



<b>Action to be taken by PSC:</b>	<input checked="" type="checkbox"/> Decision	<input type="checkbox"/> Advice	<input type="checkbox"/> Discussion	<input type="checkbox"/> Information
<b>Topic to be presented to BoD:</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

## Chinese NFSS (6.5) pilot test

**Document code:** PSC.46.03

**Date of submission:** 26 April 2021

**Author:** Vera Santos, New Approaches Program Manager

**Presenter:**  Hans-Joachim Droste, Chief Policy Officer  
 Stefan Salvador, Director Policy Operations  
 Vera Santos

**Confidentiality:**  BoD / PSC only    FSC Int only    FSC Membership

**Prior discussed by committee:**  Yes    No

If yes, by:

BoD    PIPC    PSG

WG / TWG: [Name]

**Topic characteristics:**  **Norm. Framework**    **Other**

*Policy area:*  Chain of Custody  
 Controlled Wood  
 Ecosystem Services  
 Forest Management  
 New Approaches / Social  
 General / System Procedures / RBA  
 Dispute System

**Decision / advice will:**  Simplify the normative framework  
 Orient towards outcomes  
 Reduce costs of implementation  
 Increase quality and consistency in practice  
 Overcome certification barriers  
 Facilitate access to new markets

### Requested decision:

The PSC recommends to the FSC Board the incorporation of the pilot test findings and learnings into the study on P&C Criterion 6.5 to further explore alternative ways to conform with this FSC requirement.

## A Rationale

### 1 Conclusion

All pilot test participants were able to conform with Indicator 6.5.5

The underlying assumption – that there are regions in China where smallholders group certificates are not being able to conform with the 10% set aside areas requirement – was not proven.

It is considered that this result might be biased since the pilot test participants were existing certificate holders, who were uncertain of what would happen after the pilot ended and did not want to jeopardize their certification status. Nevertheless, it was proven the feasibility of adding new management units, with conservation as the main management objective, and conform with FSC requirements (as already foreseen by FSC system).

### 2 Options vs strategic outcomes (see Table 3 of final report for detailed analysis)

	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Simplifies the NF	–	✓	✗	✓
Orients towards outcome		✓	–	✗
Reduces costs of implementation	✗	–	–	✓
Increases quality / consistency	✓	✗	✗	–
Overcomes certification barriers	–	–	✓	✓
Facilitates access to new markets	–	–	✓	✓

## B Implementation

### 1 Monitoring

No monitoring efforts will be required at this stage

The proposal is to further investigate alternative ways to conform with Indicator 6.5.5 or a potential future revision of Criterion 6.5, by incorporating the China pilot test results into a study on Criterion 6.5 by the Forest Management Program which is planned to be launched in the second half of 2021.

### 2 Resources

No additional resources will be necessary to proceed

The terms of reference for a study on P&C Criterion 6.5 will be presented to the Policy and Standards Committee meeting #46. The proposal is to use that study to further investigate alternative ways to conform with Indicator 6.5.5, incorporating the current findings and learnings.

The resources are available (although from another program). Community and Family Forests Program (previously known as Ne Approaches project) is willing to support Forest Management Program with this study.

	CHs	CBs	FSC	Network
Personnel	–	–	–	–
Expertise	–	–	–	–
Finance	–	–	–	–
Time	–	–	–	↗
Technology	–	–	–	–
...	–	–	–	–

The Indicator 6.5.5 has been globally flagged as a 'difficult' indicator. Not only in Asia Pacific region, where smallholders mainly manage forest plantations over small and scattered patches of land that is typically predominantly farmland and plantation, with limited secondary forests, but also by the Forest Management Community (previously known as Forest Network), where standard development group coordinators from around the world have already highlighted the importance of securing flexibility to address the implementation of this indicator.

### **3 Risk management**

**Conservation Area Network is an emblematic topic in the FSC system**

The dimension explored by FSC China, with New Approaches support, was focusing on exploring the existing flexibility of FSC system. The path proposed by the study being prepared by PSU seems to go into the opposite direction.

It is crucial that the FSC approach to this important requirement is aligned and considers the integrity of the FSC system as whole, the maintenance and enhancement of environmental values, as well as the equity of access of the forest dependent users or other constituents that have specific challenges to conform with this requirement.

## **C Stakeholder engagement**

---

**FSC China identified several opportunities to engage with local stakeholders**

Being a pilot test, public consultation was not required. Nevertheless, FSC China identified several opportunities to engage with local stakeholders e.g., NFSS trainings, Certification Bodies calibration workshops, as well as with international stakeholders e.g., Forest Network presentations.

Another crucial aspect of the current pilot test was the regular sharing of information and gathering feedback with FSC Forest Management Community, contributing to a wider discussion around CAN and its relationship with representative sample areas.

## **D Background**

---

### **1 Driver**

**Chinese NFSS development process, as well as New Approaches project streams**

The challenge of conforming with this specific indicator was flagged throughout the national standard development process in China and was one of the last conditions to be closed.

The proposal behind this pilot test had a clear fit with the ideas and initiatives being launched by New Approaches project. In this case, the proposal was complementary to work being done under the priority line designated 'Explore the flexibility of the system' of Normative Framework project stream.

### **2 Problem description**

**Conservation Area Network is the main barrier for certifying smallholders in some regions in China**

The situation in China regarding forest management and FSC certification is very complex, varying greatly from some regions to others. There are, for instance, regions where smallholder group certificates can conform with up to a 20% of set aside areas. On the contrary, there are other regions where, currently, smallholders are not being able to conform with the 10% set aside areas requirement.

A pilot test was considered to analyse alternative approaches to conform with this indicator, since this would capture input on all aspects of FSC certification, not only on the conformance with the requirements, but also from the market and socio-economic impact point of view.

By implementing a pilot test instead of a field test, participating smallholders may get a temporary FSC certificate as a result, which partially compensates for the effort and support provided.

## **F Annexes**

---

### **1 Key documents**

- PSC.46.03a – Final Report on the Chinese NFSS (6.5) Pilot Test
  - PSC.46.03a1 – Annex 1. Standard Operating Procedure (SOP)
  - PSC.46.03a2 – Annex 2. Technical Assessment Framework for the four alternative scenarios

### **2 Supplementary**

- PSC.46.03b – Report “Motivation and Influence of FSC Forest Management Certification in China”, commissioned by FSC China to Chinese Academy of Forestry (Research Institute of Forestry Policy and Information), December 2019