



Procedure

FSC CONTROLLED WOOD RISK ASSESSMENT FRAMEWORK

FSC-PRO-60-002a V2-0 D1-0



Title:

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OBJECTIVE

The objective of this document is to provide uniform requirements for assessing the risk of sourcing unacceptable material from supply areas.

SCOPE

This document provides process steps and requirements for the designation and specification of risk ('low risk', 'specified risk') of sourcing unacceptable material, as well as determining the existence of measures for risk mitigation.

This document shall primarily be used for FSC controlled wood risk assessment development, according to the requirements of *FSC-PRO-60-002 Development and Approval of FSC National Risk Assessments*.

All aspects of this document are considered to be normative, including the scope, effective and validity dates, references, terms and definitions, tables and annexes, unless otherwise stated and/or marked as an example.

REFERENCES

The following referenced documents are relevant for the application of this document.

For references without a version number, the latest version of the referenced document (including any amendments) applies:

FSC-POL-30-602	FSC interpretation on GMOs: Genetically Modified Organisms
FSC-PRO-60-002	The Development and Approval of FSC National Risk Assessments
FSC-STD-01-001	FSC Principles and Criteria for Forest Stewardship
FSC-STD-01-002	FSC Glossary of Terms
FSC-STD-40-004	Chain of Custody Certification
FSC-STD-40-005	Requirements for sourcing FSC Controlled Wood
FSC-STD-60-004	International Generic Indicators
	Common Guidance for the Identification of High Conservation Values
	Dictionary of Forestry (XII World Forestry Congress, 2002)
	Regulation (EU) No 995/2010 of the European Parliament and of the Council
	Guidance Document for the EU Timber Regulation
	FSC Motion 20 Study on the Impacts of Large-Scale Forestry Operations in Global North and South
	United Nations Declaration on the Rights of Indigenous Peoples
	International Labour Organization Convention No. 169
	Aichi Biodiversity Target 11

TERMS AND DEFINITIONS

For the purpose of this procedure addendum, the terms and definitions provided in FSC-PRO-60-002 *Development and Approval of FSC National Risk Assessments*, FSC-STD-01-002 *FSC Glossary of Terms*, FSC-STD-01-001 V5-2 *FSC Principles and Criteria for Forest Stewardship*, and the following apply:

Control Measure (CM): An action that The Organization shall take to mitigate the risk of sourcing material from unacceptable sources.

Ecoregion: A large unit of land or water containing a geographically distinct assemblage of species, natural communities, and environmental conditions. The boundaries of an ecoregion are not fixed and sharp, but rather encompass an area within which important ecological and evolutionary processes most strongly interact¹.

Effective Protection:

The effectiveness of nature protection in an area shall be determined based on:

- Quality of nature protection, and
- Quantity of nature protection.

Quality of nature protection shall be demonstrated by a legally established protected area network, whose protection is legally enforced. The protected area network shall meet the standard of IUCN categories 1 - 3 (or equivalent). IUCN categories 4 - 6 (or equivalent) are permissible if commercial logging does not occur within protected areas. The reserve network must sample all forest types present in the country.

NOTE: Enforcement of legislation is determined through a risk assessment for Controlled Wood Category 1.

Quantity of nature protection is considered sufficient if the minimum quantum of protected areas meets the Aichi targets established under the Convention on Biodiversity (CBD²) for terrestrial ecosystems, or equivalent for countries which have not ratified the CBD.

NOTE: The following reports and tools may be useful:

- Implementation of Strategic Plan for Biodiversity 2011 – 2020, including Aichi Biodiversity Targets: <http://www.cbd.int/sp/implementation/>;
- National Biodiversity Strategies and Action Plans (NBSAPs): <http://www.cbd.int/nbsap/>;
- Assessment of NBSAPs: [http://www.ias.unu.edu/resource_center/UNU-IAS Biodiversity Planning NBSAPs Assessment final web Oct 2010.pdf](http://www.ias.unu.edu/resource_center/UNU-IAS_Biodiversity_Planning_NBSAPs_Assessment_final_web_Oct_2010.pdf);
- Leverington, F. et al. (2010a) Management Effectiveness Evaluation in Protected Areas – a Global Study. Second Edition. The University of Queensland, Brisbane, Australia;
- Leverington, F. et al. (2010b) A global analysis of protected area management effectiveness. *Environmental Management* 46: 685–698;

¹ Source: <https://www.worldwildlife.org/publications/terrestrial-ecoregions-of-the-world>

² Aichi Biodiversity Targets of the Convention on Biological Diversity

- Bertzky, B., Corrigan, C., Kemsey, J., Kenney, S., Ravilious, C., Besançon, C., Burgess, N., (2012) Protected Planet Report 2012: Tracking progress towards global targets for protected areas. IUCN, Gland, Switzerland and UNEP-WCMC, Cambridge, UK:
- http://cmsdata.iucn.org/downloads/protected_planet_report.pdf

Forest Conversion: Removal of natural forest by human activity, without subsequent regeneration. I

NOTE: Conversion may occur due to changing land use (e.g., establishment of plantations, agriculture, pasture, urban settlements, industry or mining) or in cases when forest has been cleared by management practices and not regenerated. The maximum period during which regeneration shall occur should be based on existing legislation, codes of best practices, etc., relevant for the area under assessment.

Explanatory note for consultation: The definition of forest conversion is subject to change pending publication of FSC-POL-01-007 *Policy to Address Conversion*.

FSC Controlled Wood: Material which has passed assessment for conformance with FSC Controlled Wood requirements according to the standard *FSC-STD-40-005 Requirements for sourcing FSC Controlled Wood* or *FSC-STD-30-010 FSC Controlled Wood Standard for Forest Management Enterprises*.

FSC Controlled Wood Risk Assessment (FSC CWRA): The collective term for National Risk Assessments and Centralized National Risk Assessments.

Explanatory note for consultation: Terminology related to the types of FSC controlled wood risk assessments may change subject to the revision of the process requirements for the development and maintenance of the risk assessments.

Harvest (-ing / -ed): A general term for the removal of produce from the forest for utilization; comprising therefore cutting, sometimes further initial processing (tipping and trimming) and [removal of forest products from the forest to a loading point, for transportation elsewhere - this includes falling, yarding, and decking]³.

Illegally harvested wood: Forest products harvested in violation of any laws applicable to harvesting in that location or jurisdiction including the acquisition of the harvesting rights from the rightful owner; the harvesting methods used and the payment of all relevant fees and royalties⁴.

³ Source: Dictionary of Forestry (XII World Forestry Congress, 2002)

⁴ Source: *FSC-STD-01-002 FSC Glossary of Terms*

Intact forest landscape (IFL): An unbroken expanse of natural ecosystems within the zone of current forest extent, showing no signs of significant human activity, and large enough that all native biodiversity, including viable populations of wide-ranging species, could be maintained⁵.

Minimum areas of Intact Forest Landscape are determined by maps available at <http://intactforests.org>.

Low Risk: A conclusion, following a risk assessment, that there is negligible risk that material from unacceptable sources can be sourced from a specific geographic area.

NOTE: 'Negligible risk' is characterised by the EU Timber Regulation and its guidance document⁶.

Explanatory note for consultation: FSC is aware of upcoming changes to EU regulation on deforestation-free supply chains and will be working on adequate steps to align these requirements with the new regulations.

Low risk area: An area where 'low risk' for sourcing material has been designated through the risk assessment described in *FSC-PRO-60-002a FSC Controlled Wood Risk Assessment Framework*.

Precautionary approach: An approach requiring that when the available information indicates management activities pose a threat of severe or irreversible damage to the environment or a threat to human welfare, explicit and effective measures to prevent the damage and avoid the risks to welfare are required, even when the available information is incomplete or inconclusive, and when the vulnerability and sensitivity of environmental values are uncertain (Source: Based on Principle 15 of Rio Declaration on Environment and Development, 1992, and Wingspread Statement on the Precautionary Principle of the Wingspread Conference, 23–25 January 1998)⁷.

NOTE: In the case of FSC risk assessments, there are situations in which no evidence of specific risks can be found. This does not always mean that the indicator risk is low. In those cases, it is necessary to look at other indications of risk related to, but not exactly aligned with, the indicator being assessed (e.g., international indices). Furthermore, not every piece of evidence of risk automatically results in a specified risk designation. The evidence must be relevant and reliable to be considered as an indicator of specified risk.

Explanatory note for consultation: This note was added with the goal of clearly stating the position of FSC risk assessments in reference to the precautionary principle, making the development of FSC risk assessments clearer, and providing guidance on the topic of the question, "What evidence counts as an indication of risk?"

⁵ Source: *Potapov P., et. al. 2008*.

⁶ Sources: [EU Timber Regulation](#) and [Guidance Document for the EU Timber Regulation](#)

⁷ Source: [FSC-STD-01-001 V5-2](#)

Scale, intensity and risk (SIR)

Scale: A measure of the extent to which a management activity or event affects an environmental value or a management unit, in time or space. An activity with a small or low spatial scale affects only a small proportion of the forest each year, an activity with a small or low temporal scale occurs only at long intervals.

Intensity: A measure of the force, severity or strength of a management activity or other occurrence affecting the nature of the activity's impacts.

Risk: The probability of an unacceptable negative impact arising from any activity in the Management Unit combined with its seriousness in terms of consequences.

Small or low intensity managed forest (SLIMF): A forest management unit which meets specific FSC requirements related to size and/or intensity⁸.

Specified risk: A conclusion, following a risk assessment, that there is a non-negligible risk that material from unacceptable sources may be sourced or enter the supply chain from a specific geographic area. The nature and extent of this risk is specified for the purpose of defining efficient Control Measures.

Specified risk area: An area where 'specified risk' for sourcing material has been designated through the risk assessment process described in *FSC-PRO-60-002a FSC Controlled Wood Risk Assessment Framework*.

Supplier: Individual, company or other legal entity providing goods or services to an organization⁹.

Supply Unit (SU): A spatial area with clearly defined boundaries managed to a set of explicit long-term forest management objectives. It includes all facilities and areas within or adjacent to these spatial areas that are under legal title or management control of, or operated by or on behalf of, the supply unit manager for the purpose of contributing to the management objectives.

Traditional peoples: Traditional peoples are social groups or peoples who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use¹⁰.

NOTE: The above definition includes forest dependent communities with traditional rights living in or adjacent to forests. Further specification of the traditional rights to be considered in the risk assessment process shall take place during NRA development.

⁸ Source: *FSC-STD-01-002 FSC Glossary of Terms*

⁹ *FSC-STD-40-004 Chain of Custody Certification*

¹⁰ *FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship*

Unacceptable sources: Sources of material that do not meet the requirements of FSC standards, Controlled Wood categories, or both.

Unassessed area: Area that is not covered by an FSC Controlled Wood Risk Assessment.

Homogeneous risk designation: When a specified risk designation covers a scale without the need to further subdivide or refine that scale. This is determined primarily by the availability of information on the risk in question.

Verbal forms for the expression of provisions:

[Adapted from *ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards*]

- “shall”: indicates requirements strictly to be followed in order to conform with the standard.
- “should”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required. A ‘should requirement’ can be met in an equivalent way provided this can be demonstrated and justified.
- “may”: indicates a course of action permissible within the limits of the document.
- “can”: is used for statements of possibility and capability, whether material, physical or causal.

ABBREVIATIONS

CM	Control Measure
CW	FSC Controlled Wood
EU FLEGT	The European Union's Forest Law Enforcement, Governance and Trade Action Plan
FPIC	Free Prior and Informed Consent
FSC CWRA	FSC Controlled Wood Risk Assessment
HCV	High conservation value
NGO	Non-governmental Organization
WG	FSC CWRA author (i.e. Working Group or FSC)
SIR	Scale, Intensity and Risk

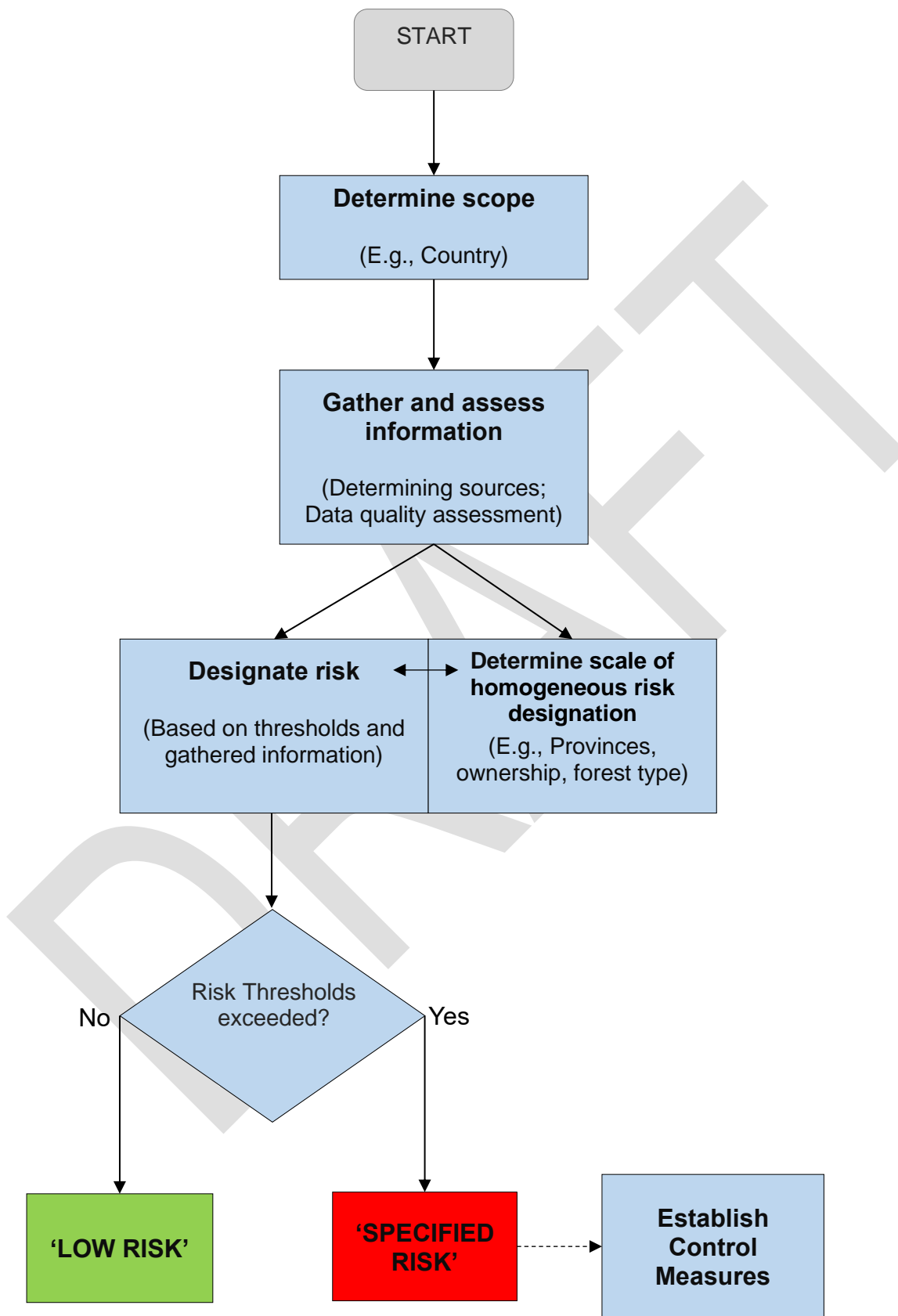


Figure 1. Steps required in the risk assessment process.

PART I: GENERAL PROCESS REQUIREMENTS

1 Introduction

1.1. The process steps to develop an FSC CWRA include:

- a. Determining the scope of the FSC CWRA;
- b. Gathering and assessing information related to the five Controlled Wood categories;
- c. Determining the scale for homogeneous risk designation for each risk indicator;
- d. Designating risk for each assessed Controlled Wood indicator;
- e. Establishing CMs to mitigate 'specified risk'.

1.2. FSC CWRAs shall include an assessment of all indicators of the five Controlled Wood categories:

- 1) Illegally harvested wood;
- 2) Wood harvested in violation of traditional and human rights;
- 3) Wood from forests in which high conservation values are threatened by management activities;
- 4) Wood from forests being converted to plantations or non-forest use; and
- 5) Wood from forests in which genetically modified trees are planted.

NOTE: The word "wood" is synonymous with "material"¹¹.

2 FSC Controlled Wood Risk Assessment development

Determining FSC CWRA scope

2.1. The FSC CWRA shall specify the geographical scope of the assessment (e.g., a country, a region that is part of a country, or a region that covers more than one country).

NOTE: In case of doubt regarding exclaves, territories, protectorates, or similar, those areas shall be excluded from the FSC CWRA.

NOTE: This shall be identified as specifically and unambiguously as possible.

Explanatory note for consultation: This draft proposes allowing FSC CWRAs to cover more than one country or to cross national boundaries. In many cases, risks will still need to be assessed and designated along country borders (e.g., risk of legislation enforcement).

Gathering and assessing information

2.2. Information shall be gathered in accordance with the defined indicators and thresholds of the five Controlled Wood categories. Indicator-specific considerations are elaborated in the 'Gathering of information' Sections of Part II.

¹¹ Source: FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood

2.3. All data used in the FSC CWRA shall be evaluated for relevance and reliability. The evaluation of information should be based on objective criteria, e.g., publication indices¹², data providers¹³, relevance of the information considering the validity date of the risk assessment, dates of publication, methodology used for data gathering, etc. Information sources older than five years should be avoided unless their relevance and reliability can be confirmed.

NOTE: Whenever possible, information relevant to the specific context of forest management in the supply area should be used.

NOTE: Stakeholder consultation on FSC CWRA drafts constitutes an important source of information.

2.4. Data shall be evaluated using a template provided by FSC. This template shall:

- a. Provide entry fields for individual pieces of information for each piece of information;
- b. Provide a scoring scheme for each piece of information;
- c. Provide all risk thresholds for the indicators;
- d. Automatically identify instances where information is identified as relevant, reliable, and indicating that a threshold has been surpassed;
- e. Automatically sum the risk scores of the information;
- f. Indicate control measure requirements (see Clause 2.24 below), and;
- g. Automatically compile the risk scales for the information gathered.

Explanatory note for consultation: This draft proposes the use of a standardized template into which authors of FSC CWRAs enter data for each indicator, and score each piece of data against the following criteria:

- Source reliability
- Source relevance
- Risk scale
- Risk intensity

This template will automatically inform the author if their assessment of the data shows risk to the indicator according to the precautionary principle. The template will also tally the evidence scores and inform the author if control measures are required for the indicator, and, if so, which type is required (i.e., recommended or mandatory).

The goal of this change is to reduce the variability between FSC CWRAs and to make visible the mental arithmetic that is used in the current risk assessments. This should make investigating particular weaknesses of analysis simpler.

An example of such a template is included in the consultation in the form of a Microsoft Excel workbook.

2.5. For each Controlled Wood category, general sources of information provided in Part II shall be used for the risk assessment when they are applicable to the defined scope of the FSC CWRA. The WG shall also gather additional information sources specific for the area under assessment.

¹² E.g., Impact Factor (IF) (<https://researchguides.uic.edu/if/impact/>), Science Citation Index (SCI) (<https://clarivate.com/webofsciencegroup/solutions/webofscience-scie/>), etc.

¹³ Preferred data providers may include: scientific entities based on their international ranks and publication in high-ranked journals, International Agencies, NGOs, governmental agencies, etc.

- 2.6. Data sources shall be referenced so that they are verifiable by third parties (e.g., reference to fsc.org, google.com, etc. is not specific enough).
- 2.7. For Controlled Wood categories 2-5, any existing conflicts between FSC requirements and applicable legislation identified for Controlled Wood Category 1 shall be identified and described. Cases where legal requirements contradict basic principles of responsible forest management and FSC's mission shall be documented and dealt with on a case-by-case basis in consultation with FSC¹⁴ and relevant stakeholders identified by the FSC CWRA process.

NOTE: FSC requirements being more stringent than legislation does not necessarily constitute a conflict.

Determination of scale for homogeneous risk designation

- 2.8. Each indicator provided in the 'Requirements and thresholds' section of Part II shall have an associated scale in the FSC CWRA. The scale shall characterize the spatial boundaries of the risks for the indicator.

NOTE: It is recommended to apply as fine a scale as needed to provide detailed risk specifications that will allow Organizations to develop adequate CMs.

NOTE: Scale determination is related to both the gathering and assessing of information, and is therefore expected to require re-consideration throughout the process of developing the FSC CWRA.

- 2.9. The scope of the FSC CWRA shall be divided into smaller units when assessed data indicate different levels of risk within that area that do not allow for homogeneous risk designation. The area shall also be divided into smaller units when CMs (if provided in the FSC CWRA) cannot be applied uniformly within the assessed area.
- 2.10. There are two possible approaches to scale that can be mutually applied in the FSC CWRA process:
- a. Geopolitical scale – determination of spatial units with broad geographical boundaries, e.g., administrative sub-divisions (states, counties, voivodeships, provinces, etc.) and/or biological and/or geographical sub-divisions (bio-regions, eco-regions, water catchments, watersheds, etc.).
 - b. Functional scale – determination of spatial units based on non-geographical characteristics, e.g., type of forested area (e.g., plantations, managed forests and natural forests), tenure or ownership (e.g., public, private, corporate, indigenous, and community forests), scope of management (e.g., the same hunting regime, presence/absence of particular planning requirements, type and/or quality of forest inventory, etc.), and SIR of forest management operations.
- 2.11. Scales shall be clearly described, understandable, and identifiable by FSC CWRA users.
- 2.12. Scales shall be presented on maps, documenting areas of both 'low' and 'specified risk'. When possible, maps attached to the FSC CWRA should be provided in GIS format. Data meeting internationally recognized spatial standards (e.g., Open Geospatial Consortium standards) shall be prioritized.

⁴ Throughout this procedure, 'FSC' refers to the FSC International Center.

Explanatory note for consultation: This draft proposes requiring maps for all risk designation scales. This means that if the analysis of evidence yields a scale that was not mappable with current data, then another (likely broader) scale would need to be chosen. The working group for this revision is not unanimously decided on this issue, and therefore particularly seeks comment on this proposal.

The precise nature of the mapping requirements will be detailed in the next draft, including feedback received in this consultation.

Designation of risk

- 2.13. Risk designation shall be conducted separately for each indicator for all Controlled Wood categories, based on the assessment of information gathered by the WG and thresholds provided in Part II of this procedure.
- 2.14. WGs may develop additional country/region-specific indicators and thresholds provided they are agreed upon by all WG chambers.
- 2.15. For each indicator, the area described by the scale shall be designated as:
 - a. 'Specified risk' when one or more 'specified risk' thresholds are exceeded, OR;
 - b. 'Low risk' when there is no other information that indicates a 'specified risk' designation.

Explanatory note for consultation: This draft proposes only one type of risk thresholds for all indicators (unlike the current version of the document, which has two). This is due to a better focus on the precautionary principle, which serves as the underpinning principle of the document. The precautionary principle focuses on taking action when a risk is identified, therefore the focus of FSC CWRAs should be on identifying risks, not identifying non-risks.

- 2.16. In the case of lack of specific information, risk designation shall follow the precautionary approach.
- 2.17. For each indicator, the rationale for risk designation shall be provided in relation to the threshold and information used. Additionally, for 'specified risk' areas, the type of risk(s) shall be described. This shall be accomplished using the template described in Clause 2.4.
- 2.18. Risk designations shall be consistent between indicators of different Controlled Wood categories when risk assessment requires cross-reference(s) to another Controlled Wood category.

NOTE: This includes consistency between the assessment of Controlled Wood Category 1 and the assessment of other categories with regards to legal requirements, and consistency between the assessment of Controlled Wood Category 2 and Controlled Wood Category 3 with regards to the requirements for HCVs 5 and 6.

NOTE: "Consistent" does not always mean "the same as". When two indicators or categories impact each other, this shall be taken as information to be assessed, as described in clause 2.2 and subsequent clauses.
- 2.19. When the consultation of experts is required in the risk assessment process, the experts engaged shall meet the minimum requirements provided in Annex A. Experts engaged in the risk assessment process shall be accepted by all chambers of the WG.
- 2.20. Risk designation shall consider the scale, intensity, and risk to the indicator of management operations taking place.

NOTE: This includes either small-scale (e.g., SLIMF-like operations) or large-scale operations¹⁵, which may result in and require a functional scale of the risk designations.

2.21. When assessing risk with regards to scale, intensity and risk of management operations within a given area, the overall impact of these operations on the elements elaborated in the indicators shall be considered in the risk assessment.

NOTE: In case of small-scale operations scattered within the landscape the impact is likely to be smaller than if they are concentrated in one place. When large-scale operations prevail, their impact will more likely be major within an area. Contrarily, large-scale operations are more likely to manage their areas in a consistent way, whereas small-scale operations are more likely to differ between each other.

2.22. In cases where scale, intensity and risk of management operations within an area differ, different elements of the risk assessment process and thresholds may apply (e.g., thresholds indicated as especially for SLIMF). These are provided in Part II of this procedure.

2.23. All risk designations shall be compared against risk designations of similar areas. In the case of differences, an explanation of reason for the difference shall be provided.

Explanatory note for consultation: This draft proposes requiring an analytical comparison between similar FSC CWRAs when they differ in their risk designations. This will result in additional work that is unlikely to be used by certificate holders or certification bodies but will provide justification for variation between risk assessments.

Similarity would be based on characteristics like size of area, type of forests, dominant management characteristics, and proximity.

The working group for this revision is not unanimously decided on this issue, and therefore particularly seeks comment on this proposal.

¹⁵ Large scale operations are to be defined by the WG in consideration of the national/regional context. The following elements may be considered when defining large scale operations, when applicable:

- 'Area' as a common measure of size (for forest operations) or geographical extent of an operation (for other types of activities); consideration must be given to whether the area must be contiguous or not. An area threshold should be consistent with potential impacts of the operations: a very large area with a low intensity of operations is not likely a concern compared to a moderately large area with a high intensity of operations. The concept of what is considered large is also highly variable between countries and regions. Where there is a diverse and fragmented ownership, the threshold for size may need to be lower compared to where there are large landmasses.
- Intensity of operations: please compare with the SIR concept;
- 'Number of employees' can be an important measure of social and economic impact, however very large operations that are highly mechanized and therefore employ fewer people need to be considered. It should be stressed that this can also be an unreliable measure, as it can be difficult to obtain accurate numbers, especially where contractors are primarily used.
- 'Sales' are an important factor of economic impact, however it should be noted that sales are relative to the type and quality of wood, which is sometimes subject to significant changes in wood prices, and difficult to obtain accurate reporting on.

(The above guidance is provided based on "FSC Motion 20 Study on the Impacts of Large-Scale Forestry Operations in Global North and South"; 26 August 2014; FSC documentation)

Establishment of control measures

2.24. When 'specified risk' is designated, the FSC CWRA may provide CMs which are either 'recommended' or 'mandatory'. Both types of CMs shall be distinguished in the FSC CWRA. The type of CM is determined by the application of the template described in Clause 2.4:

- a. When the aggregate risk score of an indicator is 10 or more, the WG shall provide mandatory CMs for that indicator. The WG may additionally provide recommended CMs.
- b. When the aggregate risk score of an indicator is between 4 and 9 (inclusive), the WG shall provide recommended CMs for that indicator. The WG may additionally provide mandatory CMs.
- c. When the aggregate risk score of an indicator is less than 4, the WG may provide either recommended or mandatory CMs.

Explanatory note for consultation: This draft proposes requiring FSC CWRA authors to provide control measures depending on their analysis of risk data. This will be determined automatically using the standardized template first introduced in Clause 2.4 of this draft.

This template will require each piece of evidence to be scored, and then the scores will be automatically summed. When the sum surpasses certain aggregate score thresholds (the precise thresholds are to be determined before the next public consultation), the FSC RA author will be required to provide mandatory or recommended control measures.

This proposal is intended to increase comparability between FSC RAs, reflect the variable seriousness of the aggregate risks in a risk assessment, and provide guidance for certificate holders in implementing the risk assessment.

An example template draft is attached to this consultation as a Microsoft Excel workbook. This example is for information only.

2.25. When 'specified risk' is designated due to existing conflict between FSC Controlled Wood requirements and applicable legislation (Part II, Section 3), the WG shall provide CMs addressing this, in line with Clause 2.7.

2.26. CMs in the FSC CWRA shall be developed according to applicable requirements of the standard *FSC-STD-40-005*.

NOTE: When sufficient data are not available for performing a risk assessment in accordance with this document or there is no feasible possibility for risk mitigation by the organization, sourcing from forest sources according to FSC-STD-30-010 ensures the risk is avoided.

2.27. CMs provided in the FSC CWRA should include examples of means of verification (verifiers).

2.28. In the case of mandatory CMs, verifiers are required.

NOTE: Means of verification indicate how the organization implementing CMs can demonstrate that a CM is adequate, assess its effectiveness, or both. Such evidence may include records, documents, maps, site visits and interviews. Including verifiers as part of the control measure is strongly encouraged, as it reduces variability between organisations and ensures that all parties are examining the same outcomes to determine the correct implementation of CMs.

PART II: SPECIFIC PROCESS REQUIREMENTS FOR ASSESSING THE FIVE CONTROLLED WOOD CATEGORIES

Explanatory note for consultation: With the introduction of FSC-ADV-20-001-12, FSC acknowledged the nature of systemic risks impacting the forest sector. These risks are uncontrollable or un-auditable, but nevertheless should be captured. This draft assumes that systemic risks can be adequately covered with the existing set of indicators for assessing the risk in this draft. However, we invite stakeholders to share comments on the possible ways of integration of systemic risks, in order to investigate this issue in more detail in the next round of revision of the draft following this consultation.

3 Controlled Wood Category 1: Illegally harvested wood

Scope

- 3.1. The scope of Controlled Wood Category 1 covers the risk assessment of illegality and includes:
- d. The identification of applicable legislation for each indicator listed in **Table 1**. When there are no relevant laws or regulations for a given indicator, the indicator shall be considered as 'not applicable' for the area under assessment.
- NOTE:** General types of legislation not specifically linked to harvesting (e.g., legislation regarding the technical specifications of trucks) are not considered 'relevant'.
- e. An assessment of law enforcement in the area under assessment.

Requirements and thresholds

- 3.2. All indicators listed in **Table 1** shall be assessed using the template introduced in Clause 2.4 of this procedure.
- 3.3. Risk designations shall be determined based on the thresholds provided in **Table 1**.

Gathering of information

- 3.4. Gathering of information requires the identification of applicable legislation at national and sub-national (if applicable) levels, and gathering data documenting the enforcement of the identified legislation.
- NOTE:** Possible sources of information on legislation include:
- a. National Forest Stewardship Standards developed by FSC registered SDGs or FSC-accredited certification bodies;
 - b. Outcomes from EU FLEGT Voluntary Partnership Agreement (VPA) processes with the European Union.
- 3.5. The WG shall examine the following sources for information relevant to the assessment of law enforcement within the scope of the FSC CWRA:
- a. FSC Forest Stewardship Standard(s) (FSS(s))
 - b. FSC FSS risk assessments
 - c. Chatham House: <https://forestgovernance.chathamhouse.org/>;

- d. ELDIS regional and country profiles: <http://www.eldis.org>;
- e. Environmental Investigation Agency: <http://www.eia-international.org>;
- f. EU FLEGT process: <https://www.euflegt.efi.int/home>;
- g. Forest Legality Alliance: <http://www.forestlegality.org/>;
- h. Government reports and assessments of compliance with related laws and regulations;
- i. Independent reports and assessments of compliance with related laws and regulations,;
- j. Interpol: <https://www.interpol.int/en/Crimes/Environmental-crime>;
- k. Justice tribunal records;
- l. Public summaries of FSC forest management certification reports published at info.fsc.org (information on legal areas where non compliances have been identified during the certification process that are likely to be common for non-certified operations);
- m. Public summaries of other 3rd party forest legality certification/verification systems;
- n. Stakeholder and expert consultation outcomes from FSC CWRA development processes;
- o. Telapak (for Indonesia): <http://www.telapak.org>;
- p. Transparency International Anti-Corruption Knowledge Hub: <https://knowledgehub.transparency.org/>
- q. Transparency International Corruption Perceptions Index: <https://www.transparency.org/en/cpi>;
- r. World Bank Worldwide Governance Indicators: <http://info.worldbank.org/governance/wgi/Home/Reports>

3.6. In cases where other sources of information are not available, consultations with experts within the area shall be conducted.

Determination of scale

3.7. The default geopolitical scale of risk assessment is a country (e.g. national level). Finer geopolitical scales shall be considered in countries where country and regional (e.g. sub-national level) legislation varies for any indicator specified in **Table 1**.

NOTE: A functional scale may be applicable, e.g., for rare and valuable tree species that are commonly illegally harvested and/or traded within particular areas (including CITES species), or where corruption varies significantly between regions/sectors within the same country.

Designation of risk

3.8. Risk designation involves the assessment of enforcement of applicable legislation. When assessing applicable indicators and thresholds, the following aspects shall be taken into account:

- a. Differences between national and sub-national legislation;
- b. Governance assessment of the forestry sector in the area under assessment. For governance assessment different sources of information may be used (see Clause 3.4 and subsequent clauses);
- c. Consideration of all entities involved in harvesting activities (e.g., contractors);
- d. Where possible, the assessment shall be carried out based on a combination of different public sources and consultations with experts/stakeholders during the FSC CWRA development process. Direct and indirect sources of information should be combined when relevant and possible (e.g., health and safety may be evaluated directly by authorities checking worker safety and indirectly by accident inventories);
- e. Evaluation of known cases of law violation shall consider the frequency of incidence (isolated versus pervasive), magnitude and severity of violations;

- f. Assessment of corruption: consultation with experts (see Annex A) shall take place to evaluate the extent of corruption in the forestry sector in countries where the corruption perceptions index of Transparency International (<https://www.transparency.org/en/cpi>) is less than 50. Special attention shall be given to the enforcement of laws requiring approval from public bodies, such as harvesting permits, concession licenses, custom declarations, etc., as well as laws relevant to the purchase of forest products or harvesting rights from publicly owned land.

NOTE: For more information, please see Transparency International's guidance on forest sector vulnerability to corruption

- g. Cases where relevant legislation contradicts basic principles of responsible forest management and FSC's mission (see Clause 2.7).

NOTE: A contradiction may exist, e.g., when forest law excludes local inhabitants from access to forest resources, or where the forest law prescribes activities destroying HCVs, etc. Though legal, such practices will be considered as unacceptable under Controlled Wood categories 2 to 5.

Table 1. Requirements for legality assessment

Indicator (Applicable legality categories and sub-categories)	Context and considerations	Thresholds
General approach: Risks according to indicators should be identified where systematic and/or large scale non-compliance with applicable legislation takes place.		
Legal rights to harvest		<u>Specified Risk Thresholds</u>
<p>1.1 Land tenure and management rights.</p> <p><i>Legislation covering land tenure rights, including customary rights as well as management rights, that includes the use of legal methods to obtain tenure rights and management rights. It also covers legal business registration and tax registration, including relevant legally required licenses.</i></p>	<p>Risk may be encountered where land rights have not been issued according to prevailing regulations and where corruption has been involved in the process of issuing land tenure and management rights. The intent of this indicator is to ensure that any land tenure and management rights have been issued according to the legislation.</p>	<p>(1) Identified laws are not consistently upheld by all entities, are often ignored, are not enforced by relevant authorities, or any combination thereof.</p> <p>(2) Violations of identified laws are not efficiently followed up by the relevant entities.</p> <p>(3) Violations of identified laws are not followed up via preventive actions taken by the relevant entities.</p>
<p>1.2 Concession licenses.</p> <p><i>Legislation regulating procedures for issuing forest concession licenses, including the use of legal methods to obtain concession licenses. Bribery, corruption and nepotism are particularly well-known issues that are connected with concession licenses.</i></p>	<p>The intent of this indicator is to avoid risk related to situations where organizations are obtaining concession licenses via illegal means such as bribery, or where organizations or entities that are not eligible to hold such rights do so via illegal means.</p> <p>Risk in this indicator relates to situations where due process has not been followed and the concession rights can therefore be considered to be illegally issued. The level of corruption in the country or sub-national region is considered to play an important role and corruption indicators (e.g., Corruption Perception Index, CPI) should therefore be considered when evaluating risks.</p>	
<p>1.3 Management and harvesting planning.</p> <p><i>Any national or sub-national legal requirements for Management Planning, including conducting forest inventories, having a forest Management Plan and related planning and monitoring, impact assessments, consultation with other entities, as</i></p>	<p>Cases where required management planning documents are not in place or are not approved by competent authorities should be considered. Low quality of the management plan resulting in illegal activities may be a risk factor for this indicator as well.</p>	

<p>well as approval of these by legally competent authorities.</p>		
<p>1.4 Harvesting permits.</p> <p><i>National or sub-national laws and regulations regulating procedures for issuing of harvesting permits, licenses or other legal document required for specific harvesting operations. This includes the use of legal methods to obtain the permits. Corruption is a well-known issue that is connected with the issuing of harvesting permits.</i></p>	<p>Risk relates to situations where required harvesting is carried out without valid permits or where these are obtained via illegal means such as bribery.</p> <p>In some areas, bribery may be commonly used to obtain harvesting permits for areas and species that cannot be harvested legally (e.g., protected areas, areas that do not fulfil requirements of minimum age or diameter, tree species that cannot be harvested, etc.). In cases where harvesting permits classify species and qualities to estimate fees, corruption and bribery can be used to classify products that will result in a lower fee. The level of corruption in a country or sub-national region is considered to play an important role and corruption indicators should therefore be considered when evaluating risks.</p> <p>In cases of illegal logging, harvesting permits from sites other than the actual harvesting site may be provided as a false proof of legality with the harvested material.</p>	
<p>Taxes and fees</p>		
<p>1.5 Payment of royalties and harvesting fees.</p> <p><i>Legislation covering payment of all legally required forest harvesting-specific fees such as royalties, stumpage fees and other volume-based fees. This includes payments of the fees based on the correct classification of quantities, qualities and species. Incorrect classification of forest products is a well-known issue that is often combined with bribery of officials in charge of controlling the classification.</i></p>	<p>As provided in the scope of the indicator.</p>	
<p>1.6 Value added taxes and other sales taxes.</p> <p><i>Legislation covering different types of sales taxes which apply to the material being sold, including</i></p>	<p>Risk relates to situations where products are sold without legal sales documents or far below market price resulting in illegal avoidance of taxes.</p>	

the sale of material as growing forest (standing stock sales). (2.2)		
1.7 Income and profit taxes. <i>Legislation covering income and profit taxes related to profit derived from the sale of forest products and harvesting activities. This category is also related to income from the sale of timber and does not include other taxes generally applicable for companies and is not related to salary payments.</i>	As provided in the scope of the indicator.	
Timber Harvesting		
1.8 Timber harvesting regulations. <i>Any legal requirements for harvesting techniques and technology, including selective cutting, shelter wood regenerations, clear felling, transport of timber from the felling site, seasonal limitations, etc. Typically, this includes regulations on the size of felling areas, minimum age and/or diameter for felling activities, and elements that shall be preserved during felling, etc. Establishment of skidding or hauling trails, road construction, drainage systems and bridges, etc., shall also be considered as well as the planning and monitoring of harvesting activities. Any legally binding codes for harvesting practices shall be considered.</i>	As provided in the scope of the indicator.	
1.9 Protected sites and species. <i>International, national, and sub-national treaties, laws, and regulations related to protected areas, allowable forest uses and activities, and/or rare, threatened, or endangered species, including their habitats and potential habitats.</i>	<p>Risk relates to illegal harvesting within protected sites, as well as illegal harvest of protected species.</p> <p>Note that protected areas may include protected cultural sites, including sites with historical monuments.</p>	

<p>1.10 Environmental requirements.</p> <p><i>National and sub-national laws and regulations related to the identification and/or protection of environmental values including but not limited to those relating to or affected by harvesting, acceptable levels for soil damage, establishment of buffer zones (e.g., along water courses, open areas and breeding sites), maintenance of retention trees on the felling site, seasonal limitations of harvesting time, environmental requirements for forest machineries, use of pesticides and other chemicals, biodiversity conservation, air quality, protection and restoration of water quality, operation of recreational equipment, development of non-forestry infrastructure, mineral exploration and extraction, etc.</i></p>	<p>Risk relates to systematic, widespread, severe, or any combination thereof, non-compliance with legally required environmental protection measures that are evident to an extent that threatens the forest resources or other environmental values.</p>	
<p>1.11 Health and safety.</p> <p><i>Legally required personal protection equipment for persons involved in harvesting activities, implementation of safe felling and transport practices, establishment of protection zones around harvesting sites, safety requirements for machinery used, and legally required safety requirements in relation to chemical usage. The health and safety requirements that shall be considered relevant to operations in the forest (not office work, or other activities not related to actual forest operations).</i></p>	<p>Risk relates to situations/areas where health and safety regulations are consistently violated to such a degree that puts the health and safety of forest workers at significant risk throughout forest operations.</p>	
<p>1.12 Legal employment.</p> <p><i>Legal requirements for employment of personnel involved in harvesting activities including requirements for contracts and working permits, requirements for obligatory insurance, requirements for competence certificates and other training requirements, and payment of</i></p>	<p>Risk relates to situations/areas where systematic or large-scale non-compliance with labour and/or employment laws. The objective is to identify where serious violations of the legal rights of workers take place, such as forced, underage or illegal labour.</p>	

<p><i>social and income taxes withheld by the employer. Also covered are the observance of minimum working age and minimum age for personnel involved in hazardous work, legislation against forced and compulsory labor, and discrimination and freedom of association.</i></p>		
<p>Third parties' rights</p> <p>NOTE: Third parties' rights may be held by different individuals or groups, including, but not limited to, indigenous peoples or traditional peoples. Simultaneously, the risk assessment for Controlled Wood Category 2 shall remain consistent with the scope of Controlled Wood Category 2.</p>		
<p>1.13 Customary rights.</p> <p><i>Legislation covering customary rights relevant to forest harvesting activities, including requirements covering the sharing of benefits and indigenous rights.</i></p>	As provided in the scope of the indicator.	
<p>1.14 Free, Prior and Informed Consent.</p> <p><i>Legislation covering 'free, prior and informed consent' in connection with the transfer of forest management rights, and customary rights to the organization in charge of the harvesting operation.</i></p>	As provided in the scope of the indicator.	
<p>1.15 Indigenous peoples' rights.</p> <p><i>Legislation that regulates the rights of indigenous people as far as it is related to forestry activities. Possible aspects to consider are land tenure, and rights to use certain forest related resources and practice traditional activities, which may involve forest lands.</i></p>	As provided in the scope of the indicator.	
<p>Trade and transport</p> <p>NOTE: This section covers the legislation relevant for the trade and transport of material originating from the area under assessment.</p>		

<p>1.16 Classification of species, quantities, qualities.</p> <p><i>Legislation regulating how harvested material is classified in terms of species, volumes and qualities in connection with trade and transport. Incorrect classification of harvested material is a well-known method to reduce or avoid payment of legally prescribed taxes and fees.</i></p>	<p>Risk relates to material traded under illegal false statements of species, quantities or qualities. This could cover cases where this type of false classification is done to avoid payment of royalties or taxes or where trade bans on product types or species are implemented locally, nationally or internationally. This is mainly an issue in countries with high levels of corruption (CPI<50).</p>	
<p>1.17 Trade and transport.</p> <p><i>All required trading and transport permits shall exist as well as legally required transport documents which accompany the transport of wood from forest operations.</i></p>	<p>Risk relates to the issuing of documents permitting the removal of timber from the harvesting site (e.g., legally required removal passes, waybills, timber tags, etc.).</p> <p>In countries with high levels of corruption, these documents are often falsified or obtained by using bribery.</p> <p>In cases of illegal logging, transport documents from sites other than the actual harvesting site are often provided as a fake proof of legality with the harvested material.</p>	
<p>1.18 Offshore trading and transfer pricing.</p> <p><i>Legislation regulating offshore trading. Offshore trading with related companies placed in tax havens, combined with artificial transfer prices is a well-known way to avoid payment of legally prescribed taxes and fees to the country of harvest and is considered to be an important source of funds that can be used for payment of bribery to the forest operations and personnel involved in the harvesting operation.</i></p> <p><i>Many countries have established legislation covering transfer pricing and offshore trading. It should be noted that only transfer pricing and offshore trading, as far as it is legally prohibited in the country, can be included here.</i></p>	<p>Risk relates to situations when products are sold out of the country for prices that are significantly lower than market value and then sold to the next link in the supply chain for market prices, which is often a clear indicator of tax laundry. Commonly, the products are not physically transferred to the trading company.</p>	

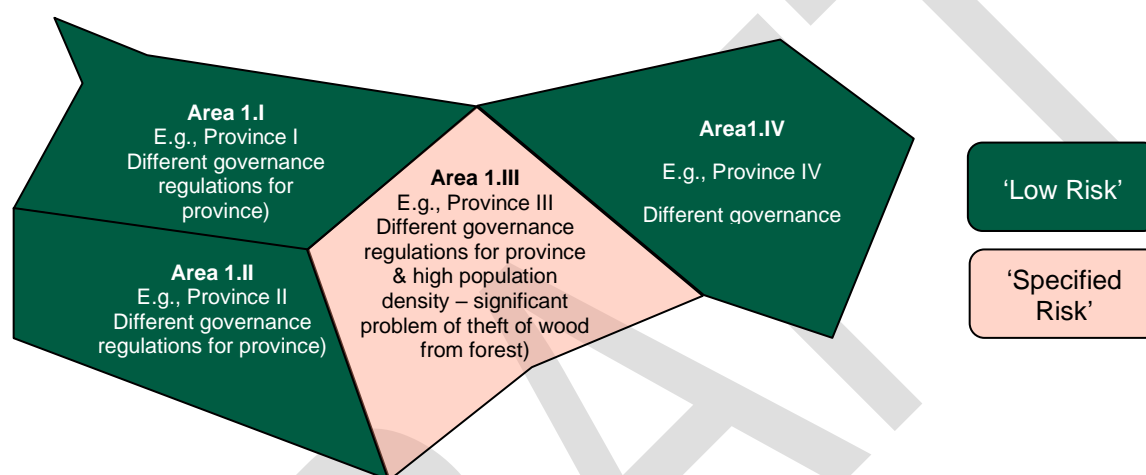
1.19 Custom regulations. <i>Custom legislation covering areas such as export/import licenses and product classification (codes, quantities, qualities and species).</i>	As provided in the scope of the indicator.	
1.20 CITES. <i>CITES permits (the Convention on International Trade in Endangered Species of Wild Fauna and Flora, also known as the Washington Convention).</i>	As provided in the scope of the indicator. Note that the indicator relates to legislation existing for the area under assessment (and not e.g., the area from which CITES species are imported).	
Due diligence/due care		
1.21 Legislation requiring due diligence/due care procedures.	Legislation requiring due diligence/due care procedures, including, e.g., due diligence/due care systems, declaration obligations, and/or the keeping of trade related documents, etc.	

3.9. Examples (informative)

An illustration of the risk assessment process, including geopolitical and functional scale application, as well as Control Measure establishment is provided below. Please note that graphics serve only as examples.

Example 1: Risk assessment for Category 1 (Illegally harvested wood) with application of geographical scale and without functional scale.

Background information: The country is divided into 4 provinces and each of them has different provincial laws. The applicable legislation for each province has been identified. Assessment of the enforcement of laws shows that laws are upheld in Provinces I, II and IV, however in Province III, which has a high population density, there is data indicating significant problems of theft of wood.



Risk mitigation:

Area 1.III

Examples of Control Measures for 'specified risk':

Sourcing wood from legally established forest management enterprises

Examples of verifiers:

Supplier documentation confirms legal rights to harvest in the MU.

Exclusion of suppliers that do not provide evidence of legal rights to harvest.

4 Controlled Wood Category 2: Wood harvested in violation of traditional and human rights

Scope

- 4.1. The scope of Controlled Wood Category 2 covers risk assessment of violation of traditional and human rights due to management activities (harvesting, processing and trading).

Requirements and thresholds

- 4.2. All indicators and thresholds provided in Table 2 shall be assessed using the template introduced in Clause 2.4 of this procedure.
- 4.3. Risk designations shall be determined based on the thresholds provided in Table 2.

Gathering of information

- 4.4. The WG shall evaluate the following general information sources for the indication of risks to traditional and human rights:
- a. Amnesty International Annual Report: The state of the world's human rights - information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights (<https://www.amnesty.org/en/latest/research/>);
 - b. Fragile States Index: <https://fragilestatesindex.org/analytics/>;
 - c. World Economic Forum Global Gender Gap Report: <https://www.weforum.org/reports?platform=centre-for-the-new-economy-and-society#filter>
 - d. Center for International Forestry Research (CIFOR): <http://www.cifor.org/>;
 - e. Child Labour: ILO International Programme on the Elimination of Child Labour (IPEC): <http://www.ilo.org/ipec/Regionsandcountries/lang--en/index.htm>;
 - f. Data about land use conflicts, and disputes (historical/outstanding grievances and legal disputes);
 - g. Data provided by National indigenous peoples or traditional peoples' organizations; governmental institutions in charge of indigenous peoples' affairs; NGOs; relevant census data;
 - h. Data about the presence of indigenous or traditional peoples and their location/distribution;
 - i. Data about participation of indigenous or traditional peoples in decision making and refusing to participate (e.g., on the basis of an unfair process, etc.);
 - j. Global March Against Child Labour: <http://www.globalmarch.org/>;
 - k. Global Witness: www.globalwitness.org;
 - l. Human Rights Watch: <http://www.hrw.org/>;
 - m. ILO Conventions Database: <http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12000:0::NO>
 - n. ILO Declaration on Fundamental Principles and Rights at Work: annual review reports (<http://www.ilo.org/declaration/lang--en/index.htm>);
 - o. Institute for Economics and Peace: Global Peace Index¹⁶ (<https://www.economicsandpeace.org/research/#measuring-peace>);

¹⁶ The GPI, produced by the Institute for Economics and Peace, claims to be 'the world's leading measure of global peacefulness.' It gauges ongoing domestic and international conflict, safety and security in society, and militarisation in 153 countries by taking into account 23 separate indicators.

- p. National and international assessments of compliance with international and national laws and regulations pertaining to child labor and rights at work;, including:
 - a. ILO Helpdesk for Business on International Labour Standards (<http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm>),
 - b. Committee on the Elimination of Discrimination against Women, (refer to CW Category 1);
- q. National land bureau tenure records, maps, titles and registration;
- r. National/regional records of claims on lands, negotiations in progress or concluded, etc.;
- s. NGO documentation of cases of conflict (historic or ongoing) involving indigenous peoples and traditional peoples;
- t. Social Responsibility Contracts (Cahier des Charges) established according to FPIC (Free Prior Informed Consent) principles;
- u. Survival International: <http://www.survivalinternational.org/>;
- v. The UN Security Council Sanctions Committee (<https://www.un.org/securitycouncil/content/repertoire/sanctions-and-other-committees#cat4>);
- w. International, national and local trade/labor unions;
- x. UN Convention on the Rights of the Child (monitored by the Committee on Rights of the Child) (<https://www.ohchr.org/en/treaty-bodies/crc>);
- y. United Nation Declaration on the Rights of Indigenous Peoples (<https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>);
- z. US AID: <http://www.usaid.gov/>;
- aa. World Bank: Worldwide Governance Indicators¹⁷ (<http://info.worldbank.org/governance/wgi/>);
- bb. World Resources Institute: Governance of Forests Initiative Indicator Framework (Version 1)¹⁸ (http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf; <http://www.profor.info/node/1998>).

Determination of scale

- 4.5. The risk assessment process shall start at the country level. Where the presence of indigenous or traditional peoples is confirmed in a given country, the areas within the country where indigenous or traditional peoples, or both, are living or that are used by indigenous and/or traditional peoples shall be determined (e.g., by using administrative boundaries). Further division of areas shall only be made for areas as above, considering the following aspects when relevant:
- a. Spatial distribution of areas where indigenous or traditional peoples are living;
 - b. Differences in governance;
 - c. The level at which traditional rights are being asserted and/or contested (e.g., claims being made at the national level or for specific areas);

¹⁷ The WGIs report aggregate and individual governance indicators for over 200 countries and territories (most recently for 1996–2021), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption. The World Bank also produces a [List of Fragile and Conflict-Affected Situations](#).

¹⁸ The GFI seeks to apply principles of good governance to the challenges of sustaining forests in developing countries. It provides a common definition and conceptual framework for understanding the meaning of good governance of forests across different country contexts, and a practical tool for civil society organizations to diagnose the integrity of institutions and processes that govern forests in their countries. It also provides measurable, reportable and verifiable indicators of good forest governance.

- d. The extent to which the violation of human rights is widespread (e.g., are labor code violations associated with a specific organization or the forest sector as a whole?);
 - e. (Optional) Targeted consultation¹⁹ with rights holders, local and international NGOs (e.g., social organizations and other organizations dealing with rights).
- 4.6. Where relevant, scales shall align with administrative units existing in a country or region. The level of administrative division (e.g., state, province or district) should sufficiently cover areas inhabited by identified indigenous or traditional peoples and/or their migratory trails, and all areas for which they hold rights, while ensuring homogeneous risk designation.

Designation of risk

- 4.7. When assessing the indicators and thresholds provided in Table 2, the following aspects shall be considered:

- a. Governance assessment in cases where social issues are not covered by legislation, considering existence and enforcement of any existing policies and instruments used to uphold these rights.

NOTE: For social issues covered by legislation, the assessment conducted for Category 1 shall be used.

NOTE: The assessment of Indicator 2.2 should include an evaluation of how the fundamental principles and rights at work, as covered by both the eleven fundamental International Labour Organization (ILO) conventions and the ILO's Declaration on Fundamental Principles and Rights at Work, are upheld at the national level. Compliance may be demonstrated by referring to enforcement of the relevant applicable legislation (assessed in Category 1), if the ILO's fundamental principles and rights are covered by applicable legislation. Alternatively, compliance may be demonstrated by identifying gaps between the principles and rights and national and regional regulations, specifying if/how these gaps are addressed.

- 4.8. Risk assessment for Indicator 2.3 shall involve expert consultation (see Annex A).

NOTE: Expert consultation is not required when one or more WG members meet the requirements for expert qualifications provided in Annex A of this document.

¹⁹ Targeted consultation may be conducted in addition to the public consultation that is required for the CWRA process.

Table 2. Requirements for traditional and human rights assessment

Indicator	Context and considerations	Thresholds
2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or is linked to military control.	<p>Is the country covered by a UN security ban on exporting timber?</p> <p>Is the country covered by any other international ban on timber export?</p> <p>Are there individuals or entities involved in the forest sector that are facing UN sanctions?</p> <p>Is the area a source of conflict timber²⁰?</p> <p>Is the conflict timber related to specific operators? If so, which operators or types of operators?</p>	<p><u>Specified Risk Thresholds</u></p> <p>(1) The area is a source of conflict timber;</p> <p>(2) The area is covered by a UN security ban on exporting timber;</p> <p>(3) The area is covered by any other international ban on timber export;</p> <p>(4) Operators in the area are involved in conflict timber supply/trade (identified entities should be specified whenever possible and in compliance with the law)</p> <p>(5) Individuals or entities in the forest sector are facing UN sanctions.</p>
2.2. Labor rights are upheld including rights as specified in ILO Fundamental Principles and Rights at Work.	<p>Are social rights covered by relevant legislation and enforced in the country or area concerned? (refer to Category 1)</p>	<p><u>Specified Risk Thresholds</u></p> <p>(6) Applicable legislation for the area under assessment covers all ILO Fundamental Principles and Rights at Work but the risk assessment for relevant indicators of Category 1 confirms 'specified risk';</p> <p>(7) Applicable legislation for the area covers all ILO Fundamental Principles and Rights at Work, but any of the following are true: Evidence of their implementation does not exist.</p>

²⁰ Conflict timber. The links between timber exploitation and conflict are essentially of two broad types:

First, revenues from the timber trade may be channeled towards activities that perpetuate conflict, such as the purchase of weapons. Thus, 'conflict timber' is defined as 'timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain. Conflict timber is not necessarily illegal' (Global Witness 2002 cited in Le Billon 2003).

Second, the exploitation of timber may itself be a direct cause of conflict (Thomson and Kanaan 2003). This may be because of disputes over, for example, ownership of forest resources, the distribution of benefits, local environmental degradation, or social conflicts caused by immigration of timber workers. In some countries, especially when other sources of income are lacking, there is little attempt to ensure that timber production is sustainable or socially responsible (Source: UNEP, Africa Environment Outlook: <https://www.unep.org/resources/report/africa-environment-outlook-2-our-environment-our-wealth>). Such cases however are assessed under indicators 2.2 and 2.3 thus are not in the scope of indicator 2.1.

	<p>Are rights like freedom of association and collective bargaining upheld?</p> <p>Is there evidence of occurrences of compulsory or forced labor?</p> <p>Is there evidence of occurrences of discrimination?</p> <p>Is there evidence of occurrences of child labor?</p> <p>Is the country signatory to the relevant ILO Conventions or are the ILO Fundamental Rights and Principles at work upheld?</p> <p>Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?</p> <p>Are any violations of labor rights limited to specific sectors?</p>	<p>Evidence indicates systematic violation of rights.</p> <p>When labour law is broken, cases are not efficiently followed up by relevant entities.</p> <p>When labour law is broken, causes are not followed up via preventative actions taken by relevant entities.</p> <p>In the case of SLIMF, but there is non-negligible evidence of violation.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>Explanatory note for consultation: The working group proposes removing the threshold for SLIMF-like operations, as it seems to place a burden on SLIMF that is not present for other types of forest management and managers.</p> <p>The working group for this revision is not unanimously decided on this issue, and therefore particularly seeks comment on this proposal.</p> </div> <p>(9) There is substantial evidence of widespread violation of the ILO Fundamental Principles and Rights at Work.</p> <p>(8) The applicable legislation for the area contradicts indicator requirement(s)</p> <p>(10) Evidence indicates that labour rights are not upheld.</p>
2.3. The rights of indigenous and traditional peoples are upheld.	<p>Are there indigenous peoples, and/or traditional peoples present in the area under assessment?</p> <p>Are the provisions of ILO Convention 169 and United Nations Declaration on the Rights of Indigenous Peoples²¹ (UNDRIP)</p>	<p><u>Specified Risk Thresholds</u></p> <p>(11) The presence of indigenous or traditional peoples, or both, is confirmed or likely within the area. The applicable legislation for the area under assessment covers ILO provisions governing the identification and rights of indigenous and traditional peoples²³ but the risk assessment for relevant indicators of Category 1 confirms 'specified risk';</p> <p>(12) The presence of indigenous or traditional peoples, or both, is confirmed or likely within the area. The applicable legislation for the area under assessment covers UNDRIP but the risk assessment for relevant indicators of Category 1 confirms 'specified risk';</p>

²¹ United Nations Declaration on the Rights of Indigenous Peoples (http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf).

²³ International Labour Organization Convention No. 169

	<p>enforced in the area concerned? (refer to Category 1)</p> <p>Is there evidence of violations of legal and customary rights of indigenous or traditional peoples?</p> <p>Are there any conflicts of substantial magnitude²² pertaining to the rights of indigenous and/or traditional peoples?</p> <p>Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to indigenous or traditional peoples' rights?</p> <p>What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to Category 1)</p>	<p>(13) The presence of indigenous or traditional peoples or both is confirmed or likely within the area. The applicable legislation for the area under assessment contradicts indicator requirement(s);</p> <p>(14) Substantial evidence of widespread violation of indigenous or traditional peoples' rights exists;</p> <p>(15) Indigenous and/or traditional peoples are not aware of their rights;</p> <p>(16) There is evidence of conflict(s) of substantial magnitude pertaining to the rights of indigenous or traditional peoples. Laws and regulations or other legally established processes do not exist that serve to resolve conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable.</p> <p>Note: Processes for resolution of conflicts pertaining to use rights, cultural interests or traditional cultural identity should provide means for recourse. They should be free from overwhelming structural imbalances or inherent unfairness. They should be acceptable to affected parties giving them a means to resolve any conflicts of substantial magnitude. Rights may be defined by international structures (e.g., UN) and local legal structures.</p>
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²² For the purpose of the Indicator 2.3, a conflict of substantial magnitude is a conflict which involves one or more of the following:

- a) Gross violation of the legal or customary rights of indigenous or traditional peoples;
- b) Significant negative impact that is irreversible or that cannot be mitigated;
- c) A significant number of instances of physical violence against indigenous or traditional peoples;
- d) A significant number of instances of destruction of property;
- e) Presence of military bodies;
- f) Systematic acts of intimidation against indigenous or traditional peoples.

Guidance:

In the identification of conflicts of substantial magnitude one must also be aware of possible parallel activities of other sectors than the forest sector that also impact the rights of indigenous/traditional peoples and that there can be a cumulative impact. This cumulative impact can lead to a 'gross violation of indigenous peoples' rights' or 'irreversible consequences' but the extent of the contribution of forest management operations needs to be assessed.

The substance and magnitude of conflicts shall be determined through CNWAR development process according to national/regional conditions. CWRA shall provide definition of such conflicts.

	Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?	
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4.9. Examples (informative)

Example 2: Risk assessment for Category 2 (Wood harvested in violation of traditional and human rights – indicator 2.3) with application of geographical and functional scale.

Background information: The same country as in the example provided for Category 1 has been subsequently assessed for Category 2. Data investigation shows that social issues are dealt with differently in different provinces, so scale was determined based on administrative divisions.

Within Province I there is no confirmed or likely presence of indigenous and/or traditional peoples. This area has been assessed as 'low risk'.

In Provinces II and III there is confirmed presence of indigenous peoples, including nomadic tribes who regularly migrate between the two Provinces. Cross checking with the risk assessment for Category 1 confirms that rights of indigenous peoples are established and enforced. There is no data indicating conflicts in either province, thus they have also been assessed as 'low risk'.

Please note that in this example the problem with thefts recognized in Category 1 in Province III in this example is not related to social rights.

Within Province IV the presence of indigenous peoples has been confirmed. The applicable legislation for this Category does not cover indigenous peoples' rights and there are no other regulations that would protect the rights of indigenous peoples. The WG has decided that risk mitigation will require FPIC implementation, and evidence of this shall be agreements with the relevant indigenous peoples' representatives. In this area forests are managed by private owners and public authorities. Special agreements have been signed for public forests (PF) between forest managers and indigenous peoples' representatives, ensuring implementation of FPIC. Evidence exists that these agreements are upheld. There is no such agreement signed for private forests. The area is assessed as 'low risk' for public forests and as 'specified risk' for other forests.



Risk mitigation:

Area 2.III

Functional scale within Province IV:

Public forest – ‘low risk’

Other forests – ‘specified risk’

Examples of Control Measures for ‘specified risk’:

Supplier documentation confirming that at MU level an agreement between forest manager/owner and indigenous or traditional peoples exists, which ensures implementation of FPIC.

5 Controlled Wood Category 3: Wood from forests in which high conservation values are threatened by management activities

Scope

5.1. The scope of Controlled Wood Category 3 covers risk assessment of high conservation values (HCVs), including:

- a. The assessment of HCV presence; and
- b. The assessment of threats to HCVs caused by forest management activities.

NOTE: The FSC system applies a uniform definition of HCVs. HCVs are recognized in FSC's Principles and Criteria, Controlled Wood Standards, as well as the Policy for Association. Whilst the Principles and Criteria cover the identification, monitoring, maintenance and enhancement of HCVs, the FSC Controlled Wood standards require the avoidance of wood sourced from areas where HCVs are threatened by forest management activities.

NOTE: The use of the 'Common guidance for the identification of High Conservation Values' for the assessment of HCV presence is recommended. The WG may also use the Guidance for the development of FSC CWRA-specific thresholds.

5.2. 'Threat' in the context of this category refers to common forest management activities that cause or may cause loss or degradation of HCVs. Threats not originating from forest management activities are outside the scope of FSC CWRAs. For each HCV, threats that shall be assessed in terms of risk are provided in Table 3.

NOTE: The FSC CWRA may include other threats specific to national/regional conditions provided they are agreed by all WG chambers (when applicable).

NOTE: While assessing existing threats to HCVs, information as specified in Indicator 9.2.1 of *FSC-STD-60-004 International Generic Indicators* may be used.

5.3. The following HCVs shall be assessed regarding the risk of being threatened by forest management activities:

- a. HCV 1 - Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant²⁴ at global, regional²⁵ or national levels.
- b. HCV 2 - Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- c. HCV 3 - Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.

²⁴ For interpretation of 'Significant values' please refer to 'Common Guidance for the Identification of High Conservation Values'.

Significance of values may also be assigned by FSC National Stewardship Standards.

²⁵ The context for 'regional' in assessing this value should be ecological. In large countries like the United States of America, Australia, Russia, Canada and Brazil for example there will be many ecological regions. Conversely in a small European country the forests may form a small part of a larger ecosystem that crosses national boundaries. FSC CWRAs should be informed by the status of values that cross national boundaries, using the precautionary approach, even when the FSC CWRA does not cover more than one country. Where a value might be common at a national level, if the country contains the only or most examples of the value that was once geographically much more widespread, then the value will meet the threshold for HCV 1. Example: most of the large to medium weight range mammals associated with European natural forest ecosystems can be found in the forests of Belarus, however most of these are extinct in the rest of Europe making the forest of Belarus particularly important for these HCV values.

- d. HCV 4 - Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- e. HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (e.g., for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.
- f. HCV 6 - Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.

NOTE: Identification of HCVs 5 and 6 requires engagement of local communities and indigenous peoples. For the scope of the risk assessment, consultation on FSC CWRA development conducted according to *FSC-PRO-60-002* and/or any targeted consultation conducted with the right holders and/or experts during the FSC CWRA process is considered sufficient when identifying HCVs 5 and 6.

Requirements and thresholds

- 5.4. All indicators and thresholds provided in Table 3 shall be assessed using the template introduced in Clause 2.4 of this procedure.
- 5.5. Risk designations shall be determined based on the thresholds provided in Table 3.

Gathering of information

- 5.6. FSC approved HCV assessment frameworks (or part thereof) that have previously been developed independently or as part of the development of national standards shall be used as a prime source of information in the risk assessment, provided they meet the requirements of this document.
- 5.7. Where there is no FSC approved HCV risk assessment, a standalone HCV framework for the given area shall be developed as part of the FSC CWRA development process, including identification of areas where HCVs are present and threat(s) to them posed by forest management activities, according to the requirements of this document. Special attention in such an HCV framework shall be given to the aspect of scale, intensity and risk of management operations taking place within the assessed area.
- 5.8. Best available information to be used for the development of an HCV framework includes, but is not limited to:
 - a. Available HCV surveys conducted in the area under assessment;
 - b. Consultation with relevant databases and maps (compare Clause 5.10);
 - c. Consultation with relevant local and regional experts;

NOTE: The precautionary approach applies in the absence of best available or no available information.

NOTE: An HCV assessment framework may be developed independently for both Forest Management and Controlled Wood certification. In such cases, sets of Forest Management/Controlled Wood management measures shall be clearly distinguished and/or clarified in the context of using for Forest Management and Controlled Wood purposes.

- 5.9. Existing nature protection schemes implemented in the country/area under assessment shall be recognized and evaluated in terms of potential usefulness for HCV identification and protection (compare Clause 5.15.a).

5.10. The WG shall evaluate the following general information sources for the indication of threats to HCVs:

- a. FSC approved HCV assessment frameworks (or part thereof) that have previously been developed independently or as part of the development of FSC Forest Stewardship Standards;
- b. Available outcomes of consultation with local experts and stakeholders;
- c. Available outcomes of consultations on social values (HCV 5 and/or 6) with: indigenous peoples, traditional peoples and local communities and/or relevant authorities liaising with indigenous peoples and community rights issues; community groups dependent upon the forest for basic needs as identified, anthropologists or social scientists with local forest expertise, cultural heritage list/authorities, etc.;
- d. Country reports made at bioregional/eco-regional scale (e.g., <https://www.awe.gov.au/agriculture-land/land/nrs/science/ibra>);
- e. Critical habitat mapping if supported by experts and stakeholders;
- f. Data and consultation outcomes in local or regional water management districts;
- g. Data on endemism (<http://simple.wikipedia.org/wiki/Endemism>);
- h. Existing divisions into spatial units used for reporting purposes, e.g., bioregions;
- i. Global 200 Ecoregions (<https://www.worldwildlife.org/publications/global-200>);
- j. Intact Forest Landscapes (<http://www.intactforests.org/world.map.html>);
- k. Aichi Biodiversity Target 17 National Biodiversity Strategies and Action Plans (<https://www.cbd.int/nbsap/>);
- l. Aichi National Reports (<https://www.cbd.int/reports/>);
- m. Hydrological/edaphic data (e.g., gathered from federal agencies or research institutions);
- n. Independent scientific assessments of HCVs and their protection measures, specific to the area under assessment;
- o. IUCN Red List (<http://www.iucnredlist.org>);
- p. Known and available inventory data relevant for HCVs;
- q. Lists of threatened species (available at least for countries that are signatories to the Convention on Biological Diversity);
- r. Maps, databases, and other sources of information on the types of HCVs;
- s. Maps of road systems (e.g., GIS assessments of road-less forest areas);
- t. National or regional datasets or maps assessing importance of watersheds for drinking water supply;
- u. National Wilderness Assessments or inventories;
- v. Relevant ecological assessments, species population viability analysis, Environmental and Social Impact Assessments;
- w. Remote Sensing and other aerial data showing forest land-cover (e.g., Google Earth);
- x. Review of multilateral conservation agreements (international treaties and/or protocols, etc.) on the migratory pathways of the global migratory species;
- y. Soil, watershed, aquifer, landslides maps;
- z. Stakeholder and expert consultation outcomes regarding the presence of HCVs in the area under assessment (related and not related to the NRA process);
- aa. Strategic Forest Management Planning regulations and implementation reports;
- bb. Threatened species recovery plans/implementation reports;
- cc. World Resources Institute's Global Forest Watch (<http://www.globalforestwatch.org/>).

5.11. Spatial data documenting HCV presence shall be used whenever possible. Data meeting internationally recognized spatial standards (e.g., Open Geospatial Consortium standards) shall be prioritized.

NOTE: Forest district maps, concession maps, land cover maps, administrative sub-units, etc. may be very helpful by informing data layers in addition to data that relates directly to the HCVs. The FSC CWRA may provide data directories to be used by The Organizations implementing Controlled Wood requirements.

Determination of scale

- 5.12. The assessment shall aim to determine risk at as fine a scale as needed to provide detailed risk specifications that will allow Organizations to develop adequate CMs (see Clause 2.8 and subsequent clauses).
- 5.13. For HCV 6, the chosen scale shall be consistent with the scale of risk designation of indicator 2.3 (see Table 2).

Designation of risk

- 5.14. Risk assessment for each HCV (1-6) shall follow two steps:
- a. Data quality assessment²⁶. The data audit shall be performed by the WG or experts involved in developing the FSC CWRA. Poor quality data shall not be taken into account when assessing risk. Stakeholder feedback received during FSC CWRA consultation related to data quality shall also be used for data evaluation when relevant.
 - b. Assessment of all indicators and thresholds provided for HCVs in Table 3.
- 5.15. When assessing thresholds for HCVs, the following shall be considered and utilized where relevant:
- a. In areas where HCVs are protected by country or regional nature protection schemes, the effectiveness of the implementation of those protection schemes shall be assessed. This shall include governance assessment and sufficiency of HCV protection (considering the scope of Controlled Wood Category 3).
- NOTE:** Protection schemes may include, e.g., a system of protected areas or international protection programs (e.g., National Parks, Natura 2000). The existence of network protection schemes themselves does not justify a 'low risk' designation. Only effective protection schemes assessed as appropriate for risk mitigation may justify a 'low risk' designation.
- b. In cases where there is ongoing external regional/national consultation on specific issues related to HCVs that affect risk designation, the outcomes of such processes shall be considered, applying the precautionary approach.
- 5.16. Risk assessment for this category shall involve expert consultation (see Annex A).
- NOTE:** Expert consultation is not required when one or more WG members meet requirements for expert qualifications provided in Annex A of this document.

²⁶ Data quality assessment is emphasized in Category 3 as a crucial factor for appropriate risk designation.

Table 3. Requirements for HCV assessment

Indicator	Context and considerations	Thresholds
3.1 HCV 1	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Does the area under assessment contain HCV 1?</p> <p>In the absence of certainty of HCV 1 locations, are there tools available that allow to identify HCV1 while respecting precautionary approach?</p> <p>Does the area under assessment contain, or may it contain (using a precautionary approach²⁷), critical temporal, seasonal, or ephemeral habitats/resources such as sites for roosting, breeding, hibernation, shelter and migration?</p> <p>Is HCV 1 threatened by management activities?</p> <p>The following threats shall be considered:</p> <ol style="list-style-type: none"> 1. Habitat removal 2. Habitat fragmentation 3. Introduction of alien/invasive species 	<p><u>Specified Risk Thresholds</u></p> <p>(1) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(2) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities.</p> <p>(3) HCV 1 is identified or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>

²⁷ For interpretation of precautionary approach in terms of HCV consult *FSC-STD-60-004 International Generic Indicators* and 'Common Guidance for the Identification of High Conservation Values'.

	<p>Is the country signatory to the CBD and are the CBD targets met? (Refer to Category 1 assessment).</p> <p>Are there any effective protection schemes covering areas with concentrations of biological diversity?</p> <p>Can threats caused by management activities be effectively managed using management tools (e.g., application of best practices)?</p>	
3.2 HCV 2	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Is HCV 2 present in the area under assessment?</p> <p>To determine presence of HCV 2, follow HCV CG. All Intact Forest Landscapes (IFL) as defined by the maps at http://intactforests.org shall be considered as HCV 2.</p> <p>NRA may identify additional HCV 2 provided there is agreement from all NRA-WG chambers.</p> <p>Are HCV 2 areas crossing regional and or national boundaries? Is there an FSC risk designation available for parts located outside of national boundaries?</p> <p>Is HCV 2 threatened by management activities?</p>	<p><u>Specified Risk Thresholds</u></p> <p>(4) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(5) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities.</p> <p>(6) HCV 2 is identified or its occurrence is likely in the area under assessment, and it is threatened by management activities.</p>

	<p>The following threats shall be considered:</p> <ol style="list-style-type: none"> 1. Fragmentation, including access (roading), 2. Logging for the primary purpose of wood production (hereafter referred to as commercial logging). This applies only to IFLs. 	
3.3 HCV 3	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Which nationally/regionally systematized ecosystems are considered HCV 3?</p> <p>Are there any national/regional protection schemes that can be used for assessing HCV presence and threats to them?</p> <p>(As an example, Nature 2000 protection may be considered at European level)</p> <p>Is HCV 3 threatened by forest management activities?</p> <p>The following threat shall be considered:</p> <p>Lack of effective protection of HCV 3.</p>	<p><u>Specified Risk Thresholds</u></p> <p>(7) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(8) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities.</p> <p>(9) HCV 3 is identified or its occurrence is likely in the area under assessment and it is threatened by forest management activities;</p> <p>(10) There is no progress in achieving Aichi biodiversity targets.</p>

	Is there progress in achieving Aichi targets ²⁸ in the area under assessment?	
3.4 HCV 4	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Is HCV 4 present in the area under assessment?</p> <p>Are there forest areas present in the region that are critical for mediating flooding or controlling stream flow regulation and water quality?</p> <p>Are there effective management tools and/or regulations capable of ensuring that these forest areas can continue to perform their functions?</p> <p>Is HCV 4 threatened by forest management activities?</p> <p>The following threats shall be considered:</p> <p>1. Reduction of water quality/quantity</p>	<p><u>Specified Risk Thresholds</u></p> <p>(11) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(12) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities;</p> <p>(13) HCV 4 is identified or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>

²⁸ Aichi Biodiversity Target 11 (<https://www.cbd.int/sp/targets/>): By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes

	2. Negative impact on human health (e.g., poisoning water, etc. – see HCV CG).	
3.5 HCV 5	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Is HCV 5 present in the area under assessment?</p> <p>Is HCV 5 threatened by forest management activities?</p> <p>The following threat(s) shall be considered:</p> <p>The compromising (impacting) of fundamental needs of indigenous peoples and local communities by management activities.</p> <p>To assess threat please refer to the legality assessment in order to assess whether community rights are legally recognized and are enforced.</p> <p>For more guidance on identifying the presence of HCV5, see HCV CG.</p>	<p><u>Specified Risk Thresholds</u></p> <p>(14) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(15) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities.</p> <p>(16) HCV 5 is identified or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>

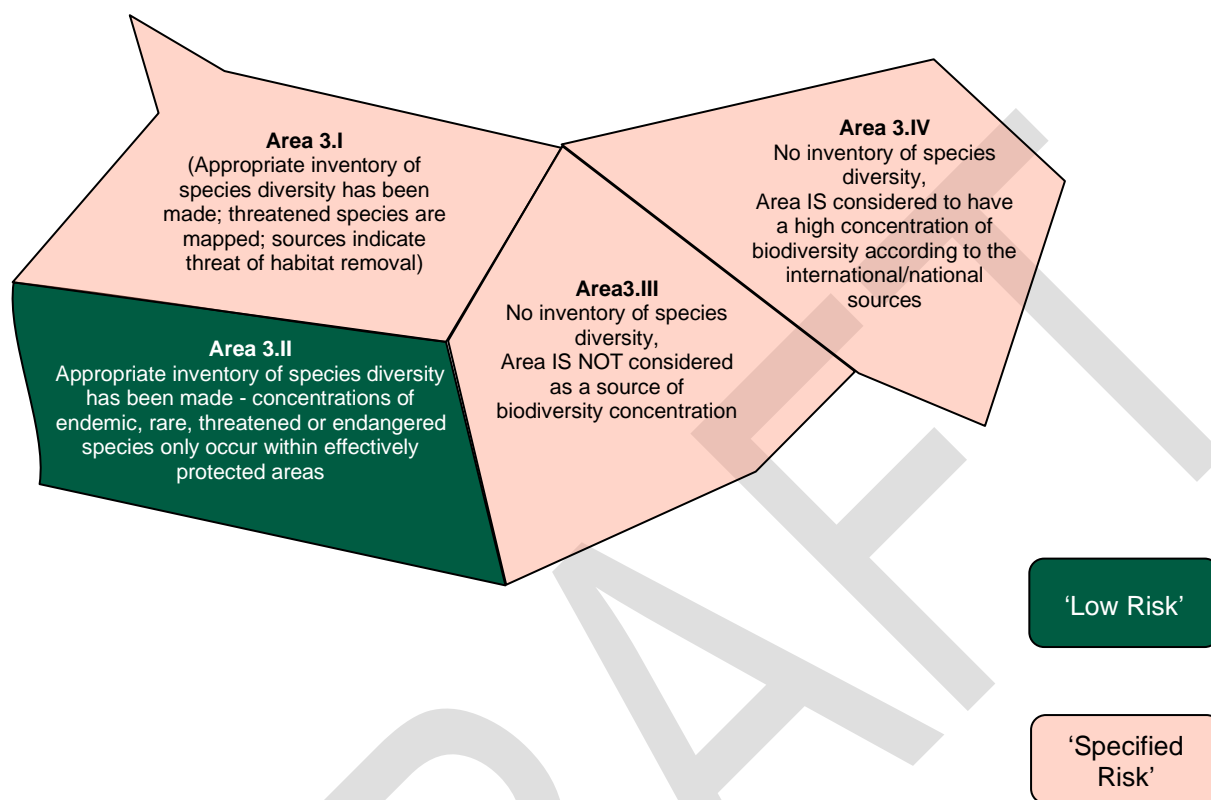
<p>3.6 HCV 6</p>	<p>Are there data available, sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?</p> <p>Are there data available, sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?</p> <p>Is HCV 6 present in the area under assessment?</p> <p>Have significant cultural features created intentionally by humans been identified?</p> <p>Are outstanding natural landscapes present that have evolved as a result of social, economic, administrative, and/or religious imperative?</p> <p>Have sufficient buffers been applied for cultural values when needed?</p> <p>Is HCV 6 threatened by forest management activities?</p> <p>Following threat shall be considered:</p> <p>Destruction and/or disturbance of rights/values determining HCV 6 presence.</p> <p>To assess threat please refer to the legality assessment in order to assess whether community rights are legally recognized and are enforced.</p>	<p><u>Specified Risk Thresholds</u></p> <p>(17) Data available are not sufficient for determining HCV presence within the area under assessment;</p> <p>(18) Data available are not sufficient for assessment of the threats to HCVs caused by forest management activities.</p> <p>(19) HCV 6 is identified or its occurrence is likely in the area under assessment and it is threatened by management activities.</p>
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	For more guidance on identifying the presence of HCV6, see HCV CG.	
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5.17. Examples (informative)

Example 3.1: Risk assessment for HCV 1 (Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels).



Risk designation:

Area 3.I

Geopolitical and functional scale:

Wood sourced from outside of threatened species habitat areas– 'low risk'

Wood sourced from threatened species habitat areas (if logging is not forbidden) – 'specified risk';

NOTE: The graphic shows this area as 'specified risk', because within it only some parts (outside of threatened species habitats) are 'low risk' areas.

Examples of Control Measures for 'specified risk':

Sourcing from forest where management plans exist containing sufficient measures ensuring species survival and developed based on species inventory, as confirmed by experts.

Area 3.III

Geopolitical scale, no functional scale: since no data is available the assessment results in 'specified risk' designation;

Examples of Control Measures for 'specified risk':

- Consultation with experts that confirms lack of species concentration within the sourcing area
- Stakeholder consultation that confirms lack of species concentration within the sourcing area
- Field surveys conducted by experts that confirm lack of species concentration within the sourcing area

- Field verification of supply units according to the requirements of the FSC-STD-30-010.

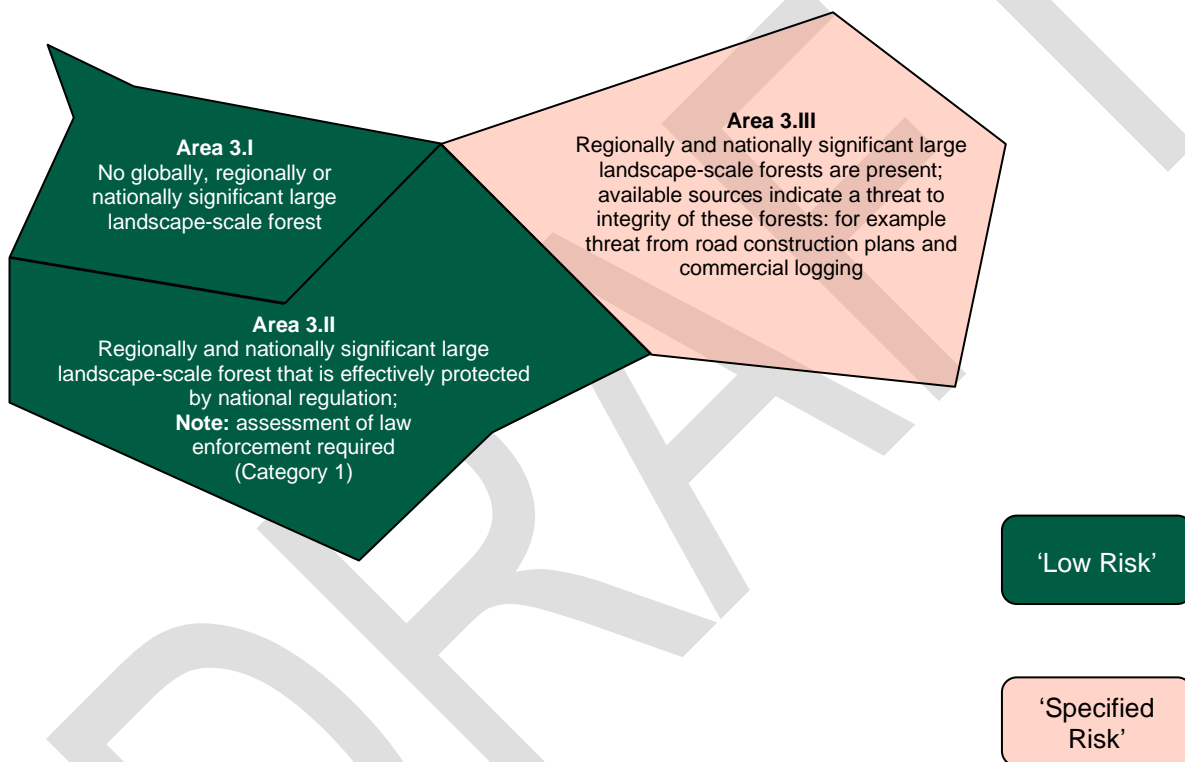
Area 3.IV.

Geographical scale within the area under assessment: since no data is available the assessment results in 'specified risk';

Examples of Control Measures for 'specified risk':

Sourcing CW only from forests certified according to FSC-STD-30-010;

Example 3.2: Risk assessment for HCV 2 (Intact forest landscapes and landscape-level ecosystems and mosaics. Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance).



Risk designation:

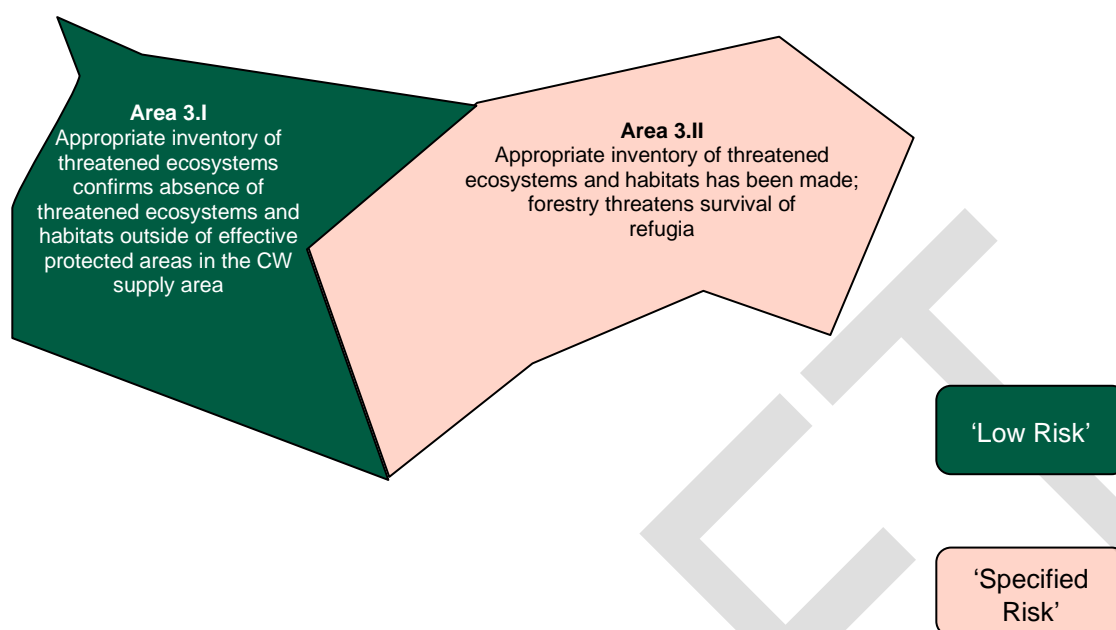
Area 3.III.

Geopolitical scale: the identified presence and threats to HCV cause the 'specified risk' designation;

Example of Control Measure for 'specified risk':

Sourcing from forests where fragmentation of forest area does not occur (if IFL – no logging occurs in sourcing area)

Example 3.3: Risk assessment for HCV 3 (Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refuges).



Risk designation:

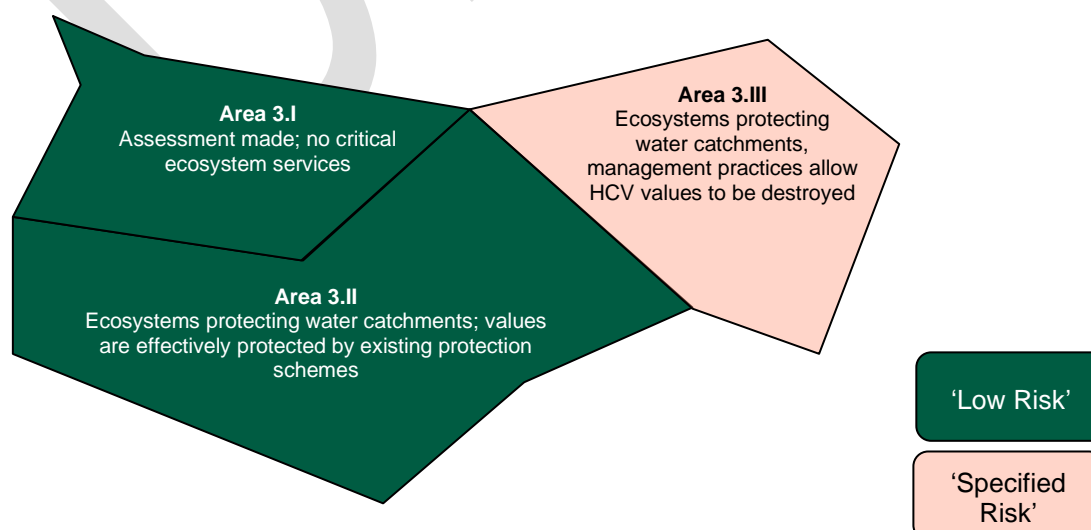
Area 3.II.

Geopolitical and functional scale:

- Wood sourced from outside of identified ecosystems and their protection zones – 'low risk'
- Wood sourced from within identified ecosystems and their protection zones (if logging is not forbidden) – 'specified risk';

Example of Control Measure for 'specified risk': Sourcing from forest where management plans exist containing sufficient measures ensuring ecosystem/habitat survival and developed based on ecosystem/habitat inventory, as confirmed by experts.

Example 3.4: Risk assessment for HCV 4 (Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes).



Risk designation:

Area 3.III.

Geopolitical scale no functional scale: 'specified risk';

Examples of Control Measures for 'specified risk':

- *Sourcing from areas where best management practices are implemented*
- *Exclusion of suppliers threatening HCVs*

6 Controlled Wood Category 4: Wood from forests being converted to plantations or non-forest use

Explanatory note for consultation: While the working group developing this draft recognizes how important this topic is, the decision was taken not to propose any substantive changes to this section until after the 2022 General Assembly. At the general assembly, the working group expects this issue to be developed and discussed, and the results of these discussions will be integrated into the next draft.

Furthermore, the anticipated publication of FSC-POL-01-007 *Policy to Address Conversion* will have consequences for this section. The requirements of this procedure may need to be re-examined to align with the procedure. If this is the case, it will be included in the next draft.

Scope

- 6.1. The scope of Controlled Wood Category 4 covers risk assessment of conversion of natural forests to plantations or non-forest use.

NOTE: Conversion of plantations to non-forest uses is not included in the scope of this category.

NOTE: Risk assessment for this category is required even when the FSC CWRA only includes plantations as the forest type.

Requirements and thresholds

- 6.2. The indicator and thresholds provided in Table 4 shall be assessed using the template introduced in Clause 2.4 of this procedure.
- 6.3. Risk designations shall be determined based on the thresholds provided in Table 4.

Gathering of information

- 6.4. The WG shall evaluate the following general information sources for the indication of conversion of natural forests to plantations or non-forest uses:
- a. FAO Global Forest Resources Assessments Country Reports: (<https://www.fao.org/forest-resources-assessment/en/>)
 - b. Analysis of economic incentives for conversion vs. land cover changes.
 - c. Data on land use change and observed trends (including analysis of eco-regional trends);
 - d. Economic modelling;
 - e. Information on directly/indirectly paid incentives that favor conversion;
 - f. Market conditions for conversion in respect of alternative land use (e.g., palm oil, livestock, etc.);
 - g. REDD data;
 - h. Related or independent (binding) public policy that prohibits conversion;
 - i. Remote sensing and other aerial geographic data.
- 6.5. Spatial data documenting conversion shall be used whenever possible. Data meeting internationally recognized spatial standards (e.g., Open Geospatial Consortium standards) shall be prioritized.

- 6.6. The use of spatial data for risk assessment should be supported by other data types whenever possible.

NOTE: Other data types may include, but are not limited to, land change registries or statistics. The WG may provide data directories to be used by Organizations implementing Controlled Wood requirements.

Determination of scale

- 6.7. The default scale shall be the ecoregion level, or at the broadest scale at which administrative control of land-use planning is undertaken.

Designation of risk

- 6.8. When assessing thresholds for conversion, the following aspects shall be considered:
- a. Extent and impact of activities responsible for endangering forest area. Such activities include legal structures, agriculture, pasture for grazing, settlements, urban development, residential development, mining, dams, energy extraction, etc.;
 - b. Governance assessment in areas where conversion of natural forest is prohibited by law. This may include an assessment of the overall effectiveness of the administration (national or sub-national agencies) to ensure the implementation of laws and regulations pertaining to conversion (compare assessment for Controlled Wood Category 1).
- 6.9. When assessing thresholds for conversion, the following aspects shall *not* be considered:
- a. Legal road construction to support forestry operations
 - b. Infrastructure development to support forestry operations
 - c. Logging landings

Table 4. Requirements for the assessment of conversion

Indicator	Context and considerations	Thresholds
<p>4.1 Conversion of natural forests to plantations or non-forest use.</p>	<p>Is conversion as defined by the indicator occurring within the area under assessment?</p> <p>a) Is conversion of natural forests to plantations or non-forest use in the last 5 years less than 0.02% on average per year?</p> <p>b) Is conversion of natural forests to plantations or non-forest use in the last 5 years less than 5000 hectares on average per year?</p> <p>Is land use change for natural vegetation effectively prevented by legislation or is there a binding public policy on public and private land?</p> <p>Are there any significant economic drivers for conversion of forest to plantation or non-forest use, including:</p> <p>a) Is the economic environment favorable to conversion?</p> <p>b) Are there direct or indirect incentives for conversion?²⁹</p> <p>NOTE: Land use change data can be used to determine the scale and intensity of conversion.</p> <p>Clear cuts occurring (and being subsequently regenerated) as a legally accepted forest management practice are considered as acceptable conversion. If spatial analysis is conducted, the net loss or gain of forest area shall be assessed by comparing the rate of the area being clear cut against the average rate of regeneration for the period covered by the analysis.</p>	<p><u>Specified Risk Thresholds</u></p> <p>(1) Conversion of natural forests to plantations or non-forest use in the last 5 years is more than 0.02% on average per year or conversion of natural forests to plantations or non-forest use in the last 5 years is more than 5000 hectares on average per year.</p> <p>(2) The applicable legislation for the area under assessment covers laws that prevent conversion, but the risk assessment for relevant indicators of Category 1 confirms 'specified risk'</p> <p>(3) There are significant economic drivers for conversion.</p> <p>(4) Evidence indicates that conversion is occurring on a widespread or systematic basis.</p>

²⁹ Examples of incentives include direct payments for conversion, tax relief or tax incentives for alternative land uses directly resulting in conversion; policies which promote large monocultures or biofuels production (oil palm, sugar cane, soya, coffee, as examples); policies which directly or indirectly lead to conversion, such as extension of infrastructure, urbanization process.

	<p>Spatial data may be used for conversion assessment when evaluated as sufficient for use in risk assessment. In the case of conducting spatial analysis for assessing the risk, only objects equal or larger than 1 ha need to be considered.</p>	
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7 Controlled Wood Category 5: Wood from forests in which genetically modified trees are planted

Scope

- 7.1. The scope of Controlled Wood Category 5 covers the risk assessment of sourcing material from areas where tree species of Genetically Modified Organisms (GMO³⁰) are present.

Requirements and thresholds

- 7.2. The indicator and thresholds provided in Table 5 shall be assessed using the template introduced in Clause 2.4 of this procedure.
- 7.3. Risk designations shall be determined based on the thresholds provided in Table 5.

Gathering of information

- 7.4. The WG shall evaluate the following general information sources for the indication of genetically modified trees being planted:
- a. GeneWatch UK (<http://www.genewatch.org/sub-569314>);
 - b. World Rainforest Movement (http://www.wrm.org.uy/subjects/GMTrees/Information_sheets.html);
 - c. UNFAO (www.fao.org)³².

Determination of scale

- 7.5. The application of scale should be based on:
- a. The tree species occurring in the area under assessment (considering the likelihood of genetic modification);
 - b. The type of forest (natural/managed forest, plantation);
 - c. Other considerations relevant to national/regional conditions.

Designation of risk

- 7.6. When assessing thresholds for the use of GM trees, the following aspects shall be considered:
- a. In areas where GM trees are allowed in commercial plantations, the systems for controlling the use of GMO shall be assessed. The ability to locate plantations of GM trees through official documents is an important factor for determining risk and the implementation of Control Measures.
 - b. In countries or areas with poor governance or unclear governance on GMOs, the risk assessment should focus on the presence of GM trees in plantations and/or forests.

NOTE: The risk in relation to genetically modified trees is usually species-specific. Examples of species that have been used to develop GM tree species include American chestnut (*Castanea*

³⁰ A Genetically Modified Organism (GMO) is an organism in which the genetic material has been altered in a way that does not occur naturally by mating and/or natural re-combination.

³¹ Examples of search entries on www.fao.org: 'GMO', 'GMO forestry', etc.

³² Examples of search entries on www.fao.org: 'GMO', 'GMO forestry', etc.

dentata), Elm (*Elmerrillia* sp.), Eucalyptus (*Eucalyptus* sp.), Pinelia (*Pinelia* sp.), Poplar (*Populus* sp.), Silver Birch (*Betula pendula*), Spruce (*Picea* sp.) and Walnut (*Juglans* sp.).

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Indicator	Context and considerations	Thresholds
<p>5.1. There is no commercial use of genetically modified trees.</p>	<p>Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?</p> <p>Is there evidence of unauthorized use of GMO (trees)?</p> <p>Is there any commercial use of GMO (trees) in the country or region?</p> <p>Are there any trials of GMO (trees) in the country or region?</p> <p>Are licenses required for commercial use of GMO (trees)?</p> <p>Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)</p> <p>What species of GMO (trees) are used?</p> <p>Can it be clearly determined in which MUs the GMO (trees) are used?</p>	<p><u>Specified Risk Thresholds</u></p> <p>(1) GMO (trees) use is illegal according to applicable legislation of the area under assessment but risk assessment for relevant indicators of Category 1 confirms 'specified risk';</p> <p>(2) There is evidence of commercial use of GMO (tree) species.</p>

ANNEX A: MINIMUM REQUIREMENTS FOR QUALIFICATIONS OF EXPERTS TO BE INVOLVED IN RISK ASSESSMENT PROCESSES AND THE ESTABLISHMENT OF CONTROL MEASURES

Experts involved in risk assessment processes and/or the development of Control Measures shall at minimum meet the following requirements:

1.1 Controlled Wood Category 1 (Illegally harvested wood)

- a) Expert knowledge on legality in the forestry sector at the national/regional level (please consult Table 1), assessed based on demonstrated experience and/or education and/or licenses in the relevant area.

NOTE: Experts that have relevant knowledge in one area (e.g., one sub-category of law) can only support the risk assessment process and/or Control Measure development for that area of expertise (e.g., for the relevant sub-category of law).

1.2 Controlled Wood Category 2 (Wood harvested in violation of traditional and human rights)

- a) Expert knowledge on the rights and presence of indigenous and/or traditional people within the area under assessment, assessed based on confirmed experience and/or education and/or licenses in the relevant area;
- b) Knowledge (including awareness) of existing conflicts pertaining to traditional rights;
- c) Confirmed experience in consultation/mediation with indigenous and traditional peoples;

1.3 Controlled Wood Category 3 (Wood from forests in which high conservation values are threatened by management activities)

- a) Expert knowledge on the presence, distribution and/or threats to HCVs within the area under assessment (with a focus on forest ecosystems) confirmed by conservation experience and education and/or relevant licenses; and
- b) Expert knowledge of forest management practices within the area under assessment, assessed based on confirmed experience and/or education and/or licenses in the relevant area;

1.4 Controlled Wood Category 4 (Wood from forests being converted to plantations or non-forest use)

- a) Expert knowledge about forest management practices within the area under assessment, based on confirmed experience and/or education and/or licenses in the relevant area;

1.5 Controlled Wood Category 5 (Wood from forests in which genetically modified trees are planted)

No specific expert knowledge is required.

ANNEX B: HCV ASSESSMENT GUIDANCE (INFORMATIVE)

Scale considerations for HCV 1 – 6

As part of the process of determining risk, it should be specified in the NRA at what scale risk can be generically applied. To a large extent, this will be determined by the quality of data available and the capacity of the NRA-WG to analyze and process that data. In cases where there are clear data gaps or the quality is poor or contested, a precautionary approach is applied and risk is automatically classified as 'specified risk'.

When determining the risk for Controlled Wood Category 3, often the challenge will not be the identification of the areas that are/are not 'low risk' for HCVs, but the scale that is appropriate in the country or region (compare the 'Determination of scale' Sections in this document). As an example in the context of HCVs, most plantations of exotic species will be 'low risk' for HCV 1 – 3, as these have few biodiversity values. In these circumstances, it is possible to set 'low risk' generally to exotic species plantations. Such an approach may not be justified for HCV 4 - 6, as plantations can potentially cause threats to these HCVs and the location of those values has to be known.

More detailed guidance in relation to scale determination is given below.

HCV 1

Many countries have established sub-national, biological or ecological regions for reporting purposes, and where available, these should be used when specifying risk. 'Low risk' regions will be those that have been effectively surveyed and contain no species or concentrations of species or negligible risk to these species or areas.

Where comprehensive surveys have not occurred, substitute measures, such as critical habitat mapping and/or old-growth forest³³ mapping can be used, if supported by experts and stakeholders.

³³ The term 'old-growth forest' as used in this document refers to that which is used in Australian and US interpretations of HCVs, according to the following definition:

'Old-growth forest is ecologically mature forest where the effects of disturbances are now negligible. Old-growth and late successional stands and forests include:

- A) Type 1 Old-growth: stands that have never been logged and that display late successional/old-growth characteristics.
- B) Type 2 Old-growth: stands that have been logged, but which retain significant late-successional/old-growth structure and functions.

In heavily modified landscapes old-growth elements are often reduced to small stands or even single ancient trees. This definition does not apply to tropical forests where the concept is not useful.'

Please note that for other regions, reference to old-growth forests (where relevant) requires an interpretation to be provided by the WG.

In addition, risk for this HCV can be assessed using functional scale. An example of functional scale might be plantations of exotic tree species (see above), where the risk of finding either species or concentrations of species would be low.

Exotic plantations can sometimes be used by migratory species in which case 'specified risk' and Control Measures can be identified.

Example approach: using national data.

The wedge-tailed eagle in Tasmania is a nationally significant sub-species. This species is widespread, forest dependent and endangered. A Population Viability Analysis has been undertaken for this species. This has identified the extent and level of threat posed by logging/clearing. It is one of a number of genetically distinct and or endemic species found in Tasmania's forests.

HCV 2

The spatial threshold for this value is highly dependent on the context. In forest ecosystems with high intrinsic diversity all the attributes required to maintain the ecosystem might be found in a relatively small geographical area, for example a single mountain of 2000 ha or along a narrow peninsular of 4000 ha. In this example it is not the size of the area that is important but the integrity and/or uniqueness of the ecosystems present.

In highly diverse ecosystems a series of small remnants may be viable if the genetic dispersal mechanisms are still working, for example via fruit eating bats or birds. In ecosystems like boreal forest very large areas are required to maintain the migratory species dependent on them. In many cases these forests are in old-growth condition or contain a high proportion of old-growth elements, because they have not been the subject of industrial scale logging.

Wilderness areas are by their nature large and often contain non forest as well as forest ecosystems. Provided the forest areas form part of these larger areas they are eligible to be considered for this value.

For these reasons NRAs should use a range of sources (both published and unpublished) to determine if the kinds of areas listed above are present. These areas are often the most important for conservation in any given country, so have often been identified by nationally or internationally based ENGOs.

This value often crosses regional and or national boundaries and risk must be determined in the context of the whole area.

Functional scale can be used to identify areas of 'low risk' for these HCVs, for example large areas of industrial forests or plantations will be 'low risk'.

Example approach:

Background (1): A large nationally based ENGO has hired a consultant. This consultant has identified an area of intact forest that is of World Heritage Significance. This includes buffer areas that have had some limited logging and roading. The consultant has advised that with some road closures and restoration, an appropriate boundary to allow for a World Heritage Nomination exists. The NRA, through the use of expert peer review, identifies that this whole area meets the threshold of 'specified risk' for this value, thus this area is not 'low risk'. However, the areas adjacent which are a matrix of logged and unlogged forest, are 'low risk' for this value.

*Background (2): Boreal woodland caribou (*Rangifer tarandus caribou*) is a species at risk in Canada, which is threatened with extinction and is highly sensitive to logging activity and other human disturbance and*

depends on large areas of boreal forest for its survival. Scientists have confirmed that existing levels of disturbance and fragmentation in the boreal forest already pose significant threats to woodland caribou survival. Given the importance of intact forest landscapes, all intact forest landscapes in Canada would be considered 'specified risk', if known to be important or potential habitat to the woodland caribou and if logging exists or is planned in the area.

HCV 3

Where available, as for HCV 1, sub-national, biological or ecological regions should be used to specify risk. In addition, risk for these HCVs can be assessed using functional scale.

An example of functional scale might be plantations of exotic tree species, where the risk would be low of finding rare forest communities or old-growth native trees. In some cases plantations can contain native vegetation ecosystems remnants within in them. If these remnants are protected or not harvested then plantations will be 'low risk' for these HCVs.

By their nature rare ecosystems are sometimes poorly mapped, in other cases every remnant is mapped. Where mapping is poor, but rare ecosystems are known to exist within a sub-national biological or ecological region, Control Measures will be required as these regions are not 'low risk'.

Where possible, national lists should be used to identify these entities. Where old-growth and primary forests are at or below 17% of their pre-industrial land cover at a sub-national biological or ecological regional level, they should be considered as 'specified risk' for this value.

Example 1:

A study of the forests was undertaken 10 years ago and it was identified that less than 8% of the forests in the whole country were in old-growth condition. There is no prohibition of old-growth logging in the country and most of the remaining old-growth forest is known to occur in one 'region'. Not all old-growth stands are mapped. This region is 'specified risk' for HCV 3 - and Control Measures designed to avoid materials sourced from old-growth will need to be applied.

HCV 4

Mapped catchments should be used to specify risk. The appropriate scale should be determined by the NRA. Catchment units should be small enough to allow for Control Measures to be effectively implemented. Priority should be given to identifying catchment units supplying communities with domestic, irrigation and industrial water and catchments whose management could pose the threat of landslides and flooding impacts on communities.

HCV 5

The sourcing areas, from which the local communities or indigenous peoples are drawing resources from, need to be identified and mapped.

HCV 6

The areas containing the sites of significance appropriate to these HCVs need to be identified and an appropriate boundary which includes appropriate buffers delineated.

Note: The area of nomad peoples can be very broad.

Examples of scenarios of HCV assessment

SCENARIO 1 NO VALUES OR THREATS

HCV 1-6 ASSESSED, NO VALUES PRESENT IN NATURAL FORESTS

EXPERTS/STAKEHOLDERS

'LOW RISK'

EXOTIC PLANTATIONS ASSESSED, NO VALUES PRESENT

NO ADDITIONAL VERIFICATION REQUIRED

ADJACENT AREAS OF NATURAL VEGETATION NOT THREATENED BY FOREST MANAGEMENT ACTIVITIES

SCENARIO 2 PLANTATIONS ONLY

NO HCV 1 PRESENT IN NATURAL FORESTS

EXPERTS/STAKEHOLDERS
AGREE

RISK IS SPECIFIED AS FOLLOWS:

NO HCV 2 PRESENT.

HCV 3 SCATTERED OLD TREES PRESENT IN NATURAL FOREST THAT ARE IMPORTANT FOR MAINTAINING FOREST BIODIVERSITY ARE SUBJECTED TO LOW INTENSITY HARVEST - ING. POORLY MAPPED & NOT PROTECTED.

RISK SPECIFIED

WOOD SOURCED FROM NATURAL FORESTS MUST BE VERIFIED AS NOT COMING FROM REMNANT OLD TREES.

HCV 4 EXOTIC PLANTATIONS OCCUR IN WATERSHEDS IMPORTANT FOR DOMESTIC WATER SUPPLY. THESE ARE WELL MAPPED. STAKEHOLDER CONCERNS EXIST.

RISK SPECIFIED

WOOD SOURCED FROM PLANTATIONS IN THE SPECIFIED CATCHMENTS MUST BE VERIFIED AS MEETING STAKEHOLDER EXPECTATIONS OF CATCHMENT MANAGEMENT.

HCV 5 NO FOREST DEPENDANT COMMUNITIES.

WOOD FROM ALL OTHER SOURCES IS 'LOW RISK' FOR HCV.

HCV 6 NO INDIGENOUS PEOPLES

SCENARIO 3 A LARGE COUNTRY WITH HIGH ECOLOGICAL AND CULTURAL DIVERSITY

THERE ARE 20 ECOLOGICAL REGIONS WITH FORESTS. 8 HAVE BEEN SUBSTANTIALLY CLEARED AND WOOD IS SOURCED FROM PLANTATIONS IN THESE REGIONS.	EXPERTS/STAKEHOLDERS AGREE HCV ASSESSMENT FRAMEWORK PREPARED FOR USE BY ORGANIZATIONS	RISK IS SPECIFIED AS FOLLOWS:
HCV 1 PRESENT IN ALL REGIONS, POORLY MAPPED AND LOCATED. 3 MIGRATORY SPECIES OCCASIONALLY USE PLANTATIONS.	RISK SPECIFIED – ALL ECOLOGICAL REGIONS	ORGANIZATIONS SOURCING PLANTATION WOOD FROM 8 ECOLOGICAL REGIONS MUST IMPLEMENT CONTROL MEASURES FOR HCV1; 'LOW RISK' ALL OTHER HCVS
HCV 2 AN INTACT FOREST LANDSCAPE HAS BEEN IDENTIFIED. THIS CROSSES THE BOUNDARY OF 2 ECOLOGICAL REGIONS.	RISK SPECIFIED – NO MAPPED AREA	ALL OTHER SOURCES OF WOOD INCLUDING PLANTATION WOOD FROM 12 ECOLOGICAL REGIONS MUST BE ASSESSED FOR HCVS USING AN HCV ASSESSMENT FRAMEWORK.
HCV 3 ARE FOUND THROUGHOUT THE 8 ECOLOGICAL REGIONS THAT HAVE BEEN SUBSTANTIALLY CLEARED OF NATURAL FOREST. NO LOGGING IS OCCURRING IN NATURAL FOREST IN THESE ECOLOGICAL REGIONS. IN ADDITION THERE ARE OCCURENCES THROUGHOUT THE OTHER BIOREGIONS. MAPPING OF THESE IS NOT COMPREHENSIVE.	RISK SPECIFIED – TO 12 ECOLOGICAL REGIONS	HCV 2 IS SPECIFIED TO MAPPED LOCATIONS, 23 CRITICAL CATCHMENTS HAVE BEEN SPECIFIED AND ALL INDIGENOUS PEOPLES HAVE BEEN LOCATED BY THE NRA. THESE DATA TOGETHER WITH THE LIMITED DATA FOR HCV 1,3 AND 5 FORM PART OF AN ONLINE DATA DIRECTORY TO AID COMPANIES IN ASSESSING HCV AND VERIFYING CONTROL.
HCV 4 LOGGING IN CATCHMENTS IN THE 8 HEAVILY CLEARED ECOLOGICAL REGIONS IS STRICTLY CONTROLLED. IN THE OTHER ECOLOGICAL REGIONS MINIMAL REGULATION, POORLY ENFORCED. GOOD MAPS.	RISK SPECIFIED – TO 23 MAPPED CATCHMENTS	THE APPLICATION OF THE ASSESSMENT FRAMEWORK AND ANY CONTROL MEASURES APPLIED BY COMPANIES WILL BE AUDITED.
HCV 5 IN PARTS OF THE COUNTRY WHERE INFRASTRUCTURE AND RESOURCES USE IS LESS DEVELOPED. LOCAL COMMUNITIES ARE HIGHLY DEPENDANT ON FOREST CATCHMENTS FOR SUPPLYING UNTREATED WATER DIRECTLY FROM FOREST STREAMS.	RISK SPECIFIED – TO 12 ECOLOGICAL REGIONS	*THIS COULD ALSO APPLY TO SMALL BUT HIGHLY DIVERSE COUNTRIES
HCV 6 THERE ARE INDIGENOUS PEOPLE LIVING IN FORESTS ADJACENT TO THE LARGE INTACT FOREST AREA, IN SCATERED MAPPED COMMUNITIES.	RISK SPECIFIED – TO MAPPED COMMUNITIES	



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