FSC Policy on Conversion
Public consultation for draft 2-0

Webinar – 14 February 2020
OVERVIEW

1. BACKGROUND INTRODUCTION
2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION
3. INTRODUCTION OF THE PUBLIC CONSULTATION
4. NEXT STEPS
5. OPEN DISCUSSIONS (40 Mins)
OVERVIEW

1. BACKGROUND INTRODUCTION
2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION
3. INTRODUCTION OF THE PUBLIC CONSULTATION
4. NEXT STEPS
5. OPEN DISCUSSIONS (40 Mins)
MOTION HISTORY

Motion 18

Motion 12

Motion 7

FSC® General Assembly 2017
Vancouver, Canada, 8-13 October

FSC® General Assembly 2014
Seville, Spain, 7-14 September

Kota Kinabalu, Sabah
Malaysia
26 June – 1 July 2011
MOTION HISTORY

Mandate of the Motion 7

The membership recognizes the strategic importance of addressing the issues around conversion of natural forest-related ecosystems to plantations and the need for alignment of the diverse ways in which conversion is treated in different parts of the FSC normative framework.

The membership requests that FSC puts in place a mechanism, building upon previous work, which will develop a holistic policy and appropriate treatment at Principle, Criterion and Indicator levels with guidance to national Standards Development Groups, considering compensation for past conversion, in terms of:

a. restoration and/or conservation for environmental values; and
b. restitution for socio-economic values.
MOTION 7 MANDATE

Policy on Conversion

1. **1994 cut-off date**: To retain, remove or change the rules to address past conversion.
2. **Principles for compensation** on past conversion, in terms of:
   a) restoration and/or conservation of environmental values
   b) restitution of socio-economic values
3. **Concept of acceptable conversion** as defined under current FSC rules.

Operationalize the Policy

1. **Criteria, indicators and thresholds** for conversion across the normative framework
2. **Instructions for Standard Developers** to address any revised IGIs on conversion in NFSS and INS
3. **Develop a compensation procedure and proposals for verification**
4. **Draft text for a possible motion to the 2020 General Assembly** to reword FSC Forest Management Standard Principles & Criteria
### M7 Working Group Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Chamber</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marthe Tollenaar</td>
<td>New Forests</td>
<td>ECON-N</td>
<td>Singapore/Asia Pacific</td>
</tr>
<tr>
<td>Francisco Javier Rodriguez Aspillaga</td>
<td>CMPC celulosa</td>
<td>ECON-S</td>
<td>Chile/LATAM</td>
</tr>
<tr>
<td>Annika Terrana</td>
<td>WWF</td>
<td>ENV-N</td>
<td>US</td>
</tr>
<tr>
<td>Michal Zrust</td>
<td>Individual</td>
<td>ENV-S</td>
<td>Indonesia/Asia Pacific</td>
</tr>
<tr>
<td>Linda Fienberg</td>
<td>Individual</td>
<td>SOC-N</td>
<td>Australia/Asia Pacific</td>
</tr>
<tr>
<td>Verma Dharam Pal Singh</td>
<td>Consultant</td>
<td>SOC-S</td>
<td>India/Asia Pacific</td>
</tr>
</tbody>
</table>
## M7 TECHNICAL WORKING GROUP MEMBERS

<table>
<thead>
<tr>
<th>Name</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamie Lawrence</td>
<td>Forest Economy Lead, The Nature Conservancy (TNC)</td>
</tr>
<tr>
<td>Karen Kirkman</td>
<td>ESG Consultant based in South Africa</td>
</tr>
<tr>
<td>Michael Allen Brady</td>
<td>Principal Scientist &amp; Team Leader, Value Chains, Finance and Investment, Center for International Forestry Research (CIFOR)</td>
</tr>
<tr>
<td>Vera Lex Engel</td>
<td>Associate Professor, São Paulo State University (UNESP)</td>
</tr>
</tbody>
</table>
MOTION 7 WG & TWG WORKPLAN

- Public consultation
  - Policy draft 2-0
  - Oct 2019

- Policy final draft
  - BoD & PSC
  - Feb 2020

- Motion at
  - GA 2020
  - Apr 2020

- Public consultation
  - TWG draft 1-0
  - Jun 2020

- Public consultation
  - TWG draft 2-0
  - Aug 2020

- Policy final draft
  - BoD & PSC
  - Oct 2020
Development of Policy draft 2-0

FSC MEMBERSHIP FEEDBACK

SUB-CHAMBER

Economic North
Economic South
Environmental North
Environmental South
Social North
Social South

Level of support among FSC membership

Low
High

Support Neutral Oppose

Level of relevancy to Motion 7 WG Terms of Reference

LOW PRIORITY
MEDIUM PRIORITY
HIGH PRIORITY
To be considered
To be addressed by TWG
To be considered

Development of Policy draft 2-0
OVERVIEW

1. BACKGROUND INTRODUCTION

2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION

3. INTRODUCTION OF THE PUBLIC CONSULTATION

4. NEXT STEPS

5. OPEN DISCUSSIONS (40 Mins)
POLICY DRAFT 2-0

Principle 1 & 2
Fundamental principles and based on FSC statutes, normative framework & mission

Principle 3
Conversion: 1994 - 2020

Principle 4
Conversion: post 2020

Principle 5
Constitution of conversion, SDG adaptation of threshold

Principle 6
Acceptable Conversion

Principle 7
Compensation procedure and its requirements

Principle 8
Monitoring of compensation implementation

Principle 9
Areas under compensation plan

Principle 10
Dispensation criteria for small-scale smallholders

Principle 11
Aggregation of compensation requirements

Principle 12
Dispute resolution system
Principle 1 & 2
Fundamental principles and based on FSC statutes, normative framework & mission

Principle 3
Conversion: 1994 - 2020

Principle 4
Conversion: post 2020

Principle 5
Constitution of conversion, SDG adaptation of threshold

Principle 6
Acceptable Conversion

Principle 7
Compensation procedure and its requirements

Principle 8
Monitoring of compensation implementation

Principle 9
Areas under compensation plan

Principle 10
Dispensation criteria for small-scale smallholders

Principle 11
Aggregation of compensation requirements

Principle 12
Dispute resolution system
Principle 6 Acceptable conversion

- 5% Affects a very limited portion* of the MU, and
- Will produce long-term* conservation* and where possible social benefits, in the MU, and
- Does not threaten High Conservation Values*, nor any sites or resources necessary to maintain or enhance those High Conservation Values*. 
Principle 1 & 2
Fundamental principles and based on FSC statutes, normative framework & mission

Principle 3
Conversion: 1994 - 2020

Principle 4
Conversion: post 2020

Principle 5
Constitution of conversion, SDG adaptation of threshold

Principle 6
Acceptable Conversion

Principle 7
Compensation procedure and its requirements

Principle 8
Monitoring of compensation implementation

Principle 9
Areas under compensation plan

Principle 10
Dispensation criteria for small-scale smallholders

Principle 11
Aggregation of compensation requirements

Principle 12
Dispute resolution system
POLICY DRAFT 2-0

**Principle 1 & 2**
Fundamental principles and based on FSC statutes, normative framework & mission

**Principle 3**
Conversion: 1994 - 2020

**Principle 4**
Conversion: post 2020

**Principle 5**
Constitution of conversion, SDG adaptation of threshold

**Principle 6**
Acceptable Conversion

**Principle 7**
Compensation procedure and its requirements

**Principle 8**
Monitoring of compensation implementation

**Principle 9**
Areas under compensation plan

**Principle 10**
Dispensation criteria for small-scale smallholders

**Principle 11**
Aggregation of compensation requirements

**Principle 12**
Dispute resolution system
Principle 1 & 2
Fundamental principles and based on FSC statutes, normative framework & mission

Principle 3
Conversion: 1994 - 2020

Principle 4
Conversion: post 2020

Principle 5
Constitution of conversion, SDG adaptation of threshold

Principle 6
Acceptable Conversion

Principle 7
Compensation procedure and its requirements

Principle 8
Monitoring of compensation implementation

Principle 9
Areas under compensation plan

Principle 10
Dispensation criteria for small-scale smallholders

Principle 11
Aggregation of compensation requirements

Principle 12
Dispute resolution system
Conversion of natural forests & HCV
(Draft 1-0: option 1 to 3)

**Principle 3a)** 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 compliance with the FSC Compensation Procedure.

Conversion of natural forests & HCV
(Draft 1-0: natural ecosystem)

**Principle 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 (footnote: CW/FM and FM) of that Management Unit*.

Conversion natural forests & HCV
(Draft 1-0: no clear separation between certification and association)

**Principle 3b)** Organizations that were *directly or indirectly involved* in conversion that occurred after November 1994 are considered eligible to associate with the FSC upon demonstrated compliance with the FSC Compensation Procedure.

Association
An association with FSC is formally established through any of the following relationships:

- FSC membership
- Contractual relationship through:
  - FSC accreditation agreement,
  - FSC license agreement,
  - FSC cooperation agreement,
  - FSC partnership agreement.
Indirect involvement

Option 1
- Include Related entities
  - Over 51%
  - Under 51%
  - Certificate holder indirectly involved in conversion
  - Company directly involved in conversion

Option 2
- Not Include Related entities
  - Over 51%
  - Under 51%
  - Certificate holder NOT indirectly involved in conversion
  - Company directly involved in conversion
Principle 3 a), b) and principle 4

**Conversion of natural forests & HCV**

(Draft 1-0: option 1 to 3)

**Principle 3a** 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 compliance with the FSC Compensation Procedure.

**Conversion of natural forests & HCV**

(Draft 1-0: natural ecosystem)

**Principle 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 (footnote: CW/FM and FM) of that Management Unit*.

**Motion for GA2020**

6.10 a) Management Units* containing plantations* that were established on areas converted from natural forest* between November 1994 and October 2020 shall not qualify for certification, except where:
   i. Clear and sufficient evidence is provided that The Organization* was not directly or indirectly involved in conversion, or
   ii. The conversion affected a very limited portion of the Management Unit and is producing additional, long-term conservation benefits and where possible social benefits, or
   iii. The Organization* demonstrates compliance with the Compensation Procedure.

6.10 b) Management Units* that were established on areas converted from natural forest* or HCV* areas after October 2020 shall not qualify for certification, except where:
   i. Clear and sufficient evidence is provided that The Organization* was not directly or indirectly involved in conversion, or
   ii. The conversion affected a very limited portion of the Management Unit and it is producing additional, long-term conservation benefits and where possible social benefits.
POLICY DRAFT 2-0

Principle 1 & 2
Fundamental principles and based on FSC statutes, normative framework & mission

Principle 3
Conversion: 1994 - 2020

Principle 4
Conversion: post 2020

Principle 5
Constitution of conversion, SDG adaptation of threshold

Principle 6
Acceptable Conversion

Principle 7
Compensation procedure and its requirements

Principle 8
Monitoring of compensation implementation

Principle 9
Areas under compensation plan

Principle 10
Dispensation criteria for small-scale smallholders

Principle 11
Aggregation of compensation requirements

Principle 12
Dispute resolution system
**Principle 5 Conversion threshold**

**Principle 5:** FSC defines what constitutes *natural forest* and the threshold for when degradation constitutes *conversion*.

![Diagram showing the conversion threshold between natural forest and degraded land use, highlighting changes in species diversity, habitat diversity, structural complexity, ecosystem functionality, livelihoods, and cultural values.]

*Figure adapted from Conversion on Biological Diversity for elaborating conversion of forest to non-forest.*
### Principle 7 Compensation procedure

#### 7.1 Conversion free
There shall be a period of at least 5 years where the organization has not been involved in conversion.

#### 7.2 Conversion liabilities
A standard process to determine overall conservation, restoration and restitution requirements based on environmental and social impacts.

#### 7.3 Compensation plan
The plan is proportionate and equivalent to the scale and impacts. Demonstrates additionality and longevity, etc.

#### 7.4 Compensation plan
Shall be approved by FSC approved Competent Authority.

#### 7.5 Implementation of the plan
Demonstrate initial implementation prior to certification. Or upon association/re-association.

### Social elements
Social element has been highlighted/integrated e.g. 7.2, 7.3, 7.5, etc.

Others
OVERVIEW

1. BACKGROUND INTRODUCTION
2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION
3. INTRODUCTION OF THE PUBLIC CONSULTATION
4. NEXT STEPS
5. OPEN DISCUSSIONS (40 Mins)
OVERVIEW

1. BACKGROUND INTRODUCTION
2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION
3. INTRODUCTION OF THE PUBLIC CONSULTATION
4. NEXT STEPS
5. OPEN DISCUSSIONS (40 Mins)
NEXT STEPS

JANUARY
PUBLIC CONSULTATION
2 Webinars

FEBRUARY
PUBLIC CONSULTATION
2 Webinars

MARCH
WG ONLINE MEETINGS
Analyze Feedbacks

APRIL
5TH IN PERSON MEETING
Develop final draft
Forest Stewardship Council®
FSC® International Center

Adenauerallee 134, D-53113 Bonn, Germany
T +49 (0) 228 367 66-0
F +49 (0) 228 367 66-30
FSC International Center © All rights reserved

FSC® F000100

ic.fsc.org
OVERVIEW

1. BACKGROUND INTRODUCTION
2. SECOND DRAFT OF THE FSC POLICY ON CONVERSION
3. INTRODUCTION OF THE PUBLIC CONSULTATION
4. NEXT STEPS
5. OPEN DISCUSSIONS (40 Mins)