequency, scheme, schedules and procedures for monitoring. There is flexibility regarding all these factors as long as the monitoring enables adaptive management.
2. Also, in order to fulfill this objective monitoring procedures need to be fit for purpose, consistent and replicable over time, suitable for quantifying changes over time, and for identifying risks and unacceptable impacts.
3. The overall set up of the monitoring system also depends on the scale, intensity and risk of management activities. Those variables of monitoring for which there is a high level of risk (for example of not achieving the targets, or causing negative social, economic or environmental impact), and/or regarding which knowledge about such risk is weak need to receive priority in monitoring systems. In small operations, normally the risk is as such that the level of monitoring required will be small.
4. For adaptive management, The Organization needs to be able to estimate the level of changes that occur and what proportion of changes can be attributed to:
 - a. the management activities, and hence to the cost-efficiency and technical effectiveness of management plans and their implementation for attaining The Organization's objectives;
 - b. natural processes (such as seasonal changes within each year, or climate changes); and
 - c. external changes such as market changes, economic cycles, etc.
 - d. inexplicable, residual effects.
5. Criterion 8.1 deals with monitoring the implementation of the management plan.
6. Criterion 8.2 deals with monitoring and evaluation of the environmental and social impacts of management activities as well as changes in the environmental condition of the management unit.
7. Criterion 8.3 deals with the analysis of the results of monitoring and evaluation for feedback into the periodic revision of the management plan as required according to Criterion 7.4. The objective is to ensure lesson-learning and continuous improvement in the quality of management, consistent with the adaptive management approach described in Principle 7.
8. To improve transparency, Criterion 8.4 requires The Organization to publish non-confidential results of monitoring and 8.5 requires that not only activities, objectives and impacts are monitored, but also provenance and quantity of products.
9. This principle requires that monitoring is carried out. However, monitoring does not have to be implemented by The Organization itself. The Organization can draw upon monitoring undertaken by third parties if the data are relevant, comparable and transferrable.
10. According to Criterion 7.6 affected stakeholders need to be engaged in the monitoring

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processes.

Rationale:

1. Risk was added to ensure the appropriate level of monitoring and to minimize the hazards of negative impacts which might be caused by management activities.
2. The wording was updated to emphasize the adaptive management process.
3. The proposed wording incorporates quality aspects of monitoring such as appropriateness to scale and intensity, replicability etc. of original Principle 8 and Criterion 8.1.

Original Principle 8: Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.

Original Criterion 8.1: The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations as well as the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.

8.1 (new) The Organization shall monitor the implementation of its *management plan**, including its policies and *objectives**, its progress with the activities planned, and the achievement of its verifiable targets.

Explanatory Notes:

1. Management objectives have to be established according to Criterion 7.1. Verifiable targets must be established and integrated into the management plan (Criterion 7.2) according to Criterion 7.3. One example would be that The Organization establishes (according to Criterion 7.1 and 7.3) the objective and targets for harvesting rates and yields of products and services that according to Criterion 5.2 do not impair the long term ability of the management unit to continue providing these products and services. Monitoring according to Criterion 8.1 then assesses whether these targets are met. Preferably this should be done in line with the planning cycles, so that timely data can influence decision making at an early stage. Since the objective includes “not impairing the ecosystem functions”, monitoring would need to include the changes of the conditions of the management unit with and without interventions.
2. Some examples variables for which verifiable targets could be established based on the management objectives include:
 - Site productivity, yield of all products harvested;
 - Growth rates, regeneration and condition of the vegetation;
 - Composition and observed changes in the flora and fauna;
 - Water quality and quantity;
 - Soil erosion, compaction, fertility and carbon content;
 - Wildlife populations, biodiversity and status of HCV's;
 - Stakeholder satisfaction with engagement;
 - Benefits of management operations provided to local communities;
 - Number of occupational accidents;
 - Overall economic viability of the Management Unit.

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Rationale: This Criterion links monitoring to the implementation of the management plan, as one step in the process of adaptive management and thus closes a gap in the original Principles and Criteria.

8.2 (revised 8.2) The Organization shall monitor and evaluate the environmental and social impacts of the activities carried out in the Management Unit, and changes in its environmental condition.

Explanatory Notes:

1. Environmental conditions could include reference and current levels of :
 - Carbon stock in biomass;
 - Growth rates, regeneration and condition of the vegetation
 - Water quality and quantity;
 - Soil erosion, compaction, fertility and carbon content;
 - Wildlife populations, biodiversity and status of HCV's
2. Criterion 8.2 provides flexibility with regards to the intensity, frequency, scheme, schedules and procedures for monitoring chosen by the manager as long as they enable The Organization to detect negative impacts and deviations from its management objectives.
3. In order to assess changes that take place over time, monitoring procedures need to allow for comparison of results between assessment periods, and for estimation of rates and directions of change. This implies that baseline data exists. For example Criterion 6.1 requires the assessment of environmental values in the Management Unit.

Rationale:

1. Monitoring of the impacts of activities and changes in environmental conditions is another step in the process of adaptive management.
2. The proposed criterion allows adaptation of monitoring to scale, intensity and risk by removing "as a minimum".

Original Criterion 8.2: Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators:

- a) Yield of all forest products harvested.
- b) Growth rates, regeneration and condition of the forest.
- c) Composition and observed changes in the flora and fauna.
- d) Environmental and social impacts of harvesting and other operations.
- e) Costs, productivity, and efficiency of forest management.

8.3 (revised 8.4) The Organization shall analyze the results of monitoring and evaluation and feed the outcomes of this analysis back into the planning process.

Explanatory Notes:

1. Management objectives, targets and activities are interrelated. The management objectives will determine the targets and the planned management activities. The actual implementation of these management activities on the ground and their impacts will affect achievement of the predetermined targets and management objectives.
2. This Criterion closes the adaptive management loop by linking the results of monitoring with the planning process. According to Criterion 7.4 the management planning must be updated periodically in response to the results of monitoring and evaluation.



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3. If the analysis shows that the original management objectives, planned targets and progress of management activities are not fully appropriate or achievable, the adaptive management approach requires that they are changed. The changed management objectives and plans must still ensure compliance with the P&C.

Rationale: This Criterion links monitoring to the periodic updating of the management plan and thus closes the loop of adaptive management.

Original Criterion 8.4: The results of monitoring shall be incorporated into the implementation and revision of the management plan.

8.4 (revised 8.5) The Organization shall make *publicly available** a summary of the results of monitoring free of charge, excluding confidential information.

Explanatory Notes:

1. Publicly available (see also glossary) means in a manner accessible to or observable by people generally. Here it means that anybody can access the summary at any time, without having to request its reproduction or other form of making it available. This could be by depositing briefs in offices that are publicly accessible, on websites or any form of communication that allows the reader to remain incognito.
2. For some types of Management Units with very short and simple management plans, for example SLIMFs, it might be easier, more effective and efficient to simply make publicly available the entire monitoring report. If the entire monitoring report is made publicly available a separate summary is not required anymore.
3. Some potential examples of confidential information include information related to intellectual property rights and traditional ecological knowledge, and commercially sensitive material.
4. This Criterion also applies to the result of monitoring of HCV according to Criterion 9.4.

Rationale: Clarification of the right to exclude confidential information and simplification of wording.

Original Criterion 8.5: While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.

8.5 (revised 8.3) The Organization shall have a tracking and tracing system proportionate to scale, intensity and risk of its management activities for demonstrating the source and volume in proportion to projected output for each year of all products from the Management Unit that are marketed as FSC certified.

Explanatory Notes:

1. Forest products must be covered by a valid chain of custody certificate or by a joint forest management/chain of custody certificate, in order to carry the FSC Logo and to enter into further chains of custody (see FSC-STD-20-007 Forest Management Evaluations). The tracking and tracing system referred to in this Criterion is the basis for assessing whether a chain of custody or joint forest/chain of custody certificate can be issued to The Organization. Hence, this Criterion only applies to situations where the intent is that products from the Management Unit are marketed as FSC certified.



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2. Criterion 1.5 stipulates compliance with legal requirements in relation to transport and trade from stump or other location within the Management Unit to forest gate. Criterion 1.5 applies whether or not FSC Chain of Custody certification is sought.
3. This Criterion also supports compliance with CITES requirements.
4. This Criterion requires the demonstration of the source and volume of all products in proportion to projected outputs to ensure that claimed volumes of output do not exceed actual volumes of output. This is needed as one of the checks against green washing of uncertified products including the intrusion of products that have been illegally harvested inside or outside the management unit.
5. Green washing is the promotion of deceitful claims made by enterprises which “participate in the FSC system while simultaneously engaging in unacceptable forestry practices in their non-FSC certified forest and plantation areas”.

Rationale:

1. The revision clarifies that chain of custody certification allows flexibility depending on scale, intensity and risk.
2. This is a consolidation with FSC-STD-20-007 which stipulates that Chain of Custody certification is only required when products from the Management Unit are intended to be marketed as FSC certified.

Original Criterion 8.3: Documentation shall be provided by The Organization to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the “chain of custody.”

9 Principle #9 (revised): High Conservation Values

The Organization shall maintain and/or enhance the *High Conservation Values** in the Management Unit through applying the *precautionary approach**.

Explanatory Notes:

1. The precautionary approach requires that: ‘When the available information indicates that management activities pose a threat of severe or irreversible damage to the environment or a threat to human welfare, The Organization will take explicit and effective measures to prevent the damage and avoid the risks to welfare, even when the scientific information is incomplete or inconclusive, and when the vulnerability and sensitivity of environmental values are uncertain. (FSC interpretation based on Principle 15 of Rio Declaration on Environment and Development and Wingspread Statement on the Precautionary Principle of the Wingspread Conference, 23-25 January 1998).
2. Principle 6 deals with routine protection of environmental values, for example species and habitats. In contrast, Principle 9 deals with unique or exceptional concentrations or exceptionally important values, which require extra precautions, amongst others the precautionary approach, by The Organization to maintain and/or enhance those values.
3. The FSC Principles and Criteria cover all types of vegetation and space within the boundary of the certified Management Unit. Any HCVs that occur in the management unit, including those in non-forest ecosystems, are covered by Principle 9; see Criterion 9.1.
4. Where HCVs have been identified in the Management Unit, activities related to their protection and maintenance should be described in the management planning documents, in order to comply with Criterion 7.2 (see Criterion 7.2, Explanatory Notes 3 and 4).



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5. Where HCVs have been identified in the Management Unit, monitoring to detect changes in the status of HCVs would be required for compliance with Criterion 8.2 and 9.4.
6. Maintain and/or enhance: The Organization is obliged to maintain the HCVs that exist at the time of certification. By implication, and under Principle 6, it is also expected to restore HCVs and other values that have been negatively affected by the activities of the organization, as far as is reasonable and possible, to the levels that existed before they were negatively affected. However, the organization is not necessarily obliged to restore HCVs that were affected by factors beyond the control of the organization, for example by natural disasters, by climate change, by previous managers, or by the legally authorized activities of third parties (such as public infrastructure, mining, hunting or settlement). The organization is also not obliged to restore HCVs that may have existed at some time in the historic or pre-historic past. The word “enhance” indicates that The Organization is expected to take measures to improve the scale or quality of existing HCVs, responding to suggestions from experts and affected stakeholders, where these are feasible and cost-effective.
7. The Criteria under this Principle are structured to follow a process of assessing the presence of High Conservation Values (Criterion 9.1), the development of strategies for their maintenance and enhancement (Criterion 9.2), the implementation of these strategies and activities (Criterion 9.3) and, finally, monitoring of changes and adaptive management, where needed for protection of the High Conservation Values (Criterion 9.4).

Rationale:

1. The revision of the title and the Principle is in line with the decision that all vegetation types are covered by the FSC Principles and Criteria.
2. The condensing of the principle reduces ambiguity.
3. The Principle uses the term HCVs, instead of HCV Areas, in order to avoid the confusions that arose with the term HCV Forests. Some people interpreted the HCVFs as the whole certified Management Unit, since these Management Units “contain” the significant concentrations, rare or threatened ecosystems, basic ecosystem services, etc. Some people interpreted the HCVFs as the separate, strictly defined sites actually occupied by each HCV attribute, such that a certified Management Unit may contain several different HCVFs, each with different HCVs. And some people interpreted the HCVFs as the areas that require special management provisions in order to “maintain or enhance the attributes” of HCVs. It is now proposed that the main obligation is to maintain or enhance the specific HCVs themselves. This requires definite management activities ranging over different areas as needed. The protection of any one HCV may require management decisions governing logging, hunting, NTFP collection etc, with management rules or guidelines extending over areas of different sizes: there is no single “HCV Area”.

Original Principle #9: Maintenance of high conservation value forests

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

9.1 (revised 9.1) The Organization, through stakeholder *engagement** and other means and sources shall assess and record the presence and status of the following High

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Conservation Values in the Management Unit, matching the likelihood of their occurrence and proportionate to the scale, intensity and risk of impacts of management activities:

- HCV 1 - Species Diversity: Concentrations of *biological diversity** including endemic species, and *rare, threatened or endangered** species, that are recognized as significant at global, regional or national levels.
- HCV 2 - Landscape-level ecosystems and mosaics: Large landscape-level *ecosystems** and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of most of the naturally occurring species in natural patterns of distribution and abundance.
- HCV 3 - Ecosystems and habitats: Rare, threatened, or endangered ecosystems, *habitats** or *refugia**.
- HCV 4 - Critical ecosystem services: Basic *ecosystem services** in critical situations, including protection of critical water catchments and control of erosion of critically vulnerable soils and slopes, identified through *engagement** with *local communities** and other *stakeholders**.
- HCV 5 - Community needs: Sites and resources fundamental for satisfying the basic necessities of local communities or *Indigenous Peoples** (for example for livelihoods, health, nutrition), identified through engagement with these communities or Indigenous Peoples.
- HCV 6 - Cultural values: Sites, resources, habitats and *landscapes** of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.

Explanatory Notes:

1. This Criterion requires the assessment of the entire space of the Management Unit for the presence and status of all six kinds of high conservation values. The six HCVs are now in the Criterion, instead of the Glossary, to make it clear that Principle 9 refers to HCVs as defined by FSC, and to avoid the impression that different HCVs may be developed in different standards. HCVs 1, 2, 3 and are values which are significant mainly at the global or regional levels. HCVs 4, 5 and 6 are values which are significant mainly at the local levels.
2. Consultations should include engagement with affected and interested stakeholders and local communities (see Explanatory Notes of Criterion 7.6), and also with relevant specialists, experts and authorities in these fields.
3. Other sources may include the following :
 - The FSC Global Risk Register :
 - <http://globalforestrisk.nepcon.net>
 - HCV maps, records, inventories as provided for example by local or national authorities
 - Literature and databases
 - range maps,
 - field evaluations etc.
4. Compliance with this Criterion would require that records of the results of the assessment are provided in formats which are accessible and meaningful to stakeholders, for example maps of appropriate scales. This is an important component for ensuring appropriate stakeholder engagement.
5. Some national or local authorities implement strategies for maintaining and/or



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enhancing HCV in the Management Unit, based on national or local laws that equal or exceed the criteria under Principle 9. In these cases, The Organization is not required to duplicate the efforts of the authority. The Organization's strategy may simply be to collaborate with the appropriate Authority.

6. Effective protection of HCVs will often require mapping, delimitation and signposts, but these are not always necessary or appropriate.
7. "Likelihood of their occurrence": The intensity of assessments (like many other FSC requirements) should be proportionate to the scale, intensity and risk of negative impacts of management activities. For HCVs, the intensity of assessments should also take account of the likelihood of discovering any HCVs. If local expert and stakeholder opinion has a clear consensus opinion about what HCVs are believed to occur, and especially if the danger of negative impacts of management is minimal, then it should not be necessary to carry out detailed and costly surveys at an early stage. For example, if "rare or threatened ecosystems" are known to occur, if they are not believed to be at risk, and if the area is assigned to full protection, then detailed biological enumerations are not always or immediately necessary.
8. HCV 6 has been expanded to make it clear that (1) the values with recognized national or global importance should be conserved, even when they are not necessarily valued by the communities now living nearby, and (2) values of critical importance to Indigenous Peoples should be conserved even when those Indigenous Peoples are not now living nearby.
9. HCV 2 does NOT require detailed surveys of species and eco-site designations, but it does require a general understanding of whether most of the species typical of the ecosystems in the Management Unit are still present in viable populations.
10. The concept of fundamental (or critical) relates to irreplaceability, and cases where loss or major damage to this HCV would cause serious prejudice or suffering to affected stakeholders.

Rationale:

1. The revision is in line with the decision that all vegetation types in the Management Unit are covered by the FSC Principles and Criteria.
2. The proposed wording clarifies the Criterion because it identifies the relevant HCVs,
3. This Criterion replaces the definition of the four attributes of HCVF shown in the glossary of the original FSC P&C, and in the Standard for evaluation of FSC controlled wood in forest management enterprises, September 2007. The wording has been revised to focus on any ecosystems, not only forests, and to raise the profile of the Values up to the level of a Criterion. The other glossaries will have to be revised once the revised P&C have been adopted.
4. The original HCVs, especially HCV 2, are not well defined, using many words which are usually considered impossible to audit, such as significant, large, major, viable, most, natural, basic, critical and fundamental. The main effect of HCV 2 is to give special protection to large, relatively-intact natural forests, although this protection is already provided by other criteria, including those that protect biological diversity and landscape values and prevent conversion.
5. The attributes which constitute these HCVs are associated with biological diversity, ecosystems, habitats, sites, services and resources of exceptional value for ecological and environmental conservation, or for their socio-economic importance for directly affected stakeholders and communities.
6. Climate regulation: This is one of the ecosystem services (as defined) included in HCV



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- 4.
7. Forest Carbon: The storage, sequestration, fluxes and cycling of carbon, and of other elements and compounds, are included in Ecosystem Functions (as defined), and protected under Principle 6. Several FSC members have suggested that High Carbon Forests and Intact Forest Landscapes should be classified as HCVs, especially to avoid release of their stored carbon. However, up to now, we do not have a consensus for how these concepts can best be incorporated into the P&C. No definitions have been proposed. Definitions should avoid words like “high” and “intact”, which are difficult to define or audit, in order to avoid the weaknesses of the existing HCV definitions, and they should avoid thresholds (for example tons of C/ha) which are arbitrary and difficult to measure.
8. HCV 2 is mainly designed to cover large forests, but the wording is changed to make sure that other large ecosystems, or mosaics of ecosystems, are also included, when they are recognized as being significant, and fulfilling the requirement for species and populations.
9. “Refugia” are included with ecosystems and habitats in HCV 3. The exceptional species which may be found in e.g. Pleistocene Refugia would normally be covered in HCV 1. The same areas, if they are rare ecosystems and habitats, and also seasonal refugia, are in HCV 3.
10. The wording of HCV 5 now makes clear that it does not exclude items of the cash economy derived from the Management Unit, but it is not expected to cover reserves of land for future cultivation.

Original Criterion 9.1: Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.

9.2 (revised 9.2) The Organization shall develop effective strategies that maintain and/or enhance the identified *High Conservation Values*^{*}, through *engagement*[†] with stakeholders and experts.

Explanatory Notes:

1. For likely groups of affected and interested stakeholders to be engaged, see annex 2 in FSC-STD-20-012 V1-1 (Standard for evaluation of FSC Controlled Wood in forest management enterprises, September 2007). See also Criterion 7.6 which addresses management planning engagement.
2. Strategies may or may not require active interventions or documentation, to be decided case by case. Some HCVs are best protected by avoiding all interventions.
3. The Criterion requires maintenance and/or enhancement of the identified HCVs in the Management Unit, irrespective of whether they are already protected somewhere else by someone else, for example outside the Management Unit or in other Management Units of The Organization.
4. Where HCV exist, the measures for the identification and maintenance of HCVs must be included in the management plan (see Explanatory Notes of Criterion 7.2).

Rationale: This Criterion implements and clarifies the requirement in line with FSC-ADV-30-901 (Interpretation of Criterion 9-2, April 2003) and Statutory Motion 4 as incorporated in approved Statutory Motion 7 of the FSC General Assembly 2005 to remove the directive to CABs about the consultative portion of certification process from the Criterion, and to place



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the requirement on The Organization.

Original Criterion 9.2: The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.

9.3 (revised 9.3) The Organization shall implement strategies and actions that maintain and/or enhance the identified High Conservation Values. These strategies and actions shall implement the *precautionary approach** and be proportionate to the scale, intensity and risk of management activities.

Explanatory Notes: According to Criterion 7.2, where HCVs exist the strategies must be included in the management plan and published according to Criterion 7.5.

Rationale: The revision removes ambiguous words.

Original Criterion 9.3: The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.

9.4 (revised 9.4) The Organization shall demonstrate that periodic monitoring is carried out to assess changes in the status of *High Conservation Values**, and shall adapt its management strategies to ensure their effective protection. The monitoring shall be proportionate to the scale, intensity and risk of management activities, and shall include *engagement** with stakeholders and experts.

Explanatory Notes:

1. This Criterion recognizes that the frequency of monitoring depends on the specific situation, for example
 - nature of the HCV (for example its ecology and particular attributes)
 - options for the management of the HCV,
 - scale, intensity and risk of impacts.This could require regular monitoring as well as sporadic monitoring. It could range from daily monitoring during management activities to monthly, annually or longer.
2. The results of the assessment according to Criterion 9.1 provide the baseline for determining whether changes are taking place.
3. Intensity and frequency of monitoring are also addressed in Principle 8.
4. The Criterion does not assume that changes in status are always a result of the management activities. Monitoring also includes changes which are not caused by human activities.
5. This Criterion requires that monitoring is carried out. However, monitoring does not have to be implemented by The Organization itself. The Organization can draw upon monitoring undertaken by third parties if the data are relevant, comparable and transferrable (See also Explanatory Notes to Principle 8).

Rationale:

1. The revision recognizes that changes are not always caused by human activities.
2. The deletion of 'annual' allows the monitoring frequency to vary according to the nature of the high conservation values.



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Original Criterion 9.4: Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

Principle #10 (new): Implementation of management activities

Management activities conducted by or for The Organization for the management unit shall be selected and implemented consistent with The Organization's economic, environmental and social policies and *objectives** and compliance with the FSC standard.

Explanatory Notes:

1. This Principle covers the operational aspects of the policies, objectives and procedures developed and described through the planning processes covered by Principle 7. The Principle lays down the requirements to be fulfilled by management activities in order to allow The Organization to comply with the environmental requirements of Principle 6 and 9 and the economic elements of Principle 5.
2. The Principle is organized by starting with implementation activities related to regeneration, then on to stand tending / silviculture, and then future harvesting activities.
3. Management activities typically include road building, harvesting, and silvicultural practices.
4. This Principle is not specific to plantations. It is applicable to all vegetation types and management systems. However, at national and regional levels additional Criteria may be provided for locally important and/or special types of vegetation and categories of products and ecosystem services from management units (FSC-STD-60-002 Structure and Content of National Forest Stewardship Standards, section 3.2).
5. For further information on what constitutes the FSC standard to be complied with, please refer to the Preamble of the Principles and Criteria.

Rationale:

1. Original Principle 10 was confined to plantations and added to the FSC Principles and Criteria in February 1996. The final report of the Policy Working Group of the Plantations Review (October 2006) recommended dissolution of Principle 10 into Principles 1-9.
2. This recognizes that it is not useful for FSC to have a policy that indicates all kinds of vegetation are covered by the FSC Principles and Criteria (FSC-POL-10-004 and supporting FSC-DIS-01-001) but then to make separate provision for just one category of vegetation.

10.1 (new) After harvest, and/or in accordance with the *management plan**, The Organization shall, by natural or artificial regeneration methods, regenerate vegetation cover to pre-harvesting or more natural conditions in a timely fashion.

Explanatory Notes:

1. The pre-harvest condition provides the baseline for regeneration requirements after harvest.
 - For an existing plantation, the species harvested may be the same as the one(s) used to regenerate. However, there may be a solid ecological, social and economic reason for changing the species. The chosen species must be ecologically well adapted to the site and management units (Criterion 10.2) and must not be



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- invasive or their invasive tendencies must be minor and easily controlled or mitigated (Criterion 10.3).
- For natural forests, the first consideration for regeneration is to determine if the pre harvest condition was indeed purely natural or the result of previous harvesting activities or natural events that have left the area in a degraded condition. The objective may be to improve degraded areas, once harvested, to a more natural condition.
2. For natural forests, the ultimate objective is to ensure a relatively natural abundance of species for both population and size range, across the space of the Management Unit. This may be demonstrated by following the concept of Range of Natural Variation since forests do not remain static over time. This allows The Organization some flexibility on a stand level or harvest area level to vary somewhat as long as the species diversity across the Management Unit is within the Range of Natural Variation.
 3. The period required for restoration is typically shorter for areas to be planted (artificial regeneration) than areas assigned/selected for natural regeneration. However, this Criterion does not give preference to planting as a way to shorten the period for regeneration because in certain cases, natural regeneration approaches are more suitable
 4. Regeneration practices must be selected so that they do not violate the requirements under Principle 6. That is they cannot lead to conversion (Criterion 6.9 and 6.10), losses of genetic and species diversity, as measured at the Management Unit level, or damage to other environmental values.
 5. The potential positive and negative impacts of the chosen regeneration practices need to be addressed in compliance with Criterion 6.2 and 6.3.
 6. This Criterion is not only applicable after harvest. Regeneration might be needed because of a variety of other reasons as specified in the management plan.

Rationale:

1. This Criterion requires The Organization to regenerate the products and services it harvests from the Management Unit.
2. The Criterion also ensures the regeneration is done in a reasonable amount of time allowing for differences between artificial and natural approaches
3. Appropriate differences are made between plantations and natural forests as well as natural forests in a degraded state.

10.2 (revised 10.4 and 10.8) The Organization shall use species for regeneration that are ecologically well adapted to the site and to the management *objectives**. The Organization shall use *native species** and local *genotypes** for regeneration, unless there is clear and convincing justification for using others.

Explanatory Notes:

1. Recognizing that this might not always be the case and that each situation must be considered on its merits, FSC prefers the use of local species and genotypes because the communities they form are (1) usually more favorable for other local species of plants and animals than communities dominated by alien species, and (2) expected to be more resilient to unpredictably changing circumstances including the effects of climate change.
2. This approach is also supported by legal requirements increasingly including recognition of the need for genetic diversity in order to accommodate unpredictable

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- effects of climate change.
3. The preference for native species extends to all species in the management unit, not only the crop trees; for example, soil cover crops and understory shrubs for feeding wildlife and domesticated animals.
 4. Notwithstanding 10.1 above, ecologically well adapted species may include alien species. However for alien species, invasiveness will need to be controlled as per Criterion 10.3 and they also need to demonstrate the ability to thrive in local conditions.

10.3 (revised 6.9 and 10.8) *Alien species** may be used only after local trials and/or experience have shown that they are not *invasive** or if the invasive tendencies are minor and are effectively controlled or mitigated.

Explanatory Notes:

1. The term Alien Species is used in accordance with the definition of Convention on Biological Diversity (see also glossary): A species, subspecies or lower taxon, introduced outside its natural past or present distribution; includes any part, gametes, seeds, eggs, or propagules of such species that might survive and subsequently reproduce.
2. Any species may become invasive in some situations, but this Criterion is designed to prevent or deal with invasiveness in and around the certified Management Unit. The ability to manage a community by natural regeneration may be a major advantage, and requires some small degree of invasiveness in the regenerated species. In this case, “minor” is to be determined using the test for reasonableness.
3. According to Principle 1, Criterion 1.3, which requires The Organization to comply with the legal obligations associated with the right to operate in the Management Unit, The Organization must comply with national and/or local laws for monitoring and control of alien species. Note that this legal compliance may involve management activities which are contrary to Criterion 10.2. According to section 8.20 of FSC-STD-20-007 Version 3-0 Forest Management Evaluations conflicts between laws/regulations and the P&C shall be evaluated by the certification body on a case by case basis, in arrangement with the involved or affected parties.
4. Justifications for the use of alien species and non-local genotypes, compatible with Criteria 10.2 and 10.3, may arise with a wide variety of situations and objectives, and should be stated in the management planning documents. National or generic Indicators may describe some of these situations.
5. Criterion 10.1 by requiring regeneration of pre-harvest vegetation cover would normally prevent the use of alien species for regeneration in natural forests. However, there may be situations where their use is justified, for example as temporary nurse crops to shelter and enhance the growth of preferred native species.
6. The use of alien species is justified, if they have been used traditionally, that is usually before FSC came into existence in 1994 especially if the supply of wood or ecosystem services from the Management Unit has demonstrably reduced the degradation of natural forest in the region or country of the Management Unit. This can be demonstrated where there is significant natural forest formally protected and managed by a legally recognised conservation agency for conservation purposes, and where wood supply is primarily from plantations.

Rationale 10.2 and 10.3:

1. The intention here is to ensure the species used thrive into the future without causing



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invasive behaviour that cannot be controlled. Also, for natural forest regeneration, the genotypes of the species used should come from local areas as they are most likely to be well adapted for local growing conditions.

2. Alien species or genotypes may also help mitigate the effects of climate change if previously suitable species or genotypes are no longer able to thrive.
3. The criteria give clear direction around when alien species can be used.

Original Criterion 6.9: The use of exotic species shall be carefully controlled and actively monitored to avoid adverse ecological impacts.

Original Criterion 10.4: The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.

Original Criterion 10.8: Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.

10.4 (revised 6.8) The Organization shall not use *genetically modified organisms** in the Management Unit.

Explanatory Note: Further interpretation of this Criterion is provided in FSC-POL-30-602 FSC GMO Policy.

Rationale: The subject matter of the Criterion has not been changed. The explanatory note explains where further interpretation of the Criterion can be found. This issue was separated from the issue of biological control as it is an independent issue.

Original Criterion 6.8: Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.

10.5 (new) The Organization shall use *silvicultural** practices that are ecologically appropriate for the vegetation, species, sites and management *objectives**.

Explanatory Notes:

1. This Criterion deals specifically with silvicultural practices as one subset of all management activities. These would normally include such activities as site preparation, spacing, cleaning, and pruning. Other tending activities such as chemical



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- and fertilizer usage are covered in other criteria.
2. The selected silviculture practices must meet the objectives established in the management plan according to Criterion 7.2.
 3. The soil and water conservation requirements in Principle 6 need to be complied with while implementing activities related to silviculture.

Rationale:

1. This tending Criterion is intended to logically follow the ecologically based decisions from Criterion 10.1 to ensure regenerated areas develop appropriately to ensure ecosystem functions are protected
2. This Criterion is also intended to ensure site disturbing activities conducted in silviculture demonstrate proper soil and water conservation.

10.6 (revised 10.7) The Organization shall avoid or aim at eliminating, the use of fertilizers. When fertilizers are used, The Organization shall prevent, mitigate, and/or remedy damage to *environmental values**.

Explanatory Notes: Possible negative impacts of fertilizers include lower water quality standards as a result of contamination of water supplies and eutrophication of water bodies.

10.7 (revised 6.6. and 10.7) The Organization shall use integrated pest management and *silviculture** systems which avoid, or aim at eliminating, the use of chemical *pesticides**. The Organization shall not use any chemical pesticides prohibited by FSC policy. When pesticides are used, The Organization shall prevent, mitigate, and / or remedy damage to *environmental values** and human health.

Explanatory Notes:

1. This Criterion refers to FSC's policy for prohibiting chemical pesticides. FSC has in place a policy, procedures and criteria for the identification and prohibition of highly hazardous pesticides. This system also includes options for allowing the temporary use of highly hazardous pesticides (derogations). The process and criteria for prohibiting, listing and issuance of derogations for the use of highly hazardous pesticides are laid down in FSC-POL-30-001 FSC Pesticides Policy and FSC-GUI-30-001 FSC Pesticides Policy Guidance.
2. The Integrated Pest Management (IPM) approach aims at eliminating the use of chemical pesticides but recognizes that it is not always possible to manage pests without the use of pesticides.
3. An example of best international practice in relation to integrated pest management and measures to reduce the use of chemical pesticides is provided in the [FSC-Guide to Integrated pest, disease and weed management in FSC certified forests and plantations – FSC Technical Series No. 2009 – 001](#)). FSC will further assist managers by establishing and keeping up to date a web-based guide to best practice.
4. In IPM systems, biological control measures and other non-chemical approaches are the preferred option for dealing with pest, weed and disease problems and for reducing and eliminating chemical pesticides. Biological control measures must be applied in compliance with Criterion 10.8.
5. Examples of other non-chemical measures include silvicultural systems, more or less shade, reductions in numbers of secondary hosts, use of cultivation, mulches or hand weeding for vegetation control, the use of sanitation felling to prevent the spread of new



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- introduced pests, as well as hand held motor manual machines such as brush saws.
6. This Criterion requires that an effective program is in place, and operating successfully, for using pesticides and fertilizers in a way that proactively avoids damage to the environment and risks to workers or neighbors if it has been determined that non pesticide approaches are not effective.
 7. Some types of tree nurseries that would normally be included in the management unit as defined may be exempt from the requirements of Criterion 10.7 on chemical pesticides.

A Management Unit is defined as (see also glossary): A spatial area or areas submitted for FSC certification with clearly defined boundaries managed to a set of explicit long term management objectives which are expressed in a management plan. This area or areas include(s)

- all facilities and area(s) within or adjacent to this spatial area or areas under legal title or management control of, or operated by or on behalf of The Organization, for the purpose of contributing to the management objectives,
- all facilities and area(s) outside, and not adjacent to this spatial area or areas and operated by or on behalf of The Organization, solely for the purpose of contributing to the management objectives. (Source: FSC 2010)

In tree nurseries that are outside, not adjacent to and not embedded within the spatial area or areas submitted for FSC certification, chemicals that are on the FSC list of prohibited chemicals may be used, provided that

- The Organization operates an effective and secure integrated pest management system in these tree nurseries,
- the prohibited chemicals are not classified as extremely hazardous (Class 1a) highly hazardous (Class 1b) according to the WHO Recommended Classification of Pesticides by Hazard in its latest version, and are not prohibited by national laws.
- strict security measures are documented, implemented and verified by the ASI-accredited conformity assessment body at each evaluation.

A justification for this variation for nurseries is the tighter control of chemical use in the horticultural environment of a nursery compared with the more hazardous conditions in the open management unit; for example, when applying chemicals by aerial spraying.

This exception does not apply to any other requirements of the Principles and Criteria. Any nursery included in the Management Unit as defined will have to meet all other requirements of the Principles and Criteria, for example regarding occupational health and safety or waste disposal etc.

Rationale:

1. Criterion 10.6 addresses the use of fertilizers while Criterion 10.7 addresses the use of pesticides and integrated pest management which are currently addressed in original Criterion 6.6 and 10.7.
2. The issue of fertilizers has been separated from that of pesticides use because it is not normally addressed in Integrated Pest Management.
3. The prescriptive detail on defining highly hazardous chemicals as per original 6.6 was removed as the definition has changed and is better described in the pesticides policy and related documents.



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4. Inconsistency between original Criterion 6.6 and FSC policy has been eliminated, for example the chemical class 'chlorinated hydrocarbon' is no longer an indicator for a 'highly hazardous' pesticide, and metabolites ('derivatives') have been omitted.

Original Criterion 6.6: Management systems shall promote the development and adoption of environmentally friendly non-chemical methods of pest management and strive to avoid the use of chemical pesticides. World Health Organization Type 1A and 1B and chlorinated hydrocarbon pesticides; pesticides that are persistent, toxic or whose derivatives remain biologically active and accumulate in the food chain beyond their intended use; as well as any pesticides banned by international agreement, shall be prohibited. If chemicals are used, proper equipment and training shall be provided to minimize health and environmental risks.

Original Criterion 10.7: Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.

10.8 (revised 6.8) The Organization shall minimize, monitor and strictly control the use of *biological control agents** in accordance with *internationally accepted scientific protocols**. When *biological control agents** are used, The Organization shall prevent, mitigate, and / or remedy damage to *Environmental Values**.

Explanatory Notes:

1. Biological control agents are (see also glossary) organisms used to eliminate or regulate the population of other organisms.
2. Biological control agents together with other non-chemical approaches form an essential part of an integrated pest management strategy aiming at the reduction or elimination of chemical pesticides. The requirement to minimize, monitor and strictly control the use of biological control agents recognizes the potential dangers of these agents. It is important to find a balance between these dangers and the objective of reducing or eliminating chemical pesticides.
3. In the case of massive pest outbreaks or the threat of their occurrence, it may be the best practice or required by law to increase temporarily the use of either chemical control or biological control agents on a case by case basis.

Rationale: The subject matter of the Criterion has not been changed. The prohibition of genetically modified organisms is now addressed in Criterion 10.4.

Original Criterion 6.8: Use of biological control agents shall be documented, minimized, monitored and strictly controlled in accordance with national laws and internationally accepted scientific protocols. Use of genetically modified organisms shall be prohibited.

10.9 (new) The Organization shall assess risks and implement activities that reduce potential negative impacts from natural hazards proportionate to scale, intensity, and risk.



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Explanatory Notes:

1. This Criterion deals with negative impacts from natural hazards. Criterion 6.2 and 6.3 deal with the negative impacts of management activities.
2. Examples of natural hazards are droughts, floods, fires, landslides, storms, plant diseases, pest insects, invasive weeds.
3. Some examples of strategies to reduce potential negative impacts are:
 - a. Fire damage: Fire detection systems and control measures, fire management plans, including preparation and training of fire crews, provision and regular maintenance of suitable equipment, creation and maintenance of fire breaks and reservoir ponds, etc.
 - b. Storm damage and windthrow: These can be reduced by wind mapping and silvicultural regimes to avoid unstable stand boundaries.
 - c. Pests, plant diseases, pathogens, invasive weeds:
 - These can be minimized by clearance of fallen wood, standing dead wood / coarse woody debris in line with best scientific and local knowledge on balancing the amount of such material required to remain with the objective of avoiding habitat for epidemic pests and pathogens. The dead timber and debris are needed for healthy decomposer cycles and for populations of predators and parasites to exert natural control over pests.
 - These can also be minimized by decreasing stress on species through species-site matching in accordance with Criterion 10.2 and monitoring (Principle 8), together with integrated pest management (see Criterion 10.7), controlled burning, species diversification, silvicultural practices which prevent weed growth (for example maintaining some mature shade or seed trees), planting trees at appropriate growth stage, cover crops, reduced harvest intensity, silvicultural practices that maintain growth of crop species at optimum levels and avoid crop stagnation through weeding, thinning or re-spacing.
 - d. Flood damage: This may be reduced by preserving natural patterns of drainage and wetlands (see also Criterion 6.7) and by installing effective drainage structures.
4. Negative impacts also refer to impacts on local communities. Therefore, where relevant detection systems must be associated with warning systems to alert local communities, for example fire detection systems.

10.10 (revised 6.5) The Organization shall manage infrastructural development and transport activities so that water resources and soils are protected and disturbance of and damage to *rare* and threatened species**, *habitats**, *ecosystems** and *landscape values** are prevented, mitigated and/or repaired.

Explanatory Notes:

1. Activities associated with infrastructure development and transport include the construction and maintenance of permanent and temporary forest roads and tracks and railways, bridges, culverts, drainage channels, borrow-pits and log-collection areas and the transport of forest products and personnel.
2. This Criterion deals with road and rail construction, storage and transportation implementation activities and their potential effects on other environmental values in similar logic as Criterion 10.5.
3. The Organization needs to show how it facilitates access for third parties, for



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- authorized harvesting, hunting, recreation, communications, trade,
4. This includes maintaining water quality, drainage, infiltration and seasonal flows, and conserving rivers, streams, wetlands and other aquatic habitats and resources,
 5. This also includes conserving soils, and avoiding flooding, erosion, compaction, sedimentation and interruption of drainage lines associated with roads, etc.
 6. This also requires protecting rare and threatened species and avoiding disturbance to their habitats associated with roads, etc.
 7. This also includes protecting the environmental and visual elements of landscape values from negative effects caused by roads, etc. Input from engagement activities in 7.6 and the management plan in 7.2 can be used as direction.

Rationale: Activities associated with roads have the potential to affect Environmental and Social Values in the other Principles.

Original Criterion 6.5: Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.

10.11 (revised 5.3 and 6.5) The Organization shall manage activities associated with harvesting and extraction of timber and *non-timber forest products** so that *environmental values** are conserved, merchantable waste is reduced and damage to other products and services is avoided.

Explanatory Notes:

1. This Criterion deals with potential effects from the harvesting of products and services from the Management Unit and complements Criteria 10.5 and 10.10 above.
2. This Criterion also covers potential damage to the residual stand during harvesting and implies the need for reduced impact harvesting techniques.
3. Reduced Impact Harvesting means using techniques to reduce the impact on the residual stand. (Source: Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests, IUCN- 2006)
4. This also refers to utilization of products and services to ensure no excessive waste of merchantable products are left behind to prevent “high grading or creaming” of these products and services; see also Explanatory Note 4 to Criterion 5.2.
5. This also refers to the protection of riparian vegetation along water courses and around wetlands; see also Criterion 6.7,
6. This also refers to the protection of soils and the maintenance of water quality, drainage, infiltration and seasonal flows, and conserving rivers, streams, wetlands and other aquatic habitats and resources; see also Criteria 6.3 and 6.7.

Rationale: As in 10.10, this Criterion refers to the other major form of site disturbing activities done primarily during final harvest

Original Criterion 5.3: Forest Management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.

Original Criterion 6.5: Written guidelines shall be prepared and implemented to: control erosion; minimize forest damage during harvesting, road construction, and all other mechanical disturbances; and protect water resources.



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10.12 (revised 6.7) The Organization shall dispose of waste materials in an environmentally appropriate manner.

Explanatory Notes:

1. Waste materials include amongst others chemicals, containers, fuel and oil, human waste and sewage, rubbish and litter, and abandoned buildings, machinery and equipment.
2. While often it is environmentally most appropriate to dispose of waste at off-site locations, there might be cases where the most appropriate manner may be to do it on-site, for example with regards to the treatment of human sewage. Environmentally appropriate means that damage to the environment, for example contamination, or health of workers and other people is prevented. It is not environmentally appropriate to simply bury waste or create landfills.
3. This also refers to the controlling of contamination caused by dust, waste, rubbish, exhaust fumes etc.

Rationale: This revision acknowledges that the environmentally most appropriate manner could be disposal on-site and off-site.

Original Criterion 6.7: Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.



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E. Glossary of Terms

This glossary includes internationally accepted definitions from a limited number of sources whenever possible. These sources are:

- **Convention on Biological Diversity (1992), Article 2:**
<http://www.cbd.int/convention/articles.shtml?a=cbd-02>
- **Convention on Biological Diversity Invasive species programme – Glossary of terms:** <http://www.cbd.int/invasive/terms.shtml>
- **Millennium Ecosystem Assessment 2005:**
<http://www.millenniumassessment.org/documents/document.776.aspx.pdf>
- **IUCN**
 - Definitions as provided on IUCN website:
http://cmsdata.iucn.org/downloads/en_iucn_glossary_definitions.pdf
 - Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests
http://cmsdata.iucn.org/downloads/itto_biodiversity_guidelines_june2006.pdf
- **ILO Thesaurus:** <http://www.ilo.org/thesaurus/defaulten.asp>

When other sources have been used they are quoted together with the definition and a hyperlink to the specific source is provided.

Definitions developed in the course of the Principles and Criteria Review are referenced as FSC 2010. Definitions derived from the original Principles and Criteria (Version 4-0) as originally published in November 1994 are referenced as FSC 1994.

‘Based on’ means that a definition was adapted from an existing definition as provided for example in the original Principles and Criteria or other international source.

Adaptive management (new): A systematic process of continually improving management policies and practices by learning from the outcomes of existing programs (**Source:** IUCN)

Alien species (new): A species, subspecies or lower taxon, introduced outside its natural past or present distribution; includes any part, gametes, seeds, eggs, or propagules of such species that might survive and subsequently reproduce. (**Source:** Convention on Biological Diversity, Invasive Alien Species Programme Glossary of Terms)

Affected stakeholder (new): Any person, group of persons or entity that is or may be subject to the effects of the activities of a management unit. Examples include, but are not restricted to (for example in the case of downstream landowners), persons, groups of persons or entities located in the neighborhood of the Management Unit. (**Source:** FSC 2010)

Applicable law (new): Law applicable to the Management Unit in question and those laws which affect the implementation of the FSC Principles and Criteria. This includes any combination of statutory law (Parliamentary-approved) and case law (court interpretations), subsidiary regulations, associated administrative procedures, and the national constitution (if present) which invariably takes legal precedence over all other legal instruments. (**Source:** FSC 2010)



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Biological diversity (original definition): The variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems. (**Source:** Convention on Biological Diversity (1992), Article 2)

Biological control agents (revised): Organisms used to eliminate or regulate the population of other organisms. (**Source:** Based on FSC 1994 and IUCN)

Biological control agents (original definition): Living organisms, used to eliminate or regulate the population of other living organisms.

Conflicts between the Principles and Criteria and laws (new): Situations where it is not possible to comply with the Principles and Criteria and a law at the same time (**Source:** FSC 2010).

Connectivity (new): A measure of how connected or spatially continuous a corridor, network, or matrix is. The fewer gaps, the higher the connectivity. Related to the structural connectivity concept; functional or behavioral connectivity refers to how connected an area is for a process, such as an animal moving through different types of landscape elements. (**Source:** Forman, R. T. T. (1995): Land mosaics. The ecology of landscapes and regions. – 632 p.; Cambridge.)

Conservation Area (new): A defined area managed primarily for conservation of species, habitats, ecosystems or other site-specific values, or for purposes of monitoring, evaluation or research, not necessarily excluding other management activities (**Source:** FSC 2010).

Criterion (pl. Criteria) (original definition): A means of judging whether or not a Principle (of forest stewardship) has been fulfilled (**Source:** FSC 1994)

Customary law (new): Is a system of rules of conduct which is felt as obligatory upon them by members of a definable group of people . . . accepting that the boundaries of the group may be partially obscure. (**Source:** Blackman, J. (1971) Australian Federal Law Report 17 FLR 44.

In Australia (New South Wales) this is further interpreted as ‘a body of rules, values and traditions which are accepted as establishing standards or procedures to be followed and upheld’. That body of rules, values and traditions can also be thought of as a collection of responsibilities, rights and penalties. Customary law may be accepted constitutionally as part of the legal system ‘to the extent that the customs are not inconsistent with constitutional law or statute’ (Papua New Guinea).

In some countries, customary law ‘is the governing body of principle for land matters’ (Tokelau) or substitutes for statute law for ‘land, succession and adoption’ (Tuvalu). So customary law may have equivalent legal status to statutory law in its own area of competence, defined thematically or geographically. Customary law does not have to be recorded in writing. Customary law, as defined for this Glossary, is not the same as Customary international law (see Wikipedia), nor is it the same as common law in civil jurisprudence.



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Customary rights (revised): Those rights derived from customary law and which are claimed by particular groups in particular geographic areas (**Source:** FSC 2010).

Customary rights (original definition): Rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit.

Economic viability (new): The capability of developing and surviving as a relatively independent social, economic or political unit. Economic viability may require but is not synonymous to profitability. (**Source:** Based on WEBSTEA, from the website of the European Environment Agency) <http://www.eionet.europa.eu/gemet/concept?ns=1&cp=2512>

Ecosystem (revised): A dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit. (**Source:** Convention on Biological Diversity (1992), Article 2)

Original definition Ecosystem: A community of all plants and animals and their physical environment, functioning together as an interdependent unit.

Ecosystem function (new): An intrinsic ecosystem characteristic related to the set of conditions and processes whereby an ecosystem maintains its integrity (such as primary productivity, food chain, biogeochemical cycles). Ecosystem functions include such processes as decomposition, production, nutrient cycling, and fluxes of nutrients and energy. (**Source:** Millennium Ecosystem Assessment – Global Assessment Report – Appendix D: Glossary -2005)

Engaging or engagement (new): The process by which The Organization communicates, consults and/or provides for the participation of interested and/or affected stakeholders ensuring that their concerns, desires, expectations, needs, rights and opportunities are considered in the establishment, implementation and updating of the management plan (**Source FSC 2010**).

Ecosystem services (new): The benefits people obtain from ecosystems. These include provisioning services such as food, forest products and water; regulating services such as regulation of floods, drought, land degradation, air quality, climate and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other nonmaterial benefits (Based on – Millennium Ecosystem Assessment, 2005. Ecosystems and Human Well-being: Synthesis. Island Press, Washington, DC. Pp 5)

Environmental values (new): The following set of elements of the biophysical and human environment

- a. ecosystem functions
- b. biological diversity
- c. water resources
- d. soils and
- e. atmosphere
- f. landscape values.



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The actual worth attributed to these elements depends on human and societal perceptions. (Source: FSC 2010)

Externalities (new): The positive and negative impacts of activities on stakeholders that are not directly involved in those activities, or on a natural resource or the environment, which do not usually enter standard cost accounting systems, such that the market prices of the products of those activities do not reflect the full costs or benefits. (Source: FSC 2010)

Forest (new): An area of land with a tree canopy cover of more than 10%, or of young trees able to reach 10% cover in situ. It does not include land used primarily for agriculture or urban use.

Clarification: For FSC purposes, this includes areas of bamboo, palms, windbreaks, shelterbelts, rubber plantations and cork oak stands, if they reach the canopy cover criteria. It also includes the associated forest roads and other openings and gaps. Agroforestry systems and fruit tree plantations may be included for purposes of FSC certification, although they will not necessarily be included in internationally-agreed definitions of forests. (Source: Based on FAO (2007) and other international organizations).

Free, prior, and informed consent (new): A legal condition whereby a person or community can be said to have given consent to an action prior to its commencement, based upon a clear appreciation and understanding of the facts, implications and future consequences of that action, and the possession of all relevant facts at the time when consent is given. Free, prior and informed consent includes the right to grant, modify, withhold or withdraw approval. (Source: Based on the Preliminary working paper on the principle of free, prior and informed consent of Indigenous Peoples (...)) (E/CN.4/Sub.2/AC.4/2004/4 8 July 2004) of the 22nd session of the United Nations Commission on Human Rights, Sub-Commission on the Promotion and Protection of Human Rights, Working Group on Indigenous Populations, 19-23 July 2004)

Gender equality (new): Gender equality or gender equity means that women and men have equal conditions for realizing their full human rights and for contributing to, and benefiting from, economic, social, cultural and political development (Source: Adapted from FAO, IFAD and ILO workshop on "Gaps, trends and current research in gender dimensions of agricultural and rural employment: differentiated pathways out of poverty", Rome, 31 March to 2 April 2009.)

Genetically modified organism (revised): An organism in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural recombination. (Source: Based on FSC-POL-30-602 FSC GMO Policy 2000).

Original definition Genetically modified organisms: Biological organisms which have been induced by various means to consist of genetic structural changes.

Genotype (new): The genetic constitution of an organism. (Source: FSC 2010)

Habitat (new): The place or type of site where an organism or population occurs. (Source: Based on Convention on Biological Diversity (1992), Article 2)



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High Conservation Value (HCV) (revised): Any of the following values:

- HCV1 Species Diversity: Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are recognized as significant at global, regional or national levels.
- HCV 2 - Landscape-level ecosystems and mosaics: Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of most of the naturally occurring species in natural patterns of distribution and abundance.
- HCV 3 - Ecosystems and habitats: Rare, threatened, or endangered ecosystems, habitats or refugia.
- HCV 4 - Critical ecosystem services: Basic ecosystem services in critical situations, including protection of critical water catchments and control of erosion of critically vulnerable soils and slopes, identified through engagement with local communities and other stakeholders.
- HCV 5 - Community needs: Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples (for example for livelihoods, health, nutrition), identified through engagement with these communities.
- HCV 6 - Cultural values: Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.

High Conservation Value Forests (original definition): High Conservation Value Forests are those that possess one or more of the following attributes:

- a) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance
- b) forest areas that are in or contain rare, threatened or endangered ecosystems
- c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)
- d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

Indigenous lands and territories (revised): Lands or territories that the Indigenous Peoples traditionally owned, or customarily used or occupied, and where access to natural resources is vital to the sustainability of their cultures and livelihoods. (**Source:** World Bank safeguard OP 4.10 Indigenous Peoples, section 16 (a) (July 2005))

Indigenous lands and territories (original definition): The total environment of the lands, air, water, sea, sea-ice, flora and fauna, and other resources which indigenous peoples have traditionally owned or otherwise occupied or used. (Draft Declaration of the Rights of Indigenous Peoples: Part VI)

Indigenous peoples (revised): People and groups of people that can be identified or

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characterized as follows:

- The key characteristic or criterion is self identification as Indigenous Peoples at the individual level and acceptance by the community as their member
- Historical continuity with pre-colonial and/or pre-settler societies
- Strong link to territories and surrounding natural resources
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- Form non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

(Source: Adapted from United Nations Permanent Forum on Indigenous, Factsheet 'Who are indigenous peoples' October 2007 (according to filename); United Nations Development Group, 'Guidelines on Indigenous Peoples' Issues' United Nations 2009, United Nations Declaration on the Rights of Indigenous Peoples, 13 September 2007)

Original definition Indigenous peoples: The existing descendants of the peoples who inhabited the present territory of a country wholly or partially at the time when persons of a different culture or ethnic origin arrived there from other parts of the world, overcame them and, by conquest, settlement, or other means reduced them to a non-dominant or colonial situation; who today live more in conformity with their particular social, economic and cultural customs and traditions than with the institutions of the country of which they now form a part, under State structure which incorporates mainly the national, social and cultural characteristics of other segments of the population which are predominant." (Working definition adopted by the UN Working Group on Indigenous Peoples)

Intellectual property (new): Practices as well as knowledge, innovations and other creations of the mind. **(Source:** FSC 2010, based on Article 8j of the Convention on Biological Diversity and World Intellectual Property Organization accessed on 02 March 2010: <http://www.wipo.int/about-ip/en/>)

Intensity (new): A measure of the force, severity or strength of a management activity or other occurrence affecting the nature of the activity's impacts. **(Source:** FSC 2010)

Interested stakeholder (new): Any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of a management unit. **(Source:** FSC 2010)

Internationally accepted scientific protocol (new): A predefined science-based procedure which is either published by an international scientific network or union, or referenced frequently in the international scientific literature **(Source:** FSC 2010)

Invasive species (new): Species that are rapidly expanding outside of their native range. Invasive species can alter ecological relationships among native species and can affect ecosystem function and human health **(Source:** Based on IUCN).

Landscape (original definition): A geographical mosaic composed of interacting ecosystems resulting from the influence of geological, topographical, soil, climatic, biotic and human interactions in a given area. **(Source:** IUCN)



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Landscape values (new): Landscape values can be visualized as layers of human perceptions overlaid on top of the physical landscape. Some landscape values, like economic, recreation, or subsistence value are closely related to physical landscape attributes. Other landscape values such as intrinsic or spiritual value are more symbolic in character with value location influenced more by individual perception or social construction than physical landscape attributes. (**Source:** Landscape value Institute <http://www.landscapemap2.org/animatev1.html>)

Legal (new): In accordance with local laws or national laws as defined below. ‘Legal’ also includes rule-based decisions made by legally competent agencies where such decisions flow directly and logically from the laws and regulations. Decisions made by legally competent agencies may not be legal if they do not flow directly and logically from the laws and regulations and if they are not rule-based but use administrative discretion (**Source:** FSC 2010)

Legally competent (new): Mandated in law to perform a certain function.

Legal registration (new): Is the national or local legal license or set of permissions to operate as an enterprise, with rights to buy and sell products and/or services commercially. The license or permissions can apply to an individual, a privately-owned enterprise or a publicly-owned corporate entity. The rights to buy and sell products and/or services do not carry the obligation to do so, so legal registration applies also to Organizations operating a Management Unit without sales of products or services; for example, for unpriced recreation or for conservation of biodiversity or habitat. (**Source:** FSC 2010)

Legal status (new): The way in which the Management Unit is classified according to law. In terms of tenure, it means the category of tenure, such as communal land or leasehold or freehold or State land or government land, etc. If the Management Unit is being converted from one category to another (for example, from State land to communal indigenous land) the status includes the current position in the transition process. In terms of administration, legal status could mean that the land is owned by the nation as a whole, is administered on behalf of the nation by a government department, and is leased by a government Ministry to a private sector operator through a concession. (**Source:** FSC 2010)

Living wage (new): The level of wages sufficient to meet the basic living needs of an average-sized family in a particular economy (**Source:** ILO Thesaurus).

Local communities (new): Communities of any size that are in or adjacent to the Management Unit, and also those that are close enough to have a significant impact on the economy or the environmental values of the Management Unit or to have their economies, rights or environments significantly affected by the management activities or the biophysical aspects of the Management Unit. (**Source:** FSC 2010)

Local laws (revised): The whole suite of primary and secondary laws (acts, ordinances, statutes, decrees) which is limited in application to a particular geographic district within a national territory, as well as secondary regulations, and tertiary administrative procedures (rules / requirements) that derive their authority directly and explicitly from these primary and secondary laws. Laws derive authority ultimately from the Westphalian concept of



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sovereignty of the Nation State. (**Source:** FSC 2010)

Original definition Local Laws: Includes all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms.

Long term (original definition): The time-scale of the forest owner or manager as manifested by the objectives of the management plan, the rate of harvesting, and the commitment to maintain permanent forest cover. The length of time involved will vary according to the context and ecological conditions, and will be a function of how long it takes a given ecosystem to recover its natural structure and composition following harvesting or disturbance, or to produce mature or primary conditions. (**Source:** FSC 1994)

Management plan (new): The collection of documents, reports, records and maps that describe, justify and regulate the activities carried out by any manager, staff or organization within or in relation to the Management Unit, including statements of objectives and policies. (**Source:** FSC 2010)

Management Unit (new): A spatial area or areas submitted for FSC certification with clearly defined boundaries managed to a set of explicit long term management objectives which are expressed in a management plan. This area or areas include(s)

- all facilities and area(s) within or adjacent to this spatial area or areas under legal title or management control of, or operated by or on behalf of The Organization, for the purpose of contributing to the management objectives,
- all facilities and area(s) outside, and not adjacent to this spatial area or areas and operated by or on behalf of The Organization, solely for the purpose of contributing to the management objectives. (**Source:** FSC 2010)

Managerial control (new): Responsibility of the kind defined for corporate directors of commercial enterprises in national commercial law, and treated by FSC as applicable also to public sector organizations. (**Source:** FSC 2010)

National laws (new): The whole suite of primary and secondary laws (acts, ordinances, statutes, decrees), which is applicable to a national territory, as well as secondary regulations, and tertiary administrative procedures (rules / requirements) that derive their authority directly and explicitly from these primary and secondary laws. (**Source:** FSC 2010)

Native species (revised): Species, subspecies, or lower taxon, occurring within its natural range (past or present) and dispersal potential (that is, within the range it occupies naturally or could occupy without direct or indirect introduction or care by humans.) (**Source:** IUCN)

Original Definition Native Species: A species that occurs naturally in the region; endemic to the area.

Natural forest (revised): An area of land with a tree canopy cover of more than 10%, or with young trees able to reach 10% cover in situ, in which all or almost all trees and other plants are indigenous species, and not classified as a plantation. This includes stands of any ages and sizes.



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Clarification: For FSC purposes, it includes areas in which natural forests have been affected by harvesting or other disturbances, and in which the trees are being or have been regenerated naturally or by planting or sowing with species typical of natural forests in that site. This clarification covers the situation in some temperate forests dominated by one or few species (often conifers) in which the regeneration of forest with a similar species composition after logging is often carried out by a combination of natural and artificial regeneration, and is not considered as Conversion (**Source:** Based on FAO (2007) and other international organizations).

Natural Forest (original definition): Forest areas where many of the principal characteristics and key elements of native ecosystems such as complexity, structure and diversity are present, as defined by FSC approved national and regional standards of forest management. (Source FSC 1994)

Non-timber forest products (NTFP) (revised): All products other than timber derived from the Management Unit (**Source:** FSC 2010).

Non-timber forest products (original definition): All forest products except timber, including other materials obtained from trees such as resins and leaves, as well as any other plant and animal products.

Objective (new): A projected state of affairs that The Organization plans to achieve (**Source:** Based on Wikipedia).

Obligatory code of practice (new): A manual or handbook or other source of technical instruction which The Organization must implement by law (**Source:** FSC 2011).

Occupational accident (new): An occurrence arising out of, or in the course of, work which results in fatal or non-fatal injury (**Source:** ILO Thesaurus).

Occupational disease (new): Any disease contracted as a result of an exposure to risk factors arising from work activity. (**Source:** ILO Thesaurus)

Occupational injuries (new): Any personal injury, disease or death resulting from an occupational accident. (**Source:** ILO Thesaurus)

Organism (new): Any biological entity capable of replication or of transferring genetic material. (**Source:** Council Directive 90/220/EEC)

The Organization (new): The person or entity holding or applying for certification and therefore responsible for ensuring compliance with the requirements upon which FSC certification is based (**Source:** FSC 2010).

Pesticide (new): Any substance or preparation prepared or used in protecting plants or wood or other plant products from pests; in controlling pests; or in rendering such pests harmless. (This definition includes insecticides, rodenticides, acaricides, molluscicides, larvaecides, fungicides and herbicides). (**Source:** FSC-POL-30-001 (2005) FSC Pesticides Policy)



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Plantation (revised): An area of land with a tree canopy cover of more than 10%, or of young trees able to reach 10% cover in situ, including all areas established by planting or seeding with alien (exotic) tree species, as well as areas newly established by planting or seeding with native (indigenous) tree species which are characterized by few species and even spacing and/or even-ages. (**Source:** Based on FAO (2007) definitions for Planted Forest and Forest Plantation)

Plantation (original definition): Forest areas lacking most of the principal characteristics and key elements of native ecosystems as defined by FSC-approved national and regional standards of forest stewardship, which result from the human activities of either planting, sowing or intensive silvicultural treatments.

Precautionary approach (revised): An approach requiring that when the available information indicates that management activities pose a threat of severe or irreversible damage to the environment or a threat to human welfare, The Organization will take explicit and effective measures to prevent the damage and avoid the risks to welfare, even when the scientific information is incomplete or inconclusive, and when the vulnerability and sensitivity of environmental values are uncertain. (**Source:** Based on Principle 15 of Rio Declaration on Environment and Development and Wingspread Statement on the Precautionary Principle of the Wingspread Conference, 23-25 January 1998).

Original Definition Precautionary Approach: Tool for the implementation of the precautionary principle.

Principle (original definition): An essential rule or element; in FSC's case, of forest stewardship. (**Source:** FSC 1994)

Publicly available (new): In a manner accessible to or observable by people generally. (Collins English dictionary, Edition 2003)

Rare species (new): Species that are uncommon or scarce, but not classified as threatened. These species are located in geographically restricted areas or specific habitats, or are scantily scattered on a large scale. They are approximately equivalent to the IUCN (2001) category of Near Threatened (NT), including species that are close to qualifying for, or are likely to qualify for, a threatened category in the near future. They are also approximately equivalent to imperiled species (**Source:** Based on IUCN 2001).

Ratified (new): The process by which an international law, covenant or agreement (including multilateral environmental agreement) is legally approved by a national legislature or equivalent legal mechanism, such that the international law, covenant or agreement becomes automatically part of national law or sets in motion the development of national law to give the same legal effect (**Source:** FSC 2010)

Reasonable (new): Judged to be fair or appropriate to the circumstances or purposes, based on general experience. (**Source:** Shorter Oxford English Dictionary).

Reduced Impact Harvesting (new): Logging using techniques to reduce the impact on the residual stand. (**Source:** Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests, IUCN- 2006)



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Refugia (new): An isolated area where extensive changes, typically due to changing climate or by disturbances such as those caused by humans, have not occurred and where plants and animals typical of a region may survive. (**Source:** Glen Canyon Dam, Adaptive management program Glossary <http://www.gcdamp.gov/glossary.html>)

Resilience (new): The ability of a system to maintain key functions and processes in the face of stresses or pressures by either resisting or adapting to change. Resilience can be applied to both ecological systems and social systems (**Source:** Holling 1973; Nystrom and Folke 2001; Folke et al. 2002 as quoted in IUCN General Glossary).

Risk (new): A state of uncertainty about the likelihood or probability of an event with negative consequences, and also the severity of those consequences. (**Source:** FSC 2010)

Scale (new): A measure of the extent to which a management activity or event affects an environmental value or a management unit, in time or space. An activity with a small or low spatial scale affects only a small proportion of the forest each year, an activity with a small or low temporal scale occurs only at long intervals (**Source:** FSC 2010).

Scale, Intensity and Risk: See individual definitions of the terms 'scale', 'intensity', and 'risk'.

Shall (new): indicates a requirement of the standard.

Shall not (new): indicates a prohibition

Should/ and should not (new): indicate a recommendation.

(**Source:** Based on ISO Guide 2, General Vocabulary section 7.1 and ISO/IEC Directives Part 2, (Fifth edition, 2004) Annex H, Verbal forms for the expression of provisions)

Silviculture (new): The art and science of controlling the establishment, growth, composition, health and quality of forests and woodlands to meet the targetted diverse needs and values of landowners and society on a sustainable basis. (**Source:** Nieuwenhuis, M. Terminology of Forest Management. IUFRO World Series Vol. 9-en. IUFRO 4.04.07 SilvaPlan and SilvaVoc)

Stakeholder: See definitions of affected stakeholder and interested stakeholder.

Statutory law or statute law (new): The written law established by enactments expressing the will of the legislature, as distinguished from the unwritten law or common law (**Source:** www.dictionary.com).

Tenure (original definition): Socially defined agreements held by individuals or groups, recognized by legal statutes or customary practice, regarding the "bundle of rights and duties" of ownership, holding, access and/or usage of a particular land unit or the associated resources there within (such as individual trees, plant species, water, minerals, etc) (**Source:** IUCN).

Threatened species (revised): A species that meets the IUCN (2001) criteria for Vulnerable (VU), Endangered (EN) or Critically Endangered (CR), and is facing a high, very high or extremely high risk of extinction in the wild. These categories may be re-interpreted for FSC



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purposes according to official national classifications (which have legal significance) and to local conditions and population densities (which should affect decisions about appropriate conservation measures). (**Source:** Based on IUCN 2001).

Threatened species (original definition): Any species which is likely to become endangered within the foreseeable future throughout all or a significant portion of its range.

Traditional peoples (new): Traditional peoples are social groups or peoples who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use. (**Source:** Forest Peoples Programme (Marcus Colchester, 07 October 2009))

Uphold (new): To acknowledge, respect, sustain and support. (**Source:** FSC 2010)

Use rights (revised): Rights for the use of resources of the Management Unit that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques. (**Source:** FSC 2010)

Original Definition Use rights: Rights for the use of forest resources that can be defined by local custom, mutual agreements, or prescribed by other entities holding access rights. These rights may restrict the use of particular resources to specific levels of consumption or particular harvesting techniques.

Workers (new): All employed persons including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self employed contractors and sub-contractors (**Source:** ILO Convention C155 Occupational Safety and Health Convention, 1981).



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Annex 1 – Rationales for deletion of Principle 10

Original Principle 10 - Rationales for deletion

Original Principle 10 and all criteria under original Principle 10 are proposed for replacement by incorporation into other criteria under proposed Principles 1 to 10.

This section provides an overview of how the Criteria of original Principle 10 have been incorporated into proposed Principles 1 to 10.

Principle #10: Plantations

Original principle 10 is proposed for deletion.

Rationale: With the incorporation of Principle 10 into Principle 1 to 9 this Principle is not needed anymore. See rationale as provided under new Principle 10.

Original Principle 10: Plantations shall be planned and managed in accordance with Principles and Criteria 1 to 9, and Principle 10 and its Criteria. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.

10.1 Original Criterion 10.1 is proposed for replacement.

Rationale: Proposed Criterion 7.1 requires the establishment of policies and objectives that are environmentally sound, socially beneficial and economically viable. Proposed Criterion 7.2 requires the establishment and implementation of a corresponding management plan. The Explanatory Notes to proposed Criterion 7.2 explain the elements to be included in the management plan, including conservation and restoration.

Original Criterion 10.1: The management objectives of the plantation, including natural forest conservation and restoration objectives, shall be explicitly stated in the management plan, and clearly demonstrated in the implementation of the plan.

10.2 Original Criterion 10.2 is proposed for replacement.

Rationale: The issues addressed in original Criterion 10.2 are covered by proposed Criteria 6.4 (species conservation), 6.5 (protection, conservation and restoration of natural ecosystems and connectivity), 6.7 (protection and restoration of natural water courses, riparian zones), 6.8 (mosaic of stands).

Original Criterion 10.2: The design and layout of plantations should promote the protection, restoration and conservation of natural forests, and not increase pressures on natural forests. Wildlife corridors, streamside zones and a mosaic of stands of different ages and rotation periods, shall be used in the layout of the plantation, consistent with the scale of the operation. The scale and layout of plantation blocks shall be consistent with the patterns of forest stands found within the natural landscape.



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10.3 Original Criterion 10.3 is proposed for replacement.

Rationale: Size and spatial distribution, composition of species, and structure (including age classes) are addressed in proposed Criterion 6.8.

Original Criterion 10.3: Diversity in the composition of plantations is preferred, so as to enhance economic, ecological and social stability. Such diversity may include the size and spatial distribution of management units within the landscape, number and genetic composition of species, age classes and structures.

10.4 Original Criterion 10.4 is proposed for replacement.

Rationale: Species selection, the use of native species and the requirements for the management of exotic (alien) species are covered by proposed Criterion 10.2 and 10.3.

Original Criterion 10.4: The selection of species for planting shall be based on their overall suitability for the site and their appropriateness to the management objectives. In order to enhance the conservation of biological diversity, native species are preferred over exotic species in the establishment of plantations and the restoration of degraded ecosystems. Exotic species, which shall be used only when their performance is greater than that of native species, shall be carefully monitored to detect unusual mortality, disease, or insect outbreaks and adverse ecological impacts.

10.5 Original Criterion 10.5 proposed for replacement.

Rationale: Restoration of natural ecosystems (including natural forests) is addressed in proposed Criterion 6.5 and 6.7.

Original Criterion 10.5: A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.

10.6 Original Criterion 10.6 is proposed for replacement.

Rationale: Soil and water are environmental values and are so covered by proposed Criterion 6.3. Proposed Criterion 10.10 and 10.11 address soil conservation. Requirements for ensuring management activities are appropriate for the protection of water resources are addressed Criterion 10.5. 10.6 and 10.10.

Original Criterion 10.6: Measures shall be taken to maintain or improve soil structure, fertility, and biological activity. The techniques and rate of harvesting, road and trail construction and maintenance, and the choice of species shall not result in long term soil degradation or adverse impacts on water quality, quantity or substantial deviation from stream course drainage patterns.

10.7 Original Criterion 10.7 is proposed for replacement.

Rationale: Pest management is covered in proposed Criteria 10.7 and 10.8.



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Original Criterion 10.7: Measures shall be taken to prevent and minimize outbreaks of pests, diseases, fire and invasive plant introductions. Integrated pest management shall form an essential part of the management plan, with primary reliance on prevention and biological control methods rather than chemical pesticides and fertilizers. Plantation management should make every effort to move away from chemical pesticides and fertilizers, including their use in nurseries. The use of chemicals is also covered in Criteria 6.6 and 6.7.

10.8 Original Criterion 10.8 is proposed for replacement.

Rationale: Positive and negative social and economic impacts, and local resource rights, are addressed in Principle 3 and 4. Ecological impacts are addressed in Principle 6.

The requirements in relation to using locally well adapted species and non-invasiveness are covered by Criterion 10.2 and 10.3.

Original Criterion 10.8: Appropriate to the scale and diversity of the operation, monitoring of plantations shall include regular assessment of potential on-site and off-site ecological and social impacts, (e.g. natural regeneration, effects on water resources and soil fertility, and impacts on local welfare and social well-being), in addition to those elements addressed in principles 8, 6 and 4. No species should be planted on a large scale until local trials and/or experience have shown that they are ecologically well-adapted to the site, are not invasive, and do not have significant negative ecological impacts on other ecosystems. Special attention will be paid to social issues of land acquisition for plantations, especially the protection of local rights of ownership, use or access.

10.9 Original Criterion 10.9 is proposed for replacement.

Rationale: See proposed Criterion 6.9 and 6.10.

Original Criterion 10.9: Plantations established in areas converted from natural forests after November 1994 normally shall not qualify for certification. Certification may be allowed in circumstances where sufficient evidence is submitted to the certification body that the manager/owner is not responsible directly or indirectly of such conversion.