



Q&A

FIRST DRAFT OF THE FSC POLICY ON CONVERSION

WEBINAR 1, 2 & 3

14 AUGUST 2019 17:00 – 18:00 CEST

20 AUGUST 2019 09:00 – 10:00 CEST

17 SEPTEMBER 2019 10:00 – 11:11 CEST

Please note the following content is an edited version of the first 3 Webinars with responses from FSC staff and the Working Group members present on the call. A number of questions relate to issues the WG is still discussing or refining so the responses in the Q&A list do not represent position of all WG members. The WG welcomes your further input on any of these issues via the public consultation platform [here](#).

Terms & Definitions

1. Please elaborate on "indirectly involved in conversion". [Webinar 1] How is it defined? [Webinar 2]

So far, the Motion 7 Working Group (hereinafter 'WG') has been using the definition on "indirectly involved in conversion" given in the FSC Policy for Association (PfA). The revision of PfA is currently on hold.

The intent within FSC is to ensure that those actors, which have links to conversion, implement compensation for the conversion. Motion 7 Technical Working Group (hereinafter 'TWG') will bring more clarity to what constitutes "indirect involvement".

2. Regarding "indirect involvement" in conversion: are there clear criteria for what constitutes indirect involvement? This is a major problem with the current policy. [Webinar 1]

Currently in PfA, there is a definition for indirect involvement. While the definition does not contain specific criteria, it does provide examples such as being on the Board or having a percentage of voting power of a company involved in conversion, etc. It is a very important issue to address, and stakeholders are welcome to comment on this in the public consultation platform [here](#).

3. What if the owner of a converted area changed actually or formally, if instead of one legal entity now there are several new ones, etc.? there should be all loopholes covered to avoid any abuse. [Webinar 1]

It relates to the definition of directly or indirectly involvement in conversion. It is very true there are complexity around indirect involvement in conversion. The PfA and Policy on Conversion aim to provide a consistent approach as how liability of conversion is defined, to avoid loopholes.

Prevention of such loopholes are covered in the FSC normative framework through the Policy for Association



Objective

4. One of the major questions from German members is: Why is one of the main objectives of the working group to find ways for "acceptable" conversion while the organization generally is about "halting conversion" as a guiding principle? [Webinar 3]

As indicated in the proposed policy principle 1 and 2, the aim of the policy is to halt deforestation and promote conservation and restoration. Furthermore, principle 3 outlined three options to address past conversions. For conversions already happened, this policy is to provide a pathway for them to conduct compensation activities, to restore and conserve environmental values and to retribute social economic loss.

Further to that, FSC system has always been allowing certain level of acceptable conversion. E.g. for the purpose of building infrastructure, there maybe need to convert certain percentage of land. In the consultation materials on the platform, WG has presented the proposal for aligning acceptable conversion across normative documents.

The Mission and statutes of FSC are about responsible forest management, and these are well documented in the FSC normative framework. The purpose of FSC is clearly documented in the Fifth Tenet in the FSC Statutes while the Mission is also documented, for example in the Sixth Tenet. While we all acknowledge the harm that conversion may cause and this is captured in the first principle of the Fifth Tenet as "to avoid deterioration or misuse of such (natural) resources, or of the ecosystems or surrounding communities, this is one part of one principle out of the 13 listed principles under this Tenet.

Policy scope

5. Can you describe how this policy will impact CW/CoC certificate holders? [Webinar 1]

The impact on CW/CoC certificate holder would vary depending on which standards are applied. However, the intent of the policy is that where conversion has occurred that can be linked to the organization supplying timber into the FSC supply chain then the requirements for compensation would apply.

In case there are CW producers who have converted natural ecosystems to plantations after 1994, they would need to develop and implement compensation plan to become eligible for full Forest Management certification.

6. Please could you explain slide 12 (Policy scope) again. Point b) for "apply" and "not apply" is not clear. [Webinar 1]

The policy scope aims to capture that there is change from the existing FSC way of treating conversion (Beyond natural forest, the policy also applies to natural ecosystem). Further explanation for slide 12 can be found below:

- *Does not apply - Point b: indicates that for organization still having a valid certificate, the requirements around conversion of natural ecosystem (as opposed to natural forest) will not apply.*
- *Does apply – Point b: if the existing FM certificate holders expand the scope of their existing certificate after the effective date of the Policy to include non-forest ecosystem. The policy says then this certificate holder could not convert this non-forest ecosystem that is newly added into the scope of the certificate.*



The WG acknowledges that there are many organizations within the FSC system that already have complied with existing requirements, and the intent is ensure that new measures will not be applied retrospectively to these organizations. The policy also intends to apply new requirements into the future where FSC acknowledges that protecting natural forests should not lead to the conversion of other natural ecosystems

Principle 2: Natural ecosystem

7. How do you see the complexity and operability of assessing natural ecosystems? [Webinar 1]

The WG discussed this topic in depth. The role of national and regional stakeholders is considered critical. At the policy level, we are not intending to include more details in this regard. The TWG will follow up on this topic and define IGIs and guidance to standard development groups.

Principle 3: Cut-off rule

8. Did you have the opportunity to do an impact analysis on the proposed scenarios for cut-off rule? [Webinar 1]

WG did not conduct the impact analysis yet, including the analytical data on how many organizations and how much area could potentially be affected via the three options. But this is indeed an important topic to investigate, WG will consider testing the Policy on Conversion later on, if considered feasible.

An impact analysis was conducted with the previous Motion 12 Working Group and as this WG is based on previous work, this impact analysis would apply to some extent, however it is acknowledged that a further impact analysis will be needed for the impact of both the Policy and other normative framework changes.

9. Could you please explain about the option 2 in the Principle 3? [Webinar 1]

The reason why the 1994-rule related motions (18, 12, 7) were repeatedly supported by the FSC membership in General Assemblies in Kota Kinabalu, Seville and Vancouver, is because there is recognition from the membership that there are (1) difficulties for organization that converted after 1994 to enter the FSC system, and (2) there are barriers for FSC to create a bigger impact and to bring further environmental and social benefits (restoration and restitution).

Option 3 sets a new cut-off date to align with the Global Zero-deforestation by 2020 commitments. Organizations which converted between 1994-2020 can apply for association or certification with FSC upon demonstrated compensation requirements. But organization converting post 2020 would not be able to enter the FSC system at all.

Option 1 has no additional fixed cut-off date, so Organisations who convert in the future will still be eligible for FSC certification and association once they have demonstrated compensation.

Option 2 also allows those who convert in the future to associate with FSC, but it tries to close the loophole of 'convert and pay' by requiring more stringent compensation requirements (more severe penalty) for conversion after the implementation of this policy (expected to be 2020)



10. Motion 7 specified a policy to deal with past conversions. Yet Options 1 and 2 for principle 3 deal with future conversions (post 2020). Is this valid, within the scope of the motion? [Webinar 1]

In terms of past and future conversion, FSC sees it not in the perspective of a certain date. Past conversion is conversion that happened prior to the organization joining the FSC system, future conversion is conversion that occurs when the organization is already in the FSC system (affiliated with FSC or FSC certificate holder). Thus, the wording 'past' and 'future' is not necessarily linked with a certain date, but the time when the organization get certified.

11. In terms of choosing the 3 options on the cut-off date, will the decision be made by a majority vote? Or by any other mechanism? [Webinar 2]

In an ideal scenario, one of those 3 options would be supported by the majorities in all sub-chambers. In such case, decision would be easy. However, it is more likely that the votes will be scattered, and majority vote cannot be applied as a sole basis for decision.

The WG will review and consider all feedback from public consultations. The WG aim to adopt chamber balanced approach when evaluating views received and will integrate them during the development process for the second draft of the Policy. The WG will also consider research outcomes and experiences from previous working groups or research projects, for the selection among the 3 options.

12. Different stringencies before/after 2020 - how differentiated? [Webinar 2]

The policy currently only indicates under option 2 for principle 3, that compensation requirements after 2020 will be more stringent, but regarding how it will differ on the operational level, it will be up to the TWG for further development. The option 2 in the first draft is only to provide an option and to get feedback from stakeholders at the policy level. It does not indicate that more stringent requirements mean e.g. doubling number of hectares, it could potentially mean more stringent monitoring and reporting requirements, it could also be different types of conservation and restoration projects required.

All stakeholders are welcomed to provide feedback at policy level regarding option 2, and stakeholders are welcomed to provide ideas as how different stringency shall be detailed in the compensation procedures, which can be considered by WG and TWG during the policy/procedure development process.

13. Draft policy implies no approval of any conversion taking place after 2020? [Webinar 2]

In the policy, there are 3 options regarding the cut-off date. For option 3, the year 2020 will be an additional cut-off date, organizations directly or indirectly involved in conversion after 2020 are not eligible to enter FSC certification system. While option 2 indicates organizations directly or indirectly involved in conversion after 2020 can apply for association or certification but they will face more stringent compensation requirements. Under Option 1 organizations directly or indirectly involved in conversion after 2020 can become eligible to enter FSC certification system upon compliance with a compensation mechanism.



The WG will consider stakeholder feedback collected during the public consultation process, and if option 3 is chosen, then the policy will imply no approval of any conversion taking place after 2020. But if the other two options are chosen, conversion taking place after 2020 could potentially be approved, but only upon demonstrated compensation achievements.

**Principle 4:
Constitution of
conversion**

14. As a complement to the analysis of what would be acceptable conversions, have you considered what would be unacceptable conversions (ex: hotspots, specific ecosystems, IFLs, etc...)? [Webinar 1]

FSC normative Framework, through the differing standards covers some of the requirements of what is considered tolerable and what requirements there are for no conversion. Further to this, this Policy proposes that these be defined at regional or national level through the setting of thresholds for conversions. TWG will be tasked with developing normative framework standards requirements and guidance for the development of these local thresholds.

The logic behind referring this down to more local levels stems from the great variety of land cover across the globe, and the need to consider at an ecotone level what ecosystems may be critical and at what level degradation would meet the requirements of this policy for compensation for losses incurred.

15. To what extent can conversion be allowed in exchange for restoration? Considering the actual possibilities (location, time, ecosystem, costs ...) of restoration. [Webinar 1]

First of all, the objective of the draft policy is to set compensation requirements at a level that disincentivizes conversion, while incentivizes conservation and restoration. TWG will develop mechanisms that take into account of risks related to “convert and pay”. Furthermore, WG proposes a conversion free period via the draft policy principle 5.1, in an attempt to further mitigate any risks related to “convert and pay”. WG welcomes stakeholders’ feedback on this draft Policy’s approach to disincentivizing conversion.

Secondly, regarding tolerable conversion: the draft policy principle 4 indicates the threshold for tolerable conversion. The WG discussed the need for some levels of conversion as part of responsible forest management, and it is acknowledged there is instances where certain conversion events may have positive impacts. At the same time, the WG is aware of the linkage between degradation and conversion, and WG expects TWG to develop the thresholds.

Lastly, there is a need to consider the major drivers of conversion and how FSC can reduce these drivers while at the same time providing incentives for global restoration initiatives. As already mentioned, this would need to be considered at local levels by stakeholders.

16. Do you plan to precise the FSC approach regarding the conversion which is caused by development of public infrastructure (i.e. roads, pipelines etc.), where the CH has no control over it (decision on conversion is made by government, local authorities etc.)? [Webinar 2]



The draft Policy continues to allow a certain “very limited portion” of conversion for the development. These will not be considered such actions which require compensation. Requirements regarding this type of conversion remain unchanged.

Through the TWG output, thresholds requirements and levels for acceptable conversion and habitat quality will be detailed. CHs will be requested to demonstrate the level of conversion, and to demonstrate if the conversion is beyond or beneath the threshold. And when it is beneath the threshold, no compensation requirements will apply. Further to this no compensation would be required where the conversion is beyond the control of the organization as suggested in the question.

17. Does the conversion policy allow conversion of degraded forest land to plantation? [Webinar 2]

*The current draft does not provide direct answer to the question. The general thinking has been that severely*degraded forest lands could be used for plantations and would not require compensation. The point at which degradation is considered severe enough to allow conversion to plantations is critical. The first draft aims to promote restoration and conservation of degraded forest land, and the WG is asking the TWG to further elaborate this **threshold** for the constitution of conversion (including a threshold for forest degradation). These thresholds will be interpreted at national level by SDGs, as the natural ecosystems and habitats quality varies a lot across geographical context.*

18. In Principle 4, the draft says "FSC defines international generic thresholds for what constitutes conversion of natural forest and natural ecosystems" is this already defined somewhere by FSC, or will this be done as part of the Technical Working group process? [Webinar 3]

WG have not yet defined the thresholds. There was a plantation D team, they were tasked with developing IGIs for the constitution of conversion. The WG wish the TWG will review this issue and develop IGIs which sets threshold for conversion of natural forest and natural ecosystem. Thus, there is already a foundation within FSC system, and TWG will further develop this threshold.

It is the intent of the Working Group that the Technical Working Group would develop international generic thresholds that would then be further refined at national levels.

19. Why doesn't the policy just address 'forest' and 'ecosystem' instead of 'natural forest' or 'natural ecosystem'? As most of the forest or ecosystem we are talking about is degraded (based on species composition, etc. though they are still in better quality than plantation). [Webinar 3]

The term of 'natural' forest or 'natural' ecosystem include primary forests, as well as secondary forest and degraded forest, but it excludes plantations

The intent of the policy is to protect areas that may be considered as “primary” or “pristine” natural ecosystems, encourage the restoration of those ecosystems that while degraded can recover, and incentivizing plantation development on highly degraded sites that may then assist in social development and/or ecological protection of other ecosystems. The Working Group acknowledges that much of the damage caused to ecosystems is driven by resource requirements and community subsistence needs, and this policy is intended, in part, to offer an alternative to these conversion drivers.



20. For the definition of conversion in the first draft: “Conversion: A lasting change of vegetation cover* or composition of natural ecosystems, induced by human activity* and characterized by significant loss of species diversity*, habitat diversity, structural complexity or ecosystem functionality. The scope of the definition of conversion* covers gradual forest degradation as well as rapid forest transformation.” Why is the social component not included in the definition? [Webinar 3]

The WG recognizes that there can be substantial impact for indigenous people or communities if the forest and/or ecosystems that they depend on, gets converted.

Conversion always changes or removes ecological assets, affecting both ecological and social values, but the activity itself is on ecological assets and hence the definition has been written to reflect the change in vegetation and composition of ecosystems.

21. Why can't the company identify the poorest quality of land in the management unit, and use these type of land for conversion, it will happen anyways, and it is best to happen under the scheme of FSC to ensure it is done in a responsible way. [Webinar 3]

The WG is discussing the threshold of degradation, where it will define land that are so degraded and are suitable for plantation, and land degraded to be restored or conserved.

The intent of the policy is to drive plantation development to degraded land and to bring more organizations into FSC by incentivizing responsible forest management.

22. On page 9, points 4 and 5. How can one get hold of the “generic thresholds” and “compensation mechanisms”? as currently the issue of Degraded and definition of natural vs degraded is not clearly defined in the draft. [Webinar 3]

The International Generic Thresholds for natural forest, natural ecosystem and constitution of conversion will be developed by the Motion 7 TWG. At the meantime, the TWG will develop the compensation mechanism following recommendations from the WG.

23. The proposed policy seems to allow all kind of conversion as long as compensation is taken care of. Do you see any risk in this approach which does not rule out even the worst conversion cases, for example conversion of HCVs? [Webinar 3]

It is not an intention to allow “all kind of conversion”. In general, the WG sees that HCV shall not be converted (see also Policy for Association). More discussions are needed on how to tackle with the conversion of primary and secondary natural forests.

**Principle 5:
Compensation
mechanism**

24. Can you please explain further item 5? Especially the last sentence – “This mechanism provides a pathway into FSC for organizations that have been directly or indirectly involved in conversion” [Webinar 1]



Currently FSC does not allow organization involved in conversion after 1994 to enter FSC certification system. Through the first draft of FSC Policy on Conversion, it is aimed to provide opportunities for those organizations converted after 1994 to enter the system through demonstrated compensation achievements. It is not any pathway, but one pathway to restore or conserve the environment and provide restitution for social harm done by conversion. The pathway may also serve the roadmap- procedures for disassociated companies to re-enter the FSC system.

25. Is there already a clear methodology behind to estimate negative economic, environmental and social impacts at a landscape level and the ways on how to compensate, where to compensate, to whom, on which form, etc.? [Webinar 1]

So far not. It is envisaged that the TWG will develop a base-line methodology which will vary from landscape to landscape in the compensation plans. There has to be evaluation mechanisms embedded, to assess the positive/negative economic, environmental and social impacts. There are experiences from other certification schemes, other sectors, and some countries (e.g. US) on how to avoid displacement of local communities, etc. Thus, it is difficult to provide a general answer to this question, as it will be highly contextualized. WG will encourage TWG to provide guidance to organizations on the compensation plan requirements, which will require organization to conduct thorough evaluation prior to the implementation of the plan.

The WG's intent is that this shall be done in full engagement (through FPIC where necessary) with stakeholders, aiming to an agreement on what is the harm caused and what needs to be done to compensate for these harms.

26. Regarding principle 5: Where possible, environmental compensation measures should be prioritized either in the Management Unit where the conversion took place, adjacent land, or in the broader landscape. Please explain what "broader landscape" means. [Webinar 1]

The reason why we started to broaden out the options, - instead of just restoration and conservation inside the management unit/s - is that in some instances, the compensation inside the concession may not create equivalent, or near equivalent benefit, to the values that were lost. Sometimes maximum nature conservation or social restitution benefits might be achieved outside of the concession in a broader landscape

It is expected that TWG will develop clear criteria for defining the selection of compensation location, including "the broader landscape" (to narrow down possibly). WG expects there will be requirements to justify why the compensation is taking place in an area either inside or outside the concessions, etc. Stakeholder's contributions on this topic are very welcome.

Participant comment: FM certification is by MU, not by landscape, so shuffling responsibility for compensation out of the MU is legally difficult/non-starter.

This relates to Question 10 in the consultation: How, if compensation is allowed outside the management unit, can this be satisfactorily be monitored and audited and over the likely very extended time period required by the compensation plan? Do these additional lands need to be FSC certified to be monitored in a way that guarantees confidence or can other monitoring systems deliver adequate confidence for FSC



stakeholders? We look forward to stakeholder's comments on this question via the public consultation platform [here](#).

27. What kind of restoration would be accepted? If you have a bit clearer picture, please let us know. Or is this the issue TWG is working on? [Webinar 2]

The TWG will finalize work on this issue. Outside FSC, there are guidelines for best practice on restoration available, which will be taken into consideration.

The Organization shall, together with stakeholders discuss and develop the compensation plan, which could involve restoration and/or conservation. The focus is to maximize conservation impact and benefits, and to ensure the conservation value and landscape are maintained, instead of focusing on one type of compensation measure.

28. How much is the quantum of compensation? [Webinar 2]

This has not been decided yet. The liability of the compensation is based on the size, quality and values lost due to conversion. These will be further elaborated by the TWG (including indicators and calculation methodology). Restitution for social and economic values will be considered in the equation as well.

In terms of compensation amount, WG assumes it will be measured by hectare from environmental perspective (based on liability calculation). Further technical details and requirements will be developed by TWG.

29. The point 5.3 (c) specify that an Organizations intending to associate with FSC shall develop compensation plan that is producing clear, long-lasting conservation benefits. How is it possible to verify long-lasting conversion benefits? This might require external audit and require sometime in order to implement it. [Webinar 3]

The organization would need to demonstrate meeting these principles through criterion that would be defined in the various FSC normative framework documents by the Technical Working Group. FSC has been able to define policies, principles, criterion and indicators for all other areas of responsible forest management so we believe it is possible to do this for compensation.

30. Would the WG accommodate the potential restoration due to forest fire? [Webinar 3]

Without knowing the details, it would depend on the potential of the forest to recover naturally as against the case where the impact of the fire is so great that recovery is not possible, or where ongoing damage to ecological assets (for example soil erosion and siltation of hydrological assets) following the fire. There may be a case which would warrant intervention to protect remaining ecological assets or provide some levels of protection through plantation establishment to provide a protective barrier to facilitate natural restoration. The extent of the fire may also have an influencing factor where micro-climates may be impacted as a result of the forest cover loss.



It is envisaged that the national FSC standards will have a key role in tackling this question, because the impacts of forest fires differ in different vegetation zones and socio-economic settings

31. You write in point 5.2 that the compensation requirements must be determined considering the level of degradation of the converted area before the conversion: what about the conversion of the primary forest? To my knowledge, it is not possible to restore such ecosystems, unlike already degraded forests, would it be possible to allow this type of conversion? [Webinar 3]

The concept of “primary forest” is not widely used in FSC documents and the Policy on Conversion does not address it either. However, primary forests are closely related to High Conservation Values, which is one the FSC’s key concepts:

FSC’s Policy for association clearly states that “FSC will only allow its association with organizations that are not directly or indirectly involved in the following unacceptable activities...” these activities include significant conversion of forests to plantations or non-forest use. And by significant conversion, the definition indicates: “Conversion is considered significant in any case of:

- *Conversion of High Conservation Value Forests*
- *Conversion of more than 10% of the forest areas under the organization's responsibility in the past 5 years*
- *Conversion of more than 10,000 ha of forests under the organization's responsibility in the past 5 years*

Primary forests contain often High Conservation Values and therefore the conversion of primary forest is indirectly regulated on the existing FSC normative documents.

Further to this as mentioned it is generally understood that restoration of primary forest is not possible or would be so costly and take so long that it would not be possible to convert such habitat and then demonstrate compensation for such conversion. This would then mean that an organization that has converted such ecosystems would not be able to meet the compensation requirements to associate with FSC.

32. We do not see a strong emphasis in the policy to follow the conflict resolution approach when doing the FPIC. Is the conflict resolution mechanism intended for the mediation of conflict if occurred of the implementation of this policy? [Webinar 3]

This would depend on whether there is conflict regarding the organization’s conversion. FPIC is now entrenched across FSC and there would be no difference in the application of this policy. Principle 5 of the policy covers engagement with affected stakeholders, and some of the criterion under this principle again define this requirement. Where an organization engages with affected stakeholders then FPIC has to be considered.

33. The policy indicates on page 5 that scope will include "non-forest" ecosystems converted prior to the effective date of the policy. This covers most of the degraded lands available in sub-Saharan Africa. Why does FSC not want reforestation on recent converted lands? Even if this conversion was caused by factors outside the plantation company control? [Webinar 3]



FSC prohibit conversion of natural forest but allow conversion of other natural ecosystem, this transfer the risks and problem from our domain to other types of natural ecosystems. Another example would be peatland or grassland conversion, where those type of lands are of great importance to indigenous groups and local communities. Thus, the policy aims to expand the scope from natural forest to natural ecosystem, and the WG would like to encourage the restoration of degraded land via the policy.

Furthermore, this issue shall be addressed by SDGs. As the concept and constitution of conversion differs very much across different geographical context and social, economic set-ups.

The intent of the policy is to drive plantation development towards degraded lands and the Working Group would welcome examples where this policy is impeding such restoration of degraded landscapes as part of global, continental and national programs to address restoration of natural ecosystems.

34. Points 5.2 and 5.3 require assessments and set parameters for these assessments, currently forest organizations wishing to be certified would normally do the following assessments:

- a. A legally required Social, Environmental Impact Assessment,
- b. A social assessment to determine needs and ways of uplifting surrounding communities,
- c. A biodiversity / environmental impact assessment to determine areas for conversation and plantation development,
- d. A High Conservation Value Assessment and where necessary management plans for these HCV areas.

Can the above be used to determine conversion and the management plans, if not how is an additional assessment that will cover many of these same areas required by another “conversion Assessment and plan” what is the cost benefit of this additional assessment (bearing in mind that forestry is a long term commitment and costs in the first years of establishment would need to be carried, accumulating interest, until such time as harvesting commences and income starts to flow into the organization from sales?) See further questions in this regard below. [Webinar 3]

Based on the Motion 7 Technical Working Group (TWG) Terms of reference, the TWG will develop compensation mechanism and its verification procedures. Thus, the Working Group is not able to provide concrete answer to this question at this stage.

35. Bearing in mind that FSC has had experiences with peer review and FSC established bodies for approving various aspects of responsible forestry in the past and not all of these have been successful, why is FSC proposing the setting up of another such body for approving compensation plans? Current management plans for the entire forest management are assessed and approved by the independent audits. So again, why is FSC now putting in place additional requirements for what would be a very small part of the overall management to internationally accepted responsible management standards? [Webinar 3]



Based on the Motion 7 Technical Working Group (TWG) Terms of reference, the TWG will develop compensation mechanism and its verification procedures. Thus, the Working Group is not able to provide concrete answer to this question at this stage.

36. How long will the process take to get new plantations certified if it has been assessed as being subject to conversion? Under 5.1 the policy requires a “period” before an organisation with conversion can apply for certification. We believe there are no grounds for this period, and this will just act as deterrent to organisations entering FSC. For all other FSC requirements the requirements are simply that at the time of certification the organisations comply with requirements and therefore this requirement is simply a punitive measure against organisations with conversion after 1994. Further to this if FSC is to support global restoration initiatives then the sooner these fall under FSC standards the better? Considering that the UN has a “decade of restoration” from 2020 to 2030, how are the policy criterion incentivising organizations to participate in this global drive over the next 10 years? [Webinar 3]

Regarding the conversion free period as proposed under 5.1, the Working Group has considered two different options:

- There should be a fixed conversion-free period, that sets a specific time bound period where an organization that has converted may not apply for association with FSC. The intent of this period is to enable an organisation that has converted to demonstrate its commitment to ending conversion. This would also provide assurance to stakeholders that organizations have stopped conversion. This period may also be set in such a manner that products from conversion are unable to enter the FSC system.*
- Time frames required to set up a compensation plan, implement the plan and demonstrate compensation benefits would be sufficient to provide evidence of compliance with responsible forest management standards as defined in the FSC normative framework. FSC standardize auditing processes would be able to identify non-compliance, as the responsibility for demonstrating compliance rests with the organization associating with FSC. Commitments to FSC are required across numerous standards and their criterion and FSC has a history of being able to verify compliance with such commitments.*

The Working Group will consider all feedback received during the public consultation period regarding the conversion free period (one of the question items on public consultation platform) and amend the policy principle based on comments from stakeholders.

37. Please explain point 5,7 “...proportionate to the scale of impact caused...”[Webinar 3]

The intent of the policy is to ensure that what was lost is replaced, as a very simplistic example this may be considered as a one for one principle. Therefore, for every hectare of an ecosystem lost there is a hectare of restoration or conservation of the same type of ecosystem, or for every social asset lost this is replaced or compensated (for social compensation this would be agreed with affected stakeholder through an FPIC process).



38. If conservation outcomes are measured on a “one to one” basis, how would you suggest we keep the communities from encroaching on the 50% conserved area not planted. Africa communities do not allow land to lie idle, regardless of the good intentions of an FSC conversion plan. [Webinar 3]

The Working Group cannot suggest best management practices for individual certificate holders. FSC FM standard requirements like FPIC, stakeholder engagement planning, focus on local employment, respect for customary land tenure and indigenous peoples rights help mitigate the risk of encroachment.

Organizations are requested to tailor their compensation planning to the local context and, in areas where pressure on land is significant, may consider a collaborative conservation approach that generates benefits for communities as well as secure conservation outcomes.

39. Does FSC understand the cost of conversion assessments, peer reviews, approvals, consultations and conversion plan audits, on an already struggling African forestry investments industry. None of the East African Forestry companies has reached breakeven yet. [Webinar 3]

The Working Group has taken feasibility into consideration in the development of this draft policy to the best of their ability but welcomes any concerns or input that can help improve this aspect of the Policy.

The feasibility of the Policy will be assessed before it is submitted for approval and an impact assessment will be conducted (see also Clause 7.1 FSC-PRO-01-001). There is a precedent where the impact assessment showed that a standard document (FSC-PRO-60-007) was not economically feasible to its users and FSC had had to make major changes before approval.

40. Does FSC understand that adding more and more cost associated with FSC certification onto struggling forestry investments, might lead to certified companies distancing themselves with FSC certification – ultimately reducing the FSC footprint in Africa. [Webinar 3]

The Working Group has taken feasibility into consideration in the development of this draft policy to the best of their ability but welcomes any concerns or input that can help improve this aspect of the Policy.

The feasibility of the Policy will be assessed before it is sent for approval. There is a precedent where the impact assessment showed that a standard document (FSC-PRO-60-007) was not economically feasible to its users and FSC had had to make major changes before approval.

**Principle 6:
Smallholder**

41. You mentioned smallholders and communities in your presentation. Are you looking at any special considerations for this group when developing the policy? [Webinar 2]

The WG recognizes smallholders are in a particular situation and also acknowledge smallholder’s impact on conversion (aggregation of smallholder’s conversion activities). Meanwhile, WG realizes the difficulties for smallholders to meet compensation



requirements alone, thus the policy proposed aggregation mechanism which would allow smallholders to jointly conduct compensation activities. In addition, a dispensation system is considered and proposed (TWG will develop further).

The WG has proposed to define the scale of smallholder as <50ha, and this is one of the question items in the public consultation platform. WG welcomes stakeholders' feedback in this regard.

Participant comment: community conversion is not the same as smallholder conversion under group schemes.

42. In the attached FSC draft policy on Page 11, under Policy Principles there is a point which refers to out growers / smallholders: To incentivize small-scale smallholders to become certified, FSC defines dispensation criteria for these smallholders within the compensation mechanism.

- a. **What are these dispensation criteria?**
- b. **How will these dispensation criteria incentivize small holders to become certified to FSC, bearing in mind that they will not have resources to conduct conversion assessments and compensate for land converted either by themselves or historically by other members of the community (note that land ownership would not change as it would still be owned by “the community”).**
- c. **If an Out grower converts land for tree planting, what is the impact on the FSC certified seedling donor and/or technical assistance partner?**

[Webinar 3]

For a: The dispensation criterion is yet to be developed by the Motion 7 TWG.

For b: The dispensation criteria that will be developed by the TWG are intended to address the concern that compensation requirements will prove to be a prohibitive barrier to certification for smallholders. The Working Group has discussed that Group Schemes may help support smallholders in their compliance with conversion assessment (note that this is currently required by FSC – this draft Policy will not change the requirement to assess conversion) and might offer solutions for joint compensation.

For c, FSC is conducting experiment in East Africa and trying how the stepwise certification approach would work for smallholders and out growers. Thus, the purpose is not for smallholders to meet all FSC requirements at once, but they can meet the requirements step by step.

FSC policy for association asks about responsibility, and supplying seedling is not automatically considered as associated with conversion directly or indirectly.

The cases above raised is of great importance for the WG to consider. These cases are crucial for the WG to assess the potential impact to forest organizations. The more real cases we can get, the better we could conduct impact analysis.



43. In point 7, you mention that smallholders could be exempted from the conversion compensation mechanism, what is the threshold for "smallholders", are they the national SLIMF thresholds mentioned in our NFSS? [Webinar 3]

Smallholders will not be exempted from the conversion compensation mechanism. The draft Policy suggests that there will be a dispensation for smallholders that will be incorporated in the compensation mechanism. The proposed threshold for what is defined as 'small-scale smallholders' in the draft Policy, is as follows: "maximum single FMU size defined shall be defined by Standard Developers but not exceed 50 ha".

44. About Principle 7 can you give some insights about the criteria for smallholder's compensation? [Webinar 3]

The WG recognizes that the cumulative effect of conversion taken by smallholders may have a large impact in some countries and it cannot be ignored. However, the capacity of smallholders to compensate may be limited and may quickly become a prohibitive factor for smallholders to become certified. The TWG will therefore incorporate dispensation measures for smallholders in the compensation mechanism, which is likely to be built around group certification and group entity level compensation.

Principle 8: CHs

45. I did not understand principle 8, could you explain? [Webinar 1]

Principle 8 states that Certificate Holders (CHs) can aggregate compensation requirements (For anticipating CHs, the compensation requirements will likely be aggregated prior to certification). It is to incentivize CHs to conduct compensation with joint efforts to create maximum conservation/restoration benefits. This could have a role particularly in group certification schemes.

46. If a company has agreements in place to develop land over the long term but has only started development on a part of this landholding (and therefore only has FSC FM certification on the land developed to date), how would the applicability apply to areas not yet certified, but that have been acquired for development but not yet certified? Please note that due to the long-term commitments required for forestry these areas would have been acquired in the past based on current FSC conversion requirements. [Webinar 3]

Please refer to the Scope section in the draft policy document, specifically point b as outlined below;

This Policy does apply:

- a) To organizations which are or would like to be associated with FSC;*
- b) Where the scope of existing certificates is extended after the effective date of this Policy to include non-forest ecosystems converted prior to the effective date of this Policy;*
- c) To existing Controlled Wood Forest Management certificates.*

Moreover, the year of the conversion event is the decisive factor. Criterion 6.9 regulates the conversion after the certification (= "future conversion"), which is not in the core of the Motion 7. The M7 TWG may consider developing a Motion to GA2020 to change that Criterion if the feedback from Public Consultation indicates such need.



47. If a company is certified on part of its landholdings, but still waiting for conversion assessments and scrutiny on other landholdings to be approved, can the company still be associated with FSC on its already certified landholdings? [Webinar 3]

More information would be needed to give more precise answer. If a company is FSC certified on part of its land under management, the company would automatically be associated with FSC. This can only happen if the company is not directly or indirectly involved in unacceptable activities, as stipulated in the Policy for Association.

**Regarding FSC
Policy for
Association (PfA)**

48. How does FSC plan to align the Policy on Conversion with the PfA, when the last one has gone through a revision process in the past but has not yet been finished? I am not sure if the current version of the PfA brings a definition for “indirect involvement” [Webinar 1]

Part of the justification for postponing the FSC Policy for Association (PfA) revision process was to enable this policy to be finalized to enable the PfA revision to align with this policy. At the same time, the WG has been using several definitions in PfA and other normative documents in an attempt to ensure alignment on key definitions across FSC normative framework. Further alignment on how conversion shall be treated across different documents will be analyzed and identified by TWG.

49. With the revision in the policy of conversion, how do you think the policy of association will be affected? [Webinar 1]

In the ToR of the TWG, TWG is expected to analyze the need for alignment between FSC normative documents, in regard to conversion. Thus, if required, the PfA will be revised to be in line with FSC policy on conversion.

50. how this policy will link with PfA. Will PfA be revised accordingly? [Webinar 2]

If requested by the Policy on Conversion, PfA will be revised accordingly. As the Policy on Conversion is a holistic policy, it will overrule the PfA.

Generic

51. Can a Network Partner make comments on the Policy? If yes, how do we answer to the 2 first questions of the consultation? [Webinar 1]

Network partners are welcomed to provide comments on the policy. For the first 2 questions related to stakeholder background information, network partners can leave it empty.

52. How the public consultation will be organized in different countries. How network partners will be involved in public consultation? [Webinar 2]

As this is a global public consultation, and FSC has two official languages (English and Spanish), those who can speak English or Spanish could participate in the public consultation directly via the platform [here](#). For those who could not speak these two languages, if the FSC national offices have capacity, they are welcomed to organize



local meetings and events, and send the jointed responses to us (Especially the chamber balanced feedback). We appreciate such efforts very much.

For FSC local offices that do not have such capacity or for some countries which do not have FSC local offices, we are flexible in regard to receiving feedbacks from stakeholders, apart from the online platform. For network partners which would like to join the public consultation, please leave the first two questions (stakeholder background) blank and provide your comments for the questions related to the policy draft.

53. The “perverse incentive” of being too rigid on conversion is that there is more pressure from illegal logging and degradation on natural forests and woodlands to meet exploding demand in the developing world. [Webinar 2]

This is correct, FSC would like to be able to extend its influence to reduce this incentive to carry out activities that cause harm outside the control of global concerned organizations. It is FSC intent that where compensation can be made, there is an opportunity to also bring non-complying organizations into a system that ensures not only environmentally appropriate, but also socially beneficial and legal operations. With the challenges and global initiatives like the UN decade of restoration it is FSC intent to provide an alternative for organizations to become responsible managers and motive them to undertake restoration and restitution activities.

54. Could you remind us what is the timeline for TWG. So, when would the policy become effective? [Webinar 1]

TWG process kicked off in August 2019, and it is in the call for candidates' process. The first TWG meeting is scheduled for Oct 2019. The final completion date is Nov 2020.

Regarding the effective date of the FSC policy on conversion: the plan is at GA 2020, the final draft of the FSC policy on conversion, together with TWG outputs will be presented. If the policy on conversion requests changes in FSC Principles & criteria, then it will request membership voting. Thus, the effective date of the policy will be linked with the membership voting result.

55. No examples provided for how the draft policy would affect converters such as KVTC or APP? [Webinar 2]

The development of the first draft of the Policy on Conversion does not aim to deal with one specific type of companies or specific cases. The WG has considered different scenarios but didn't intend to make that type of differentiation in the policy. TWG will analyze various scenarios and companies during the development process of compensation procedures. Stakeholders are invited to send to the WG/TWG descriptive case studies and scenarios that they would like WG/TWG to consider when developing the Policy and implementation via the public consultation platform [here](#).

FSC further commented that based on FSC procedure requirements, FSC is expected to conduct testing on normative documents during the second round of public consultation. Thus, WG will consider testing the Policy on Conversion later on, if considered feasible.



56. It is unclear how the draft policy options would affect the most critical and best-known examples of conversion, so the workability of the draft policy is unclear. [Webinar 2]

The selected option will be passed on to the TWG so the TWG can develop a mechanism that follows the selected way forward. The Policy is currently a more 'conceptual' document that the TWG will work to implement throughout the FSC normative framework. This will ensure that the Policy will be a "workable document".

The three concepts are related to the prevention of future conversion within the FSC system. The membership can be confident that within each of the 3 options, there will be risk mitigation mechanisms in place in FSC system (To be developed by TWG), as this is an important part of the TWG's ToR.

57. Since 2015, FSC slogan 'Forests for All Forever' does not imply any criticism of conversion between types of forest, so what is philosophical basis for discriminating against conversion of (some states) of natural forest-related ecosystems? [Webinar 2]

Additional explanation from the stakeholder raising this question:

It is fundamental to identify range of problems that the policy aim to cover, and it is not clear in the first draft. Up until 2015, FSC implied policy through the 1994 rule, was that only minimum conversion was acceptable. After 2015, with the adoption of "forest for all forever" slogan, it implies that all kinds of forests, or forest related ecosystem are acceptable for forest management certification. In other words, when you arrive at the slogan from 2015, the philosophical basis for discriminating against conversion of natural forest to plantation forest is no longer evident. I would expect this to be a fundamental part of the motion 7, but I didn't see it in the first draft.

It is acknowledged that the Draft does not yet identify or consider the full range of Conversion problems.

When WG looks at conversion, it will be up to the SDGs to determine the threshold for natural forest and natural ecosystem (at national level), and thresholds for the constitution of conversion (and if a compensation mechanism will be needed). Conversion of plantation forest will not be considered as conversion, as it is not a natural ecosystem or a natural forest related ecosystem.

Responsible management requires that impacts of an organization's operations are considered prior to implementation and that these impacts are mitigated, there is clear evidence that in general changes in land use from a natural state to a less natural state have negative consequences. By implementing a compensation mechanism, FSC is asking organizations, in consultation with affected stakeholders, to assess these impacts and determine appropriate ways to mitigate these impacts to ensure long term benefits may be achieved.

58. How familiar would you say is FSC policy makers with huge success stories of Greenfields forestry in Africa? Most of which dramatically improved livelihoods, poor communities, shared value and environmental protection. [Webinar 3]



The Working Group has been presented with the case studies presented to the Motion 12 Working Group, including an African example. Cases shared by stakeholders are warmly welcomed, as more cases the WG collects, the better WG could study and analyze the potential impact of the policy on forest management companies. Thus, stakeholders are encouraged to share the feedback via public consultation platform [here](#).

59. Second frequent question from German partners: What is the dimension of the problem? What areas are affected. Regions? Sizes of areas? Who are the partners waiting for solutions? This all is unclear in the paper and would helpful with some more background. [Webinar 3]

Conversion occurs at a global level, with different impacts, intensities and scale. This draft policy has sought to be relevant in each of the geographies where FSC is active, building in provisions that allow for a tailored approach at the regional/national level.

FSC is exploring opportunities to use remote sensing to map conversion areas globally to get a better understanding of the scale. FSC has now GIS experts in the international office and they are trying to identify conversion via analyzing the satellite images and maps. Though the older satellite images in many cases could not differentiate natural forest and plantation.

60. There is no doubt that conversion has happened and that we must deal with this. The question is: do we need to accept conversion the WILL happen? [Webinar 3]

The Working Group has included 3 options in the draft Policy document that relate to this question. These options represent the different viewpoints within the Working Group on how to best address conversion that may occur after the implementation of this policy. The Working Group will use the input from the Public Consultation to consolidate their views in a second draft of the Policy.

61. Where will the Webinar be available afterwards to review again? [Webinar 3]

The bilingual version of all webinar materials, recordings of the introduction session as well as Q&A lists from the previous webinars are available on the FSC website [here](#).

62. How far is the policy moving towards the concept of Sustainable Forestry Intensification? Is it something that FSC should consider together? [Webinar 3]

The issue of forest intensification varies a lot across geographic context. Thus, currently The WG has not explicitly considered intensification together with the conversion policy. All FSC initiatives keep in close contact and so while the two are not currently considered together each FSC group is aware of the work of the other



63. I think in the African context this issue is quite complicated because Africans needs to develop themselves hence the need to convert their forestlands. FSC principles needs to guide these activities especially when it concerns large companies involve with industrial agriculture. Social aspect on conversion has to be considered especially in Africa. Because some local Africans ethnical groups are culturally attached to Forest. [Webinar 3]

This was raised in Africa Regional Meeting with African stakeholders requesting a far greater say in what is considered as conversion at a local level and what the expected compensation plans may be. While the Policy working group has considered this in recommending that there shall be thresholds set generically by FSC then refined at national level, the actual criterion for the constitution of conversion would need to be determined by the Technical Working Group.

64. The policy quickly becomes quite complicated when including the proposed mechanisms, and may therefore be difficult to understand and implement, and the ultimate impact may be difficult to foresee. Is this aspect considered by the WG in deliberations? [Webinar 3]

The Working Group has considered all the various aspects that need to be covered by an FSC policy while at the same time ensuring simplicity. The TWG will be requested to take account of the need for practicality in developing the mechanisms referred to in this policy, as well as any changes to the normative framework that may be required to ensure the implementation of this policy. Specific concerns about sections in the Policy that are difficult to understand, or further suggestions on simplifying this policy would be welcomed through the consultation platform.

65. What about logging companies that carry out reforestation by first of all removing invasive species of trees like *Musanga cercopoides* and favoring the plantation of commercial trees species. [Webinar 3]

The draft Policy document suggests that thresholds for degradation and conversion are set at the national level, guided by generic guidance at the global level. These thresholds will define whether, in specific cases, invasive species management is considered conversion or not.

Musanga ceropoides, as a pioneer species, may be considered as indicative of sites that have been degraded, the question would then be to what extent is this degradation and can the natural ecosystem recover.

Many thanks for your participation in the webinars.