# Background Introduction

The Policy on Conversion provides FSC’s general position and fundamental principles on conversion of natural forests and High Conservation Value areas to other land uses.

It aligns the diverse ways in which conversion is treated in different parts of the FSC normative framework. For the development of the FSC Policy on Conversion, the Motion 7 Working Group (WG) was set up in August 2018 containing 6 members, each representing one sub-chamber.

Until December 2020, the WG held 4 face-to-face meetings, 2 virtual discussion weeks and 42 online meetings to develop the drafts of the FSC Policy on Conversion.

By the WG’s final meeting on 10 December 2020, the WG reached consensus on eleven (11) out of twelve (12) policy principles in the policy, except principle 3 which is related to the cut-off rule for past conversion¹. Instead of reaching consensus on principle 3, the WG proposed 2 options in its draft 3-0 available here:  

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
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<tbody>
<tr>
<td><em><em>FSC aims to incentivize and advance the restoration</em> and conservation</em> of natural forest* and restitution* of social harms* associated with conversion**. For that purpose:</td>
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</tr>
<tr>
<td>a) Organizations* that were directly or indirectly involved* in conversion* on the Management Unit* after November 1994 and before October 2020 are eligible for FSC forest management certification of that Management Unit* upon demonstrated conformance with the FSC Remedy Procedure.</td>
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</tr>
<tr>
<td>b) Organizations* that were directly or indirectly involved* in significant conversion* after November 1994 are eligible to associate with FSC upon demonstrated conformance with the FSC Remedy Procedure.</td>
<td>b) Organizations* that have acquired Management Units* where conversion has occurred after November 1994 and before October 2020 are eligible for FSC forest management certification of that Management Unit* upon demonstrated conformance with the FSC Remedy Procedure for social harms*.</td>
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<tr>
<td>c) Organizations* that were directly or indirectly involved* in significant conversion* after November 1994 are eligible to associate with FSC upon demonstrated conformance with the FSC Remedy Procedure.</td>
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In March 2021 FSC commissioned a study to identify options for a methodology to address the ownership loophole. The results from this study will be used to finalize policy principle 3 and discussed with the membership. FSC is very interested in receiving feedback from upcoming membership discussions.

After incorporating feedback from these member discussions, FSC aims to submit a final draft of the policy to the FSC Policy and Standards Committee (PSC) and Board of Directors (BoD) for review and approval by the end of 2021. Further information on next steps for finalizing the policy on conversion is available here.

Considering that the current policy draft 4-0 contains content pending finalization and the final draft is yet to be completed, FSC will not publish the current draft to avoid unnecessary confusion for members and stakeholders. Instead, we prepared this crosswalk document, to walk you through the revisions between policy draft 3-0 and the current policy draft 4-0.

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¹ Conversion occurred between 1994 and the effective date of FSC Policy on Conversion.  
² “October 2020” is a temporary placeholder; the final cut-off date will be the date of the approval of this Policy.  
³ This refers to certification against National Forest Stewardship Standard, Interim National Standard or FSC-STD-30-010 Controlled Wood Standard for FM enterprises.  
⁴ See the scope of FSC-POL-01-004 Policy for Association.
### Revisions between draft 3-0 and current draft 4-0

<table>
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<th>Area</th>
<th>Summary of revisions</th>
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| 1 Motion 7 WG reached consensus on principle 4 related to cut-off rule for future conversion. | In the policy draft 3-0, the WG proposed three (3) options for principle 4 relevant to the cut-off rule for future conversion\(^5\) (details in box below). Based on the comments received during the 3\(^{rd}\) public consultation on the Policy on Conversion, the WG adopted option 3 in principle 4, and included the following revisions:  
1) Replaced “October 2020” with "effective date of the policy”, as the policy principles will only be applicable when the policy becomes effective;  
2) Added the association scenario\(^6\);  
3) Revised “Natural forests" and High Conservation Value* Areas that are converted” to "management units are not eligible for certification if they contain natural forests and/or High Conservation Value Areas converted…” to avoid the loophole that organizations may exclude the converted area and apply for certification of the rest of the Management Units. |

<table>
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<tr>
<th><strong>Principle 4 in policy draft 3-0</strong></th>
<th><strong>Principle 4 in current policy draft 4-0</strong></th>
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</table>
| **Option 1:**  
4. Organizations* that are directly or indirectly involved* in conversion* on the Management Unit* after October 2020 are not eligible for FSC forest management certification of that Management Unit*. | 4. Management Units* are not eligible for certification if they contain natural forests* and/or High Conservation Value* Areas converted after the effective date of this policy. Organizations directly or indirectly involved* in conversion after the effective date of this policy should not be eligible for association with FSC. Organizations* later found to be linked to such conversion are subject to the PfA and rules for remediation. |
| **Option 2:**  
4. Organizations* that take over converted land after October 2020 are eligible for FSC forest management certification of that Management Unit* upon demonstrated compliance with the FSC Remedy Procedure. |  |
| **Option 3:**  
4. Natural forests* and High Conservation Value* Areas that are converted after October 2020 are not eligible for FSC forest management certification. |  |

2 Aligned policy language related to “affected stakeholders” and “affected rights holders.” | The policy draft 3-0 used inconsistent language around the terms “affected stakeholders” and “rights-holders”. To align the policy language, the following revisions were made:  
1) Revised the term “rights-holders” (no definition provided in policy draft 3-0) to “affected rights holders” and included this definition in current draft (Source: FSC-STD-60-004 V2-0 International Generic Indicators);  
2) Clarified that affected rights holders have the right to Free, Prior and Informed Consent (FPIC), while remedy for affected stakeholders shall be provided through consultation and agreement. These revisions were incorporated in the following sections: definition for equivalent, restitution and remedy, as well as principle 7, 7.2, 7.3 and 7.5. |

\(^{5}\) Conversion occurred after the effective date of the FSC Policy on Conversion.  
\(^{6}\) Principle 4 in policy draft 3-0 conversion cut-off rule is based on future conversion for organizations applying for forest management certification, while principle 4 in current policy draft 4-0 includes a conversion cut-off rule on future conversion for both organizations applying for forest management certification and organizations applying for association with FSC.
### Sample language in policy draft 3-0

**Definition of restitution**
Measures agreed through an FPIC-based process to restore lands, properties or damaged natural resources to their original owners in their original condition. Where such lands, properties or natural resources cannot be returned or restored, measures are agreed to provide alternatives of equivalent quality and extent.

**Principle 7**
7. FSC has a Remedy Procedure that delivers *conservation* and *restoration* outcomes, and *restitution* to affected stakeholders* and rights-holders. This procedure provides a pathway into FSC for organizations* that have been directly or indirectly involved* in *conversion*, when implemented.

### Language in current draft 4-0

**Definition of restitution**
Measures agreed with *affected stakeholders* to restore lands, properties or damaged natural resources to their original owners in their original condition. Where such lands, properties or natural resources cannot be returned or restored, measures are agreed to provide alternatives of equivalent quality and extent. Restitution to *affected rights holders* is agreed through an FPIC-based process.

**Principle 7**
7. FSC has a Remedy Procedure that delivers *conservation* and *restoration* outcomes, and *restitution* to *affected stakeholders* and *affected rights holders*. This procedure provides a pathway into FSC for *organizations* that have been *directly or indirectly involved* in *conversion*, when implemented.

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Compiled by: Forest Management Team of FSC Performance & Standards Unit  
Date: April 2021

If you have questions or comments do not hesitate to contact Policy Manager Yan Li at y.li@fsc.org. Stay well.