



Forest Stewardship Council®



Technical Working Group

Risk-based approaches for forest management certification

Terms of Reference and Operating Rules

Version 1-1




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Terms of
reference

WORKING GROUP SUMMARY

Type of Working Group:	Technical Working Group
# of Working Group members:	5
Coordinator:	Dorothee Jung-Wilhelm
Working language	English (Spanish on request)

PROJECT SUMMARY

Project Title:	Risk-based approaches for forest management certification
Project Manager:	Dorothee Jung-Wilhelm
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PROJECT INFORMATION

1. Background of the Project

FSC is developing and implementing risk¹-based approaches (RBA) in forest management certification in accordance with the FSC Global Strategic Plan 2015-2020 to improve certification uptake and impact of FSC's forest management standards while maintaining credibility and improving consistency. The approach aims to match assurance efforts to risks, focusing on the issues of highest risk and opportunity, and decreasing efforts on issues with low risk. It includes a risk management system and tools to assess, designate, mitigate and monitor risk to particular values (as identified in FSC's Principles and Criteria).

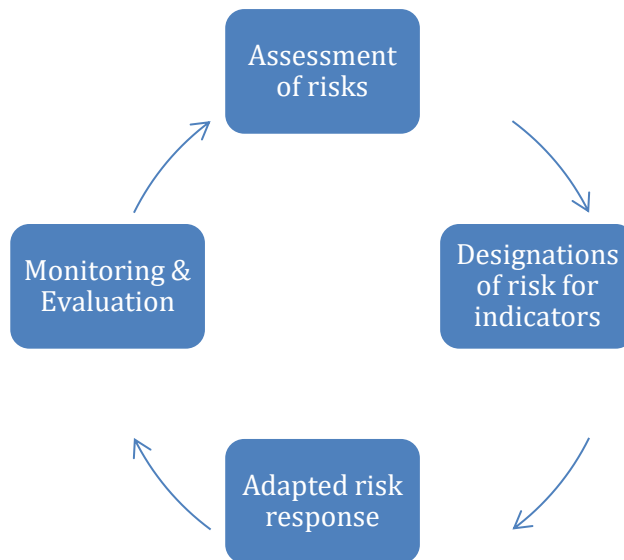


Figure 1. Illustration of the RBA model

In 2017, a project team consisting of FSC International, Network Partner staff and an external expert was established and gathered input based on several FSC case studies to develop the RBA model (Figure 1, above). The model builds on ISO and ISEAL risk management approaches, to: (1.) assess and (2.) designate risk, (3.) adapt assurance requirements (and other responses) and (4.) monitor and evaluate impact.

In 2018, the project team developed a risk-based approaches procedure for national Standard Development Groups (FSC-PRO-60-010) and an accompanying guideline (FSC-GUI-60-010), which became effective in November 2018 (see also Figure 2 for a summary of the timeline and process steps until 2020). These documents support the assessment and designation of risk at the level of indicators in a national forest stewardship standard (NFSS). This process equals step 1 and 2 of the RBA model in Figure 1. In 2019, the procedure and guideline have been publicly consulted with stakeholders and are currently being revised based on consultation feedback and strategic direction provided by the FSC Board of Directors.

Furthermore, a discussion paper (FSC-DIS-20-015) was developed for risk-adapted responses and monitoring and evaluation (as per step 3 and 4 of the RBA model). This paper proposes how risk designations at national level should affect the audit intensity

¹ Risk in this context is interpreted as a threat to one or more values associated with the FSC Principles and Criteria in the form of a non-conformity, weighted by its likelihood and the negative impact it would have.

and frequency at certificate holder level. It also introduces ideas on how a complementary risk-based framework can be applied at certificate holder level to inform the implementation of the assurance system and increase its efficiency.

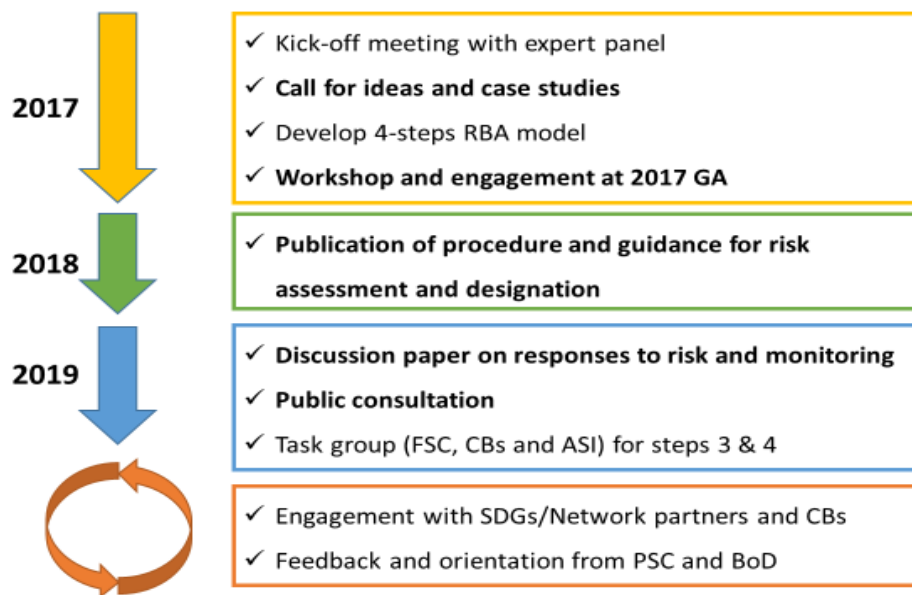


Figure 2 Project steps and timeline 2017 - 2020

2. Organizational set up of the project

FSC will establish a **Technical Working Group** (TWG) to deliver on the tasks and responsibilities outlined in these Terms of Reference (TOR).

The following bodies are involved in the project, established in line with FSC-PRO-01-001 V3-0:

A **Project Coordinator**, appointed by the Director Policy Operations, to:

- set up, manage and administer the Technical Working Group;
- set up, administer and manage the Consultative Forum;
- administer the process, keep track of the work plan and timelines, and inform the rest of the participating bodies of the work plan milestones and upcoming deadlines;
- to draft the different versions of the draft normative and guidance documents, striving to achieve consensus between conflicting aspects;
- prepare and launch the public consultations;
- compile the feedback from the public consultations and prepare summaries for the TWG;
- provide the TWG with all necessary materials and information;
- ensure that the TWG operates responsibly and in accordance with its Terms of Reference and applicable procedures;
- report to the Policy Steering Group;
- coordinate with other FSC staff and Programs related to the project to seek expertise as necessary;

- manage the communications, both within the project and with external stakeholders.

A **Policy Steering Group** (composed of the FSC Director General, the Policy Directors, and selected members of the FSC Global Leadership Forum) which provides oversight on all phases of the process until the final decision by the FSC Board of Directors.

A **Consultative Forum**, which is a self-selecting group of interested/affected members, Certificate Holders, Certification Bodies and other stakeholders interested in providing ongoing, direct and meaningful input into the process. The consultative forum is not a decision-making body and has no formal responsibilities. At the discretion of the TWG, the forum can be consulted with specific questions to provide input to the process.

WORKING GROUP INFORMATION

3. Objective

The objective of the TWG is to advise and provide content-related input to finalize the revision of the RBA procedure (FSC-PRO-60-010) and guideline (FSC-GUI-60-010).

The TWG shall further develop a risk-based assurance system for forest management certification, implemented through a temporary Advice Note to FSC-STD-20-007 Forest Management Evaluations.

The TWG shall be guided by the following principles:

- ensuring consistency and equity in the application of the RBA approach;
- finding the right balance between normative requirements and informative guidance;
- ensuring the resulting approach brings added-value to the FSC system (including efficiency, credibility, easiness to implement).

4. Tasks and responsibilities of the Technical Working Group

The members of the TWG will work together throughout the process, discussing issues and interacting with each other as a group in and outside of meetings as necessary and/or required by the coordinator.

In relation to the tasks and responsibilities listed below, members of the TWG shall:

1. Revision of the RBA procedure and guideline

- consider feedback gathered during public consultation
- consider the views provided by FSC on issues impacting the development of the RBA approach
- consider results of tests conducted with SDGs to develop risk assessments and risk designation and provide input to the FM assurance system;
- review the revised draft documents and advise on finalising as necessary.

2. Development of RBA assurance system

- analyse, discuss, and recommend draft requirements for a risk-based FM assurance system, based on the following design features:
 - taking into account existing risk designations at indicator level of the applicable NFSS;

- evaluating risk characteristics at CH level;
- combining those risks levels at national and CH level to determine the adequate assurance response;
- monitoring the risk levels and corresponding assurance responses to continuously learn and improve the FSC assurance system;
- evaluate the possibility to incorporate a reward mechanism for well-performing CHs;
- recommend when the draft is ready for public consultation;
- reviewing and giving input to revising the draft document, based on comments received during public consultation of the temporary Advice Note.

3. Alignment and collaboration with other initiatives

- collaborate with the Working Group for the revision of FSC-STD-20-007 to ensure alignment of developed concepts and amended requirements;
- provide input to the development of the online FM reporting system;
- advise on the integration of RBA concepts in the New Approaches projects and other PSU processes as feasible.

4. General

- participating in stakeholder outreach and information-sharing forums, as needed;
- seek comprehensive advice on the development and outcome from the FSC Global Network, including Standard Development Groups, FSC Board of Directors, FSC accredited CBs, FSC certificate holders, other FSC stakeholders and/or relevant Technical Experts;
- recommend when the final drafts are ready to be sent for decision making by the FSC Board of Directors.

5. Selection of Technical Working Group members

Members of the Technical Working Group will be selected by the Policy Steering Group according to the following criteria:

- a) Ability to provide specific technical input on the FSC FM assurance system and its implementation at CH level;
- b) Up-to-date knowledge and experience of FSC's systems and procedures;
- c) Understanding of the potential impact of a normative document on affected stakeholders;
- d) Understanding of and support for FSC's mission and vision;
- e) Ability to review and comment on documents submitted in the working language(s) agreed for the WG;
- f) Gender balance and balance of geographical regions, where possible.
- g) Experience as an FSC auditor is an asset, including expertise in auditing social requirements;
- h) Experience with risk-based approaches is an asset;

- i) Experience with FM certification, in particular in the Global South is an asset;
- j) Experience with auditing social requirements is an asset;
- k) Track record on successful working groups is an asset;
- l) representativity of the different stakeholder groups affected by the outcomes of the work, in particular CBs, auditors, ASI, Network Partners/Standard Development Group coordinators and certificate holders.

6. Structure and Accountabilities

The TWG consists of **5 members**.

Appointed TWG members are expected to adhere to the rules and regulations of this TOR and are expected to donate sufficient time to thoroughly fulfill their duties as outlined in the work plan (Annex 2).

Appointed TWG members shall sign a service and confidentiality agreement with FSC upon appointment.

The TWG is accountable to FSC. TWG members may be asked to leave the group by the Policy Steering Group, if they are not fulfilling their duties properly.

The term of TWG members ends with the submission of the final draft of the deliverables to the Board of Directors, after the Policy Steering Group's review and recommendation for approval.

7. Work plan and time commitment

The TWG will be established after the approval of this TOR. The expected start-date is April 2020, with a targeted completion by April 2021.

An estimated timetable is provided in Annex 2. The timetable and the detailed work plan will be updated as necessary.

The TWG will conduct most of its work via e-mail or similar means of electronic communication (e.g. Go-to meeting conference), and through one-on-one calls with the Coordinator when required.

Two face-to-face meetings are envisaged: A kick-off meeting and a meeting after the first public consultation to review the comments and to revise the draft.

8. Expenses and Remuneration

FSC is an international not-for-profit membership organization with limited funding. Participation in the TWG takes place on a voluntary non-paid basis.

If required, FSC will cover reasonable travel and accommodation expenses related to the work plan upon submission of the respective invoices and receipts, and if expenses are agreed upon in advance.

If required, a stipend can be granted by FSC on a case-by-case basis.

9. Confidentiality and conflict of interest

TWG members as well as any experts shall sign a confidentiality and non-disclosure agreement with FSC at the beginning of their work.

Per default, non-attributable content of discussions and papers prepared by or presented to the TWG is not considered confidential, unless otherwise specified. TWG members are expected to declare any conflicts of interest, where they arise. This will cause the person(s) to be excused from the discussion and to abstain from participating in decision-making.

10. Language

The working language is English. Language support to Spanish can be provided on request.

All drafts for public consultation, as well as other documents, as requested and as possible, will be translated into Spanish. Documents may also be translated into other languages if requested by the TWG, depending on resource availability.

OPERATING RULES

11. Deliberations and Decision Making

For the TWG to meet and deliberate, there must be quorum, defined as a minimum of 4 out of the 5 TWG members. The Project Coordinator will strive to select meeting dates and venues that allow for full participation of all TWG members.

All TWG members must participate in each point of decision-making. If any of the member(s) is not present for a decision, then a provisional decision may be made, subject to participation by the absent member(s). Quorum is required for any provisional decisions, and full member participation is preferred.

The TWG shall strive and make every effort possible to take decisions by consensus (see Annex 1: Glossary).

If consensus cannot be achieved, outstanding concerns shall be documented and presented to the FSC Board of Directors in the final report that accompanies the document presented for decision.

The Coordinator, FSC Staff, Policy Steering Group members and any other supportive personnel shall not participate in any decision-making.

If the TWG is not able to agree on a final draft within six (6) months after the final round of public consultation, the Policy Steering Group shall take a decision on how to move forward with the process.

Annex 1: Glossary

For the purpose of this document, the terms and definitions given in *FSC-STD-01-002 FSC Glossary of Terms*, and the following apply:

Consensus: general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests.

NOTE: Consensus should be the result of a process seeking to take into account the views of interested parties, particularly those directly affected, and to reconcile any conflicting arguments. It need not imply unanimity (adapted from ISO/IEC Guide 2:2004).

Technical WG: a group of experts appointed by FSC with professional experience in the field of question, to advise and provide content related input to the development or revision of an FSC normative document.

Annex 2: Estimated Timelines

Tasks	2020									2021			
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Kick-off call: ToRs and workplan	Overall process timeline												
Review background information	Overall process timeline	Overall process timeline											
First face to face meeting (2.5 days)		Technical working group meeting											
Monthly to bi-weekly calls to develop draft RBA assurance proposal and review revised RBA procedure and guideline			Overall process timeline	Overall process timeline	Overall process timeline								
First public consultation on RBA assurance proposal (60 days)					Consultation Draft1	Consultation Draft1	Consultation Draft1	Consultation Draft1					
2nd face to face meeting - analyse consultation results and work on revised RBA documents								Technical working group meeting					
Monthly to bi-weekly calls to develop draft 2.0 RBA assurance proposal and finalise revised RBA procedure and guideline								Overall process timeline	Overall process timeline	Overall process timeline			
PSC recommendation											PSC recommendation		
BoD approval												BoD approval	
Approval and publication													Overall process timeline

Overall process timeline	=Overall process timeline
Consultation Draft1	=Consultation Draft1
PSC recommendation	= PSC recommendation
BoD approval	= BoD approval
Technical working group meeting	=Technical working group meeting