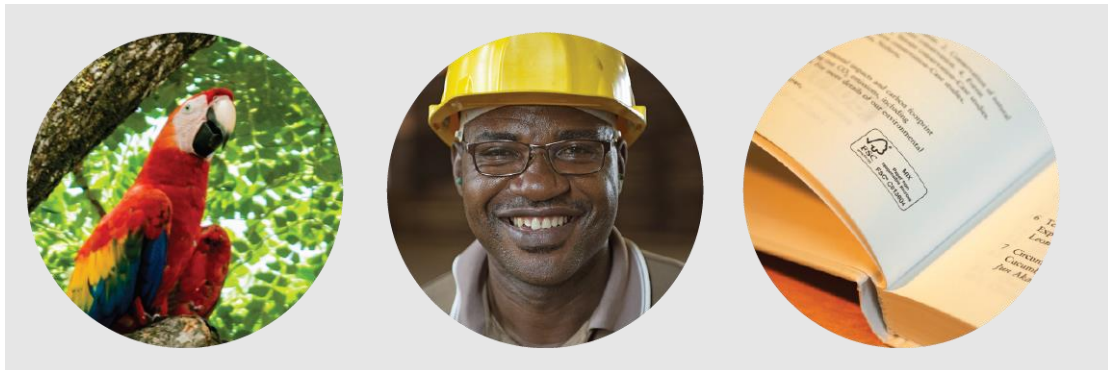




Forest Stewardship Council®






PSU Review Report

of

FSC PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments and FSC PRO-60-002a V1-0 National Risk Assessment Framework



Status:	Draft
Contact for comments:	FSC International Center - Performance and Standards Unit - Adenauerallee 134 53113 Bonn, Germany
	 +49-(0)228-36766-0
	 +49-(0)228-36766-65
	 psu@fsc.org
All Rights Reserved FSC® International 2019 FSC®F000100	
No part of this work covered by the publisher's copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, recording taping, or information retrieval systems) without the written permission of the publisher.	
Printed copies of this document are for reference only. Please refer to the electronic copy on the FSC website (ic.fsc.org) to ensure you are referring to the latest version.	

PSU Review Report

The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Summary and recommendation

Reviewed Document

Document codes	FSC PRO-60-002 V3-0 and FSC PRO-60-002a V1-0
Document titles	The Development and Approval of FSC National Risk Assessments and National Risk Assessment Framework
Objective of documents	<p>The objective of FSC PRO-60-002 V3-0 is to provide a clear, transparent, and unambiguous methodology for developing, maintaining, revising, evaluating, and approving FSC National Risk Assessments (National Risk Assessments or NRAs) for FSC Controlled Wood. The procedure contains requirements for a National Risk Assessment development process, whilst requirements for risk assessments are included in procedure addendum FSC-PRO-60-002a.</p> <p>The objective of FSC PRO-60-002a V1-0 is to provide uniform process requirements for assessing the risk of sourcing unacceptable material from certain supply areas.</p>
Last approval date	<p>Approval date for both documents: 10 November 2014</p> <p>Effective date for both documents: 01 January 2015</p>
Review triggered by	<input checked="" type="checkbox"/> Regular review as scheduled <input type="checkbox"/> GA Motion or Board decision <input type="checkbox"/> New or changed FSC policies or legislation <input type="checkbox"/> Change Requests <input checked="" type="checkbox"/> Other (please specify): Alignment with other FSC normative documents and topics of high relevance
Reviewer	<p>Name: Nicolas Jose Mesia Rojas</p> <p>e-mail: N.Rojas@fsc.org</p>
Draft Review Report	
Public consultation	
Final Review Report	

Recommendation

<input checked="" type="checkbox"/>	Full revision
<input type="checkbox"/>	Minor revision ¹
<input type="checkbox"/>	Editorial revision
<input type="checkbox"/>	No revision
<input type="checkbox"/>	Withdrawal

¹ According to FSC-PRO-01-001 V3-1 Annex 4

Note

If the need for revision is concluded in and supported by stakeholders, the report will be presented to the FSC Board of Directors for decision making. If approved by the FSC Board, the reviewed document will then undergo a revision process as described in procedure FSC-PRO-01-001 V3-1.

I. Introduction

This report has been developed according to FSC-PRO-01-001 V3-1 Clause 9.6 to review the continued relevance and effectiveness of FSC PRO-60-002 V3-0 and its procedure addendum FSC PRO-60-002a V1-0. This is a mandatory step before a normative document can be taken to a revision process. In addition, it responds to the Board requirement for an assessment of feasibility and impact for all review and revision processes, mandated at their 71st Meeting.

II. Proposed recommendation and justification

The FSC strategy for FSC Mix products and controlled wood, valid since 29 April 2019, aspires to increase FSC's impact outside of certification, through implementing an effective system which includes thorough and objective risk assessments and reliable control measures (CMs) to address the risks related to the five controlled wood categories of unacceptable sources.

In line with this objective, PSU recommends initiating a revision process of FSC PRO-60-002 V3-0 and FSC PRO-60-002a V1-0. This proposal is based on the results of the regular review for both procedures, as the period of validity ends on 31 December 2019. Additionally, during the development of the 22 national risk assessments (NRAs) and 37 centralized national risk assessments (CNRAs), collectively called 'FSC risk assessments', that were planned prior to 30 June 2019, content reviews of the risk assessment identified several aspects that need to be addressed (e.g. lack of clarity in the scope, process, methodology for assessment of each category of unacceptable sources, among others). Stakeholders provided additional feedback, including:

- Feedback during public consultations expressing concern/need for clarification on both procedures.
- Comments and suggestions from FSC network partners through regular communications and at the 2019 Global Staff Meeting.
- Requests for clarification from certification bodies via email throughout the process.

Another important driver for proposing this revision is the need for alignment of the National Risk Assessment Framework with FSC forest management certification requirements on topics of high relevance such as: forest conversion, commercial logging in IFLs, indigenous and traditional people's rights, among others. The same applies to other topics relevant to FSC including salvage timber, submerged timber, exceptions on exceptional climatic events like wind damage, floods, etc., sustainable intensification, impact analysis and monitoring framework, SIR, Policy of Association (ongoing work in FSC), and alignment with landscape-based approaches (RSB, RSPO, etc.). Furthermore, FSC-PRO-60-002a V1-0 needs to be brought in line with the Risk Based Approaches guidance (FSC-GUI-60-010 V1-0 and FSC-PRO-60-010 V1-0).

The main aspects that are recommended for revision of both procedures are found in the list provided in Annex A. These aspects are intended to be the starting point for the revision process, to be expanded upon by other topics that might be identified and prioritized by the working group established for the revision and through stakeholder feedback received during public consultation, as well as by recommendations from the steering committee and the FSC Board of Directors (following FSC-PRO-01-001 V3-1).

The main purpose of revising these documents is to have effective procedures that facilitate the development of FSC risk assessments. By having procedures that are clear and cover all relevant information, a positive impact is expected on the quality of future FSC risk assessments. Furthermore, a revision is expected to increase the quality and consistency of implementing the risk assessments by certificate holders and certification bodies.

In case revision of these procedures is approved by the FSC Policy and Standards Committee and the FSC Board of Directors, a working group will need to be established, and the work plan and budget for this process approved.

III. Impact analysis

Internal

As mentioned in the previous section, the revision of FSC PRO-60-002 V3-0 and FSC PRO-60-002a V1-0 is foreseen to have a positive impact on FSC risk assessments by making their development and implementation more effective. This is true not only for those that have been approved and will be revised in the future, but also for new risk assessments in countries where currently there are none.

The revision of FSC PRO-60-002 V3-0 and FSC PRO-60-002a V1-0 may result in a delay of the revision of the approved FSC risk assessments (planned to start in early 2021), which might need to be postponed for mid-2022. Because of this reason, there will be countries that will have outdated FSC risk assessments or risk assessments which do not correctly reflect the risk status.

Revision of FSC-PRO-60-002 V3-0 and FSC-PRO-60-002a V1-0 could lead to the need for a possible revision of relevant sections of FSC STD-40-005 V3-1 and FSC STD-20-011 V2-0 standards. In addition, there would be a need to align the revision process with the ongoing planned revision of FSC STD-30-010.

While PSU does not anticipate the proposed changes to put a heavy burden on a particular region or network partner, it does anticipate a certain element of resource use intensiveness during the implementation phase. All the existing 59 risk assessments (NRAs + CNRAs) along with any new planned risk assessments will need to be revised/developed based on the revised procedures. This would require significant levels of engagement for training for network partners, working groups, and possibly consultants, in addition to development of capacities for reviewers at both FSC International and the regional level. Based on these needs, some network partners might not be interested in supporting and being involved in the processes of FSC risk assessment revision/development. In case this eventually happens, PSU might need to explore measures to mitigate this situation.

External

The possible range of impact (financial and otherwise) is greater for certificate holders than other stakeholders, considering the number of risk assessments that could be impacted by changes on the procedures (there are currently 59 countries with approved risk assessments and one in development). Changes to the procedures resulting in more robust/strict risk assessments would be an additional burden to certificate holders, and therefore some might drop out of the system, negatively impacting FSC International. However, we also anticipate that this would result in

increased credibility in the FSC system. For example, by having more realistic and precise risk mitigation measures.

In terms of fulfillment, it is expected that stakeholders will be more satisfied in terms of taking their comments on board, and robustness of risk assessments. NRA working groups (NRA-WGs) and consultants will be more satisfied on having more clear direction and guidance for the development of risk assessments, and certification bodies will increase satisfaction due to more robust outcomes. Nevertheless, despite efforts made to consider all feedback and align both procedures with other normative framework and requirements, there might be an element of disillusion among some stakeholders who consider that the revised procedures are still not properly aligned with all requirements.

Another important impact to consider is the non-compliance with General Data Protection Regulations (GDPR) and other data protection provisions. Information that is being asked for in these procedures run the risk of violating the GDPR and others unless they are considered in the revision process. Not considering these legal provisions could result in compromising stakeholders' personal data.

IV. Stakeholder consultation and feedback

Methodology

The relevant stakeholders for this process are those directly or indirectly impacted by the revision of both procedures, namely members of NRA-WGs, certificate holders, and certification bodies. FSC network partners are also expected to be affected due to their role in providing support to stakeholders in their regions.

Other stakeholders are FSC members from all chambers. Stakeholders that are not necessarily FSC members but may also be relevant or be interested in this process include trade unions, labor organizations and other entities representing workers' interests, forest companies, governmental organizations, NGOs, international cooperation/development organizations and independent professionals.

Stakeholders were invited to provide comments and feedback on the draft review report for a period of five weeks via the FSC Consultation Platform. In order to reach all relevant stakeholders to participate during consultation, the following methods were applied:

1. Emails on CB Forum and Accreditation Forum mailing lists.
2. Direct emails to important actors known to the FSC secretariat.
3. News item on the FSC network newsletter.
4. News item on the FSC members' portal
5. News item on the FSC website.

Regarding the development of the consultation in the FSC Consultation Platform, the following types of questions were included in order to guide the participants:

1. Guided questions about sections in Annex A (e.g. 'are there items not included in this part that should be included in the revision? Please provide justification.')
2. General questions about the document (e.g. Do you agree with the conclusion that the procedures need to be revised? If no, why not?)
3. Y/N questions
4. Ranking questions

For the analysis of the consultation results, the following methods were used:

1. Quantitative analysis of Y/N question responses
2. Quantitative analysis of ranking question responses
3. Qualitative analysis of descriptive responses to:
 - a. Distinguish between specific recommendations and thematic suggestions.
 - b. Group specific recommendations and thematic suggestions into working bundles for the working group to assess.

Results

Between 08 October and 15 November 2019, 46 stakeholders participated during public consultation for this review report. As can be observed in figure 1, the countries with the highest representability among stakeholders were Austria, Germany and Brazil, with 11 % each one.

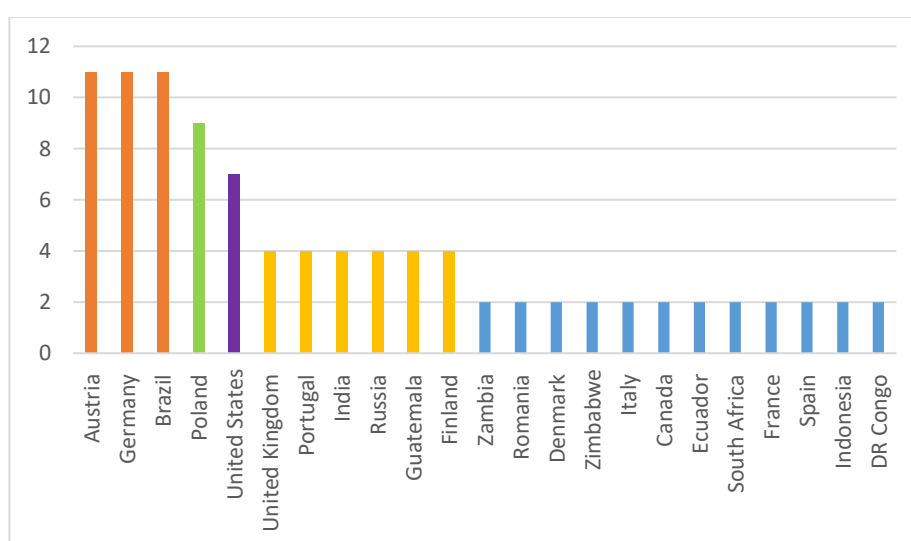


Figure 1. Representability of countries among consultation participants.

Figure 2 shows the type of stakeholders that participated. Those with the highest participation were certificate holders (30%), FSC members (20%), others (15%), and FSC Network Partner staff (13%). In the case of FSC members, participants were covering global South and North, as well as the three chambers: social, environmental and economic.

Apart from the responses to the ranking questions where all participants provided an answer (related to the agreement with the main aspects of the review report such as identified drivers, impacts, annexes and recommendation for revision), 32 stakeholders provided 137 specific comments to the general and guiding questions. The distribution of comments according to the type of stakeholders is shown below, in figure 3. Certificate holders provided 46 comments, followed by other stakeholders with 23, and FSC Network Partner staff with 19 comments.

It is important to highlight that a representative of one network partner presented comments derived from participants of the Experience Exchange Workshop on implementation of Controlled Wood Standard in South-East Europe (13 & 14 November 2019, Vienna). Also, one of the participants was a representative of 42 affiliated certificate holders, providing comments consolidated from the discussions among those companies.

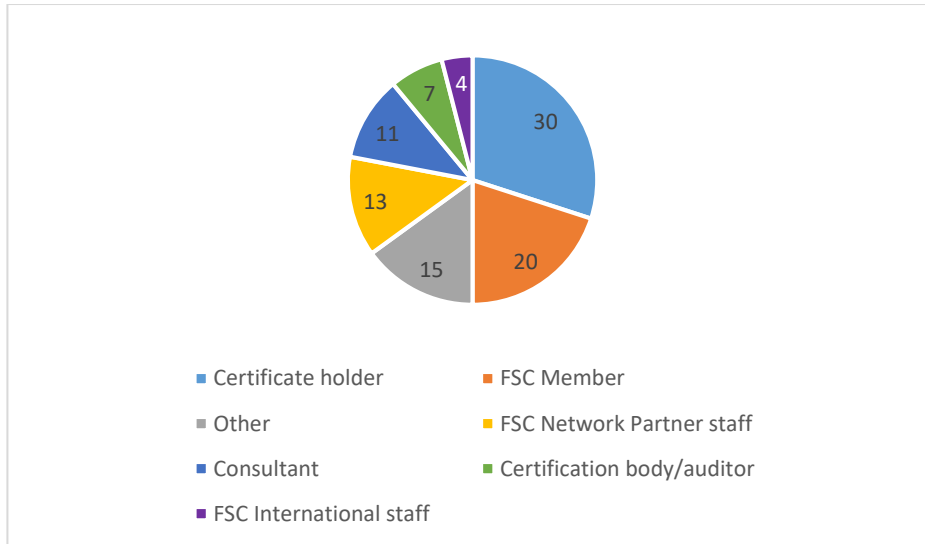


Figure 2. Type of stakeholders that participated during consultation.

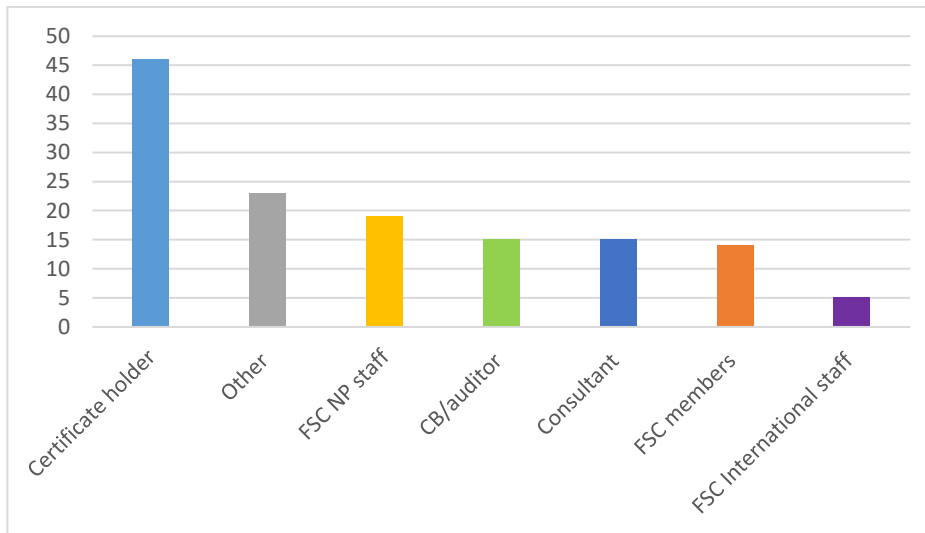


Figure 3. Number of received comments per type of stakeholder.

Synopsis of stakeholder feedback

This section contains a summary of the most relevant stakeholder comments that were received during consultation, divided by the following topics:

- *87% of participants strongly agree or somewhat agree with items listed in Annex A.*

Some of the comments reinforced aspects that had already been identified in this report. E.g. alignment of HCV assessment with NFSS HCV framework, need for improvement of templates, and clarifying the cycle for revision of risk assessments. Some stakeholders confirmed their agreement with all the aspects considered in the Annex A. In the case of the template, some suggestions have been provided, such as: to maintain the overview and description of risks as the core elements of the document, but to include sources of information and applicable legislation in Annexes.

Some stakeholders indicated that the aspects considered in the Annex A are a good starting point, but the revision of both procedures shall cover all their contents rather than just those listed. Also, two stakeholders indicated that some sections/subsections need to be clarified but did not specify what. For example, in FSC-PRO-60-002 V3-0,

section 3, 4, 10 or subsections 5.5, 5.7, 5.10, 7.2, 8.1; or in FSC-PRO-60-002a V1-0, subsections 2.2, 2.3, 2.4, 2.5, 3.1, 4.1, 5.1, 5.3, 5.5, 6.5 and 7.5.

In relation to FSC-PRO-60-002 V3-0, other comments were related to the following:

- The suggested changes to requirements for stakeholder consultation should consider processes that ensure stronger stakeholder involvement during risk assessment development.
- One stakeholder strongly disagreed with adding more complexity in the procedure. E.g., in relation to stakeholder consultation, revising information sent to stakeholder to facilitate their understanding on the risk assessment, or revising the means used for consultation will not necessarily result in increased stakeholder involvement.

Regarding the FSC-PRO-60-002a V1-0, other received comments were related to:

- In the section 'Terms and definitions', the definition of 'conflict' and 'significant' should be included in the Glossary.
- In subsection 2.5 establishment and purpose of CMs, and accepted level/likelihood of risk mitigation/avoidance should be clarified in the procedure.
- In section 3: Controlled wood category 1, there is a strong overlap on the requirements covered by several indicators for legality assessment. For example, in the case of indicators 1.1 Land tenure and management rights and 1.2 Concession licenses, the right to manage a forest can fall into the assessment of both indicators. Also, the order of the indicators should be revised to facilitate the understanding of the user. For example, health and safety requirements should go after legal employment.
- Subsection 5.1.1 NOTE: update the link to access to the 'Common guidance for identification of HCVs'.
- Stakeholders expressed their concern regarding topics such as: the scope of assessment for each controlled wood category (cover of all forest management activities, including those prior to harvesting), considering that is a delicate subject regarding the control of the suppliers; or the fact that legally defined ecologically enhancement purposes could be considered as acceptable conversion (Table 4) as it would represent a risk for conversion in many areas due to the difficulty to monitoring all the suppliers. On the other side, one stakeholder provided the example of The Netherlands, indicating the importance of considering this as acceptable conversion. Most of the conversion in this country took place for nature conservation reasons. Forest was converted to more natural habitats such as heathland and peat land.
- For topics such as: GM trees, and relation between traditional/indigenous people's rights to and/or over private and small forest owner' rights, some stakeholders suggested to generate discussion among FSC members before entering in the revision process of these procedures.
- There is a need for clarification on topics such as: applicability of forest conversion threshold in the assessment, revision cycle of risk assessments.
- Suggestion from stakeholders to consider in the revision the outcomes from the Experience Exchange Workshop on implementation of Controlled Wood Standard in South-East Europe.
- Ensure that the revision considers discussion towards effectiveness of CMs. Another stakeholder considers important to make sure that CMs are homogenous across similar issues for different countries
- One stakeholder indicated that the items in Annex A are based on the experience from the implementation of the existing procedures. The review report, as well as the Annex are missing much higher consideration of the role of the risk assessments in the FSC system as per approved strategy for FSC Mix products

and controlled wood. This strategy requires data driven risk assessment and make references to controlled wood categories being assessed in regard to the impact on certified forests. Since the implementation of the strategy will be conducted through the revision of these procedures, it is necessary to fundamentally review the purpose and the potential of risk assessments for the FSC system, rather than only focus on the technical improvement to the current system.

- *In the case of the identified drivers for the revision process, 74 % of stakeholders strongly agree or somewhat agree with them.*

Stakeholders consider that the revision of both procedures should be also aligned with:

- FSC Strategy for FSC Mix products and controlled wood.
- FSC Pesticides Policy, e.g. in relation to FSC Prohibited Highly Hazardous Pesticides. Ecotoxicology risk assessment guidelines must be included in risk-based approaches.
- FSC Policy on Conversion (currently under development).

As a point of caution, one stakeholder indicated that alignment with FM requirements does not mean translating the FM concepts to CW. The difference in the rigor and application of the requirements may make the alignment superficial. Other stakeholders considered that topics such as: conversion, FPIC, IFL, and SLIMF, need to be discussed at a higher level before being considered in the revision, but also making sure not to add complexity to the procedures.

- *79% of stakeholders that participated during consultation strongly agree or somewhat agree with the recommendation to initiate a revision process of both procedures, while 4% somewhat disagree and 15% did not provide an answer.*

Some stakeholders provided the following additional requests for the revision process:

- Ensure that the revision can be done fast.
- Revision should be done with a technical WG, and not chamber balanced.
- Two stakeholders suggested to delay the revision until after the GA as there may be additional direction to this process provided by FSC members.
- Ensure the revision of FSC-STD-40-005 V3-1.

- *74% of participants strongly agree or somewhat agree with identified internal and external impacts of the revision, while 20% did not provide a response.*

According to stakeholders, the following impacts should also be considered:

Internal impacts:

- The long-term desired impacts outlined in the FSC strategy for FSC Mix products and controlled wood.
- Important to develop a cost benefit analysis of the whole process in order for it to be cost effective.

External impacts:

- More objective and transparent risk assessments will increase the impact FSC provides to non-certified forests. Additionally, with clear and transparent risk identification and designation, not only will the reputation of CNRAs/NRAs increase, but also the reputation and trust of FSC. Additionally, could increase the willingness of companies to comply with FSC requirements.
- Potential positive impacts on certificate holders by simplifying risk assessments.
- Revising these procedures will not necessarily increase the credibility in the FSC system, unless effectiveness of CMs is ensured.

- The recently approved risk assessments have resulted in a more rigorous CW system than was achieved with company risk assessments. Intentionally increasing rigor so soon after having done so will be a significant challenge to the system and will likely result in loss of certificate holders. Increasing consistency and clarity are needed, but not intentionally increasing rigor.
- Important to implement measures to buffer the impact of the burden on certificate holders without compromising the credibility of the procedures.
- Risk assessment process as a tool for stakeholder dialogue and engagement leading to FSC recognition by e.g. governments.
- Some stakeholders disagreed with the external impact considered in relation to the non-compliance with GDPR and other data protection provisions but did not specify why.

V. Annex A

Main aspects to be considered for the revision of FSC-PRO-60-002 V3-0 and FSC-PRO-60-002a V1-0:

Items to be revised	Justification/concern
<i>FSC-PRO-60-002 V3-0 The Development and Approval of FSC National Risk Assessments</i>	
Part I: Development of a National Risk Assessment	
Section 1: Scope of a National Risk Assessment	The procedure is focused only on NRAs. Due to this reason, some particularities applicable only to CNRAs are missing in the normative framework and have only been addressed in the PSU-PRO-10-002 V1-0 (The Development and Approval of FSC CNRAs).
Section 3: Proposal to develop a National Risk Assessment, clause 3.1; and Section 4: Drafting a National Risk Assessment, clause 4.4	<p>The number of technical reviews and maximum working days that are needed after the delivery of the final draft but before the approval is not specified in the procedure.</p> <p>In practice, it takes on average three rounds of technical reviews before the document is ready for approval by PSU Director. By not considering this, it affects the timeline set for development and approval of risk assessments.</p>
Section 4, clause 4.1	<p>The template provided in Annex C (National Risk Assessment template) needs to be modified/improved and have one single template applicable for all risk assessments.</p> <p>During the development process of risk assessments, we have received several complaints/comments from public consultation regarding the fact that documents are very long (in some cases even more than 400 pages) and it is difficult to understand which are the main identified risks, the structure of the assessment, or to understand the methodology applied for each of the categories (especially in the case of category 2, where applied methodologies for the assessments can vary between NRAs and CNRAs).</p>
Section 5: Stakeholder consultation	
Clause 5.5	The list of information sent to stakeholders for public consultation needs to be revised (following the justification provided above in clause 4.1), in order to provide all necessary information to facilitate stakeholder's understanding on the identified risks and encourage feedback.

Items to be revised	Justification/concern
Clause 5.7	<p>The means that must be used for informing stakeholders about public consultation in the case of CNRAs are not indicated.</p> <p>Stakeholders have stated that the means of international consultation are not enough to reach to all relevant stakeholders, thus resulting in very low levels of participation or no feedback at all.</p>
Clause 5.10	<p>The time deadline for providing a response to stakeholder feedback in the case of CNRAs is not indicated.</p> <p>By setting a deadline, we could make sure that a timely response is provided to stakeholders.</p>
Clause 5.12	<p>The consultation report requirements do not expressly include describing which indicators had their risk designations changed due to consultation feedback.</p> <p>It makes tracking modifications/amendments challenging, especially in cases where several stakeholder comments have been received.</p>
Part II Evaluation and Approval of a National Risk Assessment	
Section 7: Evaluation of a National Risk Assessment, clause 7.2 b)	<p>It is not clear what is the purpose of the impact analysis, and whether it is only for internal use or not. Furthermore, a template for the development of the impact analysis for NRAs is missing in the Annexes.</p> <p>Currently, the impact analysis has been done based on criteria set by each NRA-WG as there is no guidance on the main contents and structure. As a result, there are differences between documents.</p>
Section 8: Approval of a National Risk Assessment, clause 8.1	<p>It is stated that within thirty days after receiving the final draft the PSU Director will decide on the approval of the risk assessment.</p> <p>In practice, it usually takes between three to four months because there are on average three rounds of technical reviews done by PSU and improvements to the document by consultants/NRA-WGs.</p>
Part III Maintenance of a National Risk Assessment	
Section 10: Review and revision of a National Risk Assessment	<p>The procedure is ambiguous regarding the cycle for revision of risk assessments. It indicates that updates shall be implemented according to needs and at least every 5 years, but it does not specify if this also applies for revision.</p>
PRO-60-002a V1-0 National Risk Assessment Framework	
B Scope	<p>The framework does not specify which are the non-timber forest products (NTFPs) considered relevant in FSC risk assessments, and whether they are only valid for percentage and credit system (NTFPs derived from trees and bamboo).</p> <p>This has caused confusion in consultants, NRA-WGs, consulted experts, and other stakeholders (during public consultation) when identifying risks/proposing CMs/providing feedback especially on categories 1, 2 and 3.</p>
E Terms and definitions	<p>There are some important and relevant terms and definitions missing in this section for the five controlled wood categories.</p> <p>For example, in category 2, the term “traditional rights” is not defined clearly and does not appear in the FSC Glossary of Terms. The term itself does appear in an interpretation (30-010_08), but its definition is not clear.</p> <p>The lack of clarity on this term has brought confusion in consultants and NRA-WGs when having to assess indicators 1.13 Customary</p>

Items to be revised	Justification/concern
	rights, 2.3 Indigenous and traditional peoples' rights, 3.5 Community needs and 3.6 Cultural values.
Part I: General process requirements	
Section 2: NRA development process	
Subsection 2.2: Gathering of information	Some of the recommended sources of information per category are outdated. The framework does not indicate which are the minimum sources of information for each indicator, which has caused limitations when assessing some indicators where available sources are limited (e.g. indicators 1.18 Offshore trading and transfer pricing, 1.20 CITES, 5.1 Commercial use of GMOs).
Subsection 2.3: Determination of scale for homogeneous risk designation	Table for 'Sources of legal timber' was often not properly filled in and utilized due to lack of meaningful connection to the rest of the assessment (particularly categories 1 and 3).
Subsection 2.4: Designation of risk	<p>The framework does not consider how other international mechanisms (e.g. FLEGT VPA), multilateral funding investments schemes (e.g. World Bank aided projects), and third-party certification schemes (e.g. PEFC) can impact FSC risk assessments.</p> <p>In some cases (especially in category 1), consultants/NRA-WGs have proposed to use the outcomes of such mechanisms as the main evidence for low risk designation without clarifying if all requirements of the indicators of the FSC risk assessment are covered.</p> <p>It is not explicitly indicated in the framework that a demonstrable attempt should be made to reach out to (an) expert(s) before applying the precautionary approach.</p> <p>The fact that expert consultation is mandatory only for some indicators does not mean that it is not required for other indicators when available sources of information are limited.</p>
Subsection 2.4, clause 2.4.8	<p>The minimum requirements for qualifications of experts to be involved in risk assessments processes and the establishment of CMs (Annex A) do not indicate specific requirements for categories 4 and 5. In the case of category 4, the procedure only requires knowledge of forest management practices within the area under assessment, and for category 5 no specific knowledge is required.</p> <p>In practice, data availability to assess these categories has in several cases been limited, and expert knowledge has been used as one of the main evidences.</p>
Subsections 2.3 and 2.4	It is not clear how and in which situations to use scale, intensity and risk (SIR) analysis to determine the functional scale and risk designation.
Subsection 2.5 Establishment of Control Measures	The organizations shall have and implement adequate CMs to either avoid or to mitigate specified risk related to origin and/or risk related to mixing with non-eligible inputs in the supply chain (in line with STD-40-005 V3-1 (Requirements for Sourcing FSC Controlled Wood)). Neither the standard nor the framework define what are the parameters for 'avoiding sourcing' in FSC risk assessments.
Subsection 2.5, clause 2.5.2	<p>Examples on how to develop CMs when specified risk is designated due to existing conflict between controlled wood requirements and applicable legislation are missing.</p> <p>Not having guidance on how to develop CMs for this and other cases has resulted in ineffective CMs or no CMs at all in the case of CNRAs (because consultants are not required to develop recommended CMs).</p>

Items to be revised	Justification/concern
Part II: Specific process requirements for assessing the five controlled wood categories	
Subsections 3.1, 4.1, 5.1, 6.1 and 7.1: Scope	<p>It is not clear if the scope for the five controlled wood categories covers all forest management activities (including those prior to and after harvesting). For example, the scope of category 2 covers processing and trading activities. In the case of category 1, definition of “illegally harvested wood” and its focus on “harvest” contradicts the intention of other indicators (see 1.10, 1.11 context and considerations) to cover activities before and after harvesting.</p> <p>Only in the case of category 1 the scope indicates when the indicator shall be considered as not applicable, while for the rest of categories are not clear. For example, in several cases consultants/NRA-WGs, as well as stakeholders (during public consultation), have asked if indicator 4.1 is not applicable for forest plantations, taking into consideration that this category focuses on conversion from natural forest to forest plantations or non-forest uses.</p>
Tables 1, 2, 3.2, 4 and 5: Requirements for the assessment of each category	<p>Revise the relevance of the existing questions and consider any additional questions. Revise the voluntary nature of these questions.</p> <p>In practice, the questions provided in the column ‘Context and considerations’ have been used only sporadically to guide the assessment development. This harmed the rigor and comparability of the risk assessments.</p>
Section 3: Controlled Wood Category 1: Illegally harvested wood	
Table 1. Requirements for legality assessment	<p>There are indicators where the requirements are not provided in detail, or the context and considerations are not specific enough to understand the risks related to those legal requirements. For example, indicators 1.5, 1.7, 1.8, 1.13, 1.14, 1.15, 1.19, 1.20 and 1.21 have no indications on what the probable risks are.</p>
Section 4: Controlled Wood Category 2: Wood harvested in violation of traditional and human rights	
Subsection 4.5: Designation of risk	<p>The methodology applied for assessing evidences and determining risk designations is not always the same for all risk assessments. CNRAs contain risk indications for each assessed source of information which then contribute to the overall risk designation of the indicator. In the case of NRAs, NRA-WGs can choose to make a general assessment of sources (without using risk indications), like the other categories.</p> <p>Stakeholders have complained about these differences and the lack of clarity in the methodology.</p>
Section 5: Controlled Wood Category 3: Wood from forests in which high conservation values are threatened by management activities	
Subsection 5.1: Scope	<p>It is unclear if all high conservation values (HCVs) should be assessed in a risk assessment, or only those related to forests or should it also include HCVs that are adjacent to forests.</p> <p>Revise the Annex 2 HCV assessment guidance.</p> <p>The ‘Methodology for conducting the CNRA for Controlled Wood Category 3 – High Conservation Values’ is currently used only as a guidance, but in practice most of the provided information is crucial for HCVs identification and threats assessment (e.g. definition of HCV subcategories).</p> <p>In relation to the last Note provided in this subsection, revise the minimum requirements for consultations to be considered relevant for the assessment of HCVs 5 and 6.</p> <p>Public consultation does not contain specific questions for stakeholders to provide their feedback on the identification of these HCVs, and the absence of feedback could just be because no</p>

Items to be revised	Justification/concern
	relevant stakeholders for this topic participated during consultation. Also, for the case of targeted consultation, the procedure should indicate which are considered right stakeholders to be consulted for the assessment of these HCVs.
Subsection 5.3: Gathering of information, clauses 5.3.1, 5.3.2 and 5.3.3	Consider characterizing minimum necessary elements an HCV FM National Framework should have to be considered as a basis on the assessment of category 3 of an FSC risk assessment; and clarify if it is possible to develop a specific HCV Framework for controlled wood.
Subsection 5.5: Designation of risk, clause 5.5.1 a)	<p>Revise the method for applying indicator 3.0 to assess data availability for HCV identification and threats assessment within the framework.</p> <p>It leads to confusion if indicators 3.1 to 3.6 can still be assessed when indicator 3.0 is designated as 'specified risk'.</p>
Table 3.2 Requirements for HCV assessment	<p>The list of threats provided for each HCV in column 'Context and considerations' does not cover all HCV subcategories. For example, threats for barriers from destructive fire (HCV4 subcategory) are not provided.</p> <p>Revise the relevance of 'low risk' threshold (16) for indicator 3.3 HCV3.</p> <p>There have been concerns about the sufficiency of meeting Aichi targets as truly enough to demonstrate low risk for this indicator.</p>
Section 6: Controlled Wood Category 4: Wood from forests being converted to plantations or non-forest use	
Subsection 6.5: Designation of risk	<p>It is not clear in the framework if both description and enforcement assessment of legal requirements, and spatial analysis are always needed for assessing this category.</p> <p>There is ambiguity regarding the use of material from land that was cleared for legally permitted infrastructure activities (non-forest related) (e.g. railway lines, roads, electricity lines, etc.), and a lack of risk thresholds to assess these cases.</p>
Table 4: Requirements for the assessment of conversion	<p>Revise the role of forests converted for legally defined ecological enhancement purposes.</p> <p>Consultants and NRA-WGs expressed concern over such conversion being considered unacceptable in this category.</p>
Section 7: Controlled Wood Category 5: Wood from forests in which genetically modified trees are planted	
Subsection 7.5: Designation of risk	The two Notes provided in this section need to be revised and updated accordingly: regarding countries that have commercially released GM trees, countries most involved in GM engineering and research; as well as most commonly used species for GM trees.