



Report

SYNOPSIS REPORT

Results of the focused consultation on the draft Advice Note to set a maximum threshold on the “very limited portion” of conversion



Title: Synopsis report

Publication Date: 1 August 2023

Contact for comments: FSC International – Performance and Standards Unit
Adenauerallee 134
53113 Bonn
Germany

Phone: +49 (0)228 36766 0

Fax: +49 (0)228 36766 65

Email : psu@fsc.org

© 2023 Forest Stewardship Council, A.C. All Rights Reserved
FSC® F000100

You may not distribute, modify, transmit, reuse, reproduce, re-post or use the copyrighted materials from this document for public or commercial purposes, without the express written consent of the publisher. You are hereby authorized to view, download, print and distribute individual pages from this document subject for informational purposes only.

INTRODUCTION

The implementation note for Motion 37 approved by the General Assembly in 2022 requested FSC to provide a threshold in hectares for the concept of “very limited portion”:

“To address any unintended interpretation of the definition of “very limited portion” and in line with the intent of the Policy to Address Conversion (PAC) to strengthen FSC’s overall approach towards conversion, it is clarified that a maximum (in hectares) will be provided for what is considered ‘minimal conversion’ (very limited portion). This clarification will be provided prior to the effective dates of the PAC and the revised P&C.”

To fulfil the implementation note for M37 FSC’s Secretariat launched an accelerated process according to <FSC-PRO-01-001 V4-0 Development and Revision of FSC Requirements> for developing an advice note to establish a maximum threshold in hectares for the allowed “very limited portion” of conversion.

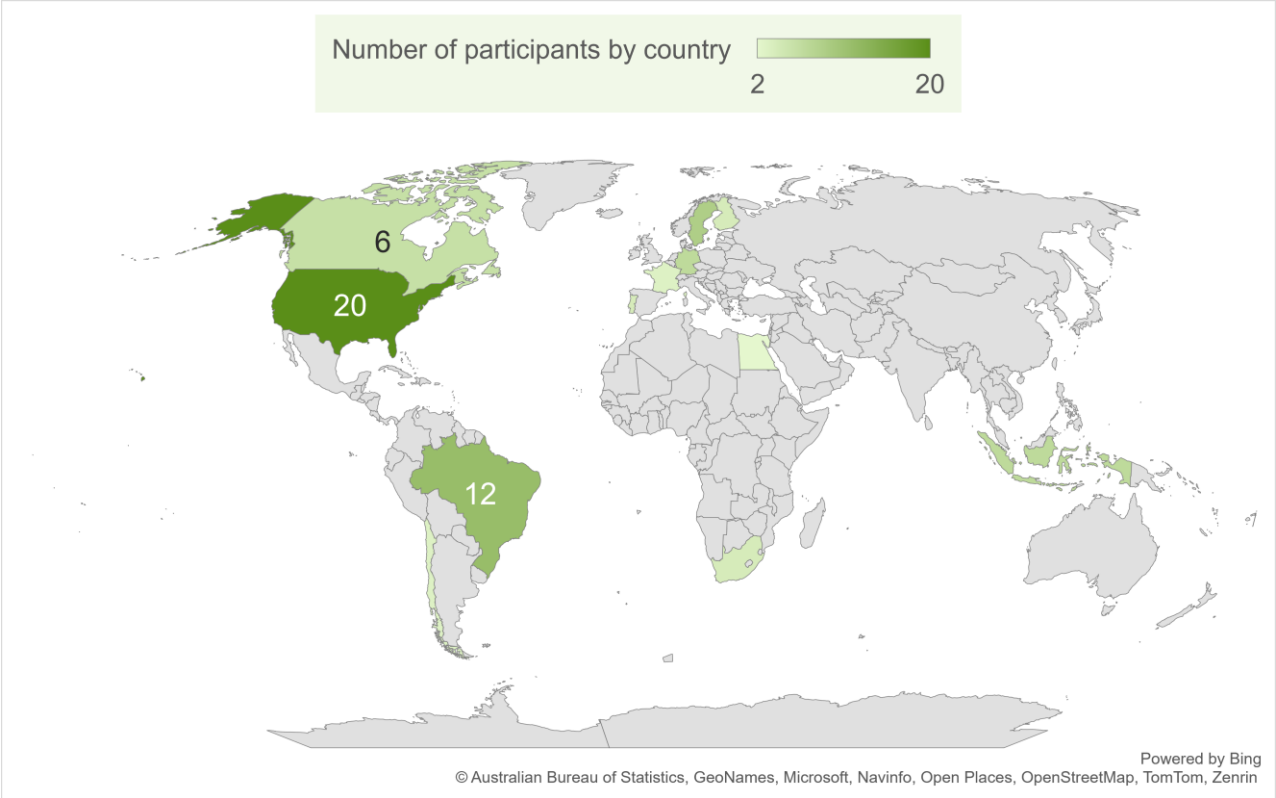
FSC’s Secretariat assessed several options and reached out to certification bodies with FSC Forest Management certification clients with a questionnaire on the use of the 5% threshold. The questionnaire was open from 23 February to 9 March 2023. The aim of the questionnaire was to collect information on how the 5% threshold has been used so far, and to which level the hectareage threshold should be placed based on the certification bodies’ experience. The feedback received showed that the 5% allowance has been used in limited occasions and usually in less than 100 hectares.

The Secretariat incorporated the feedback into a draft advice note, which was presented for a 30-day focused consultation between 14 April to 15 May 2023. Following <FSC-PRO-01-001 V4-0 Development and Revision of FSC Requirements> the focused consultation was shared with FSC staff, FSC Network Partners, members of the Policy and Standards Committee, FSC accredited certification bodies and Assurance Services International. In addition, the focused consultation was shared with FSC members and a wide range list of stakeholders who previously participated in consultations regarding the development of <FSC-POL-01-007 Policy to Address Conversion> and <FSC-PRO-01-007 FSC Remedy Framework>.

This Synopsis report presents the feedback received and an indication of how the comments have been taken into account in the final advice note.

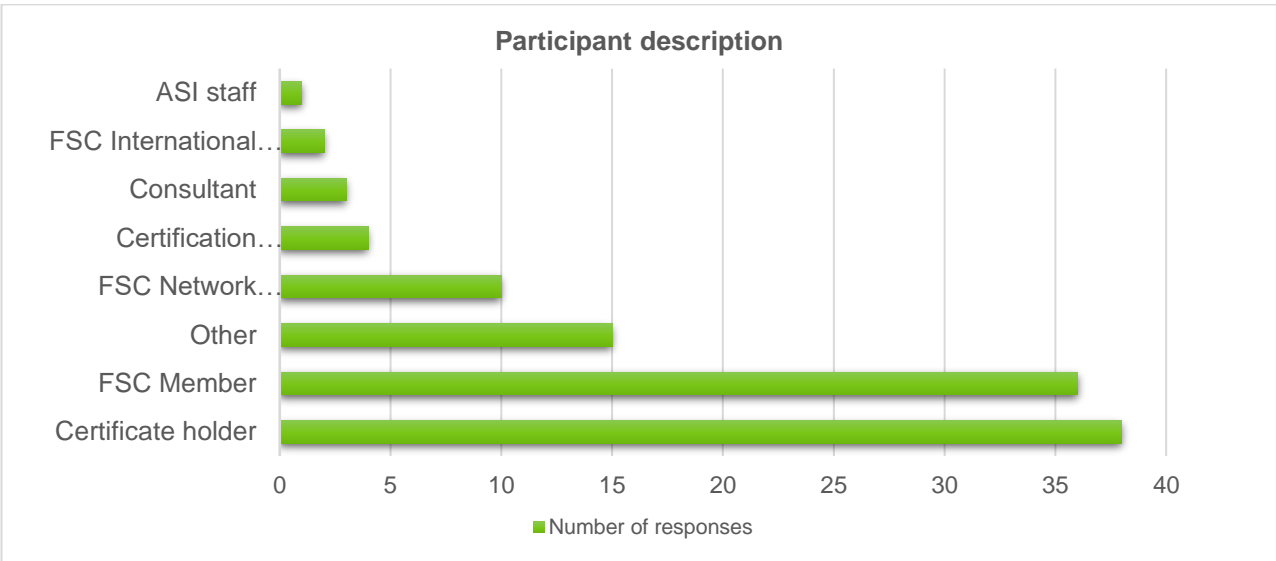
FEEDBACK IN NUMBERS

FSC received 107 responses from 33 countries: mostly from United States (20), Brazil (12), Sweden (9), Germany (7), Indonesia (7) and Canada (6).



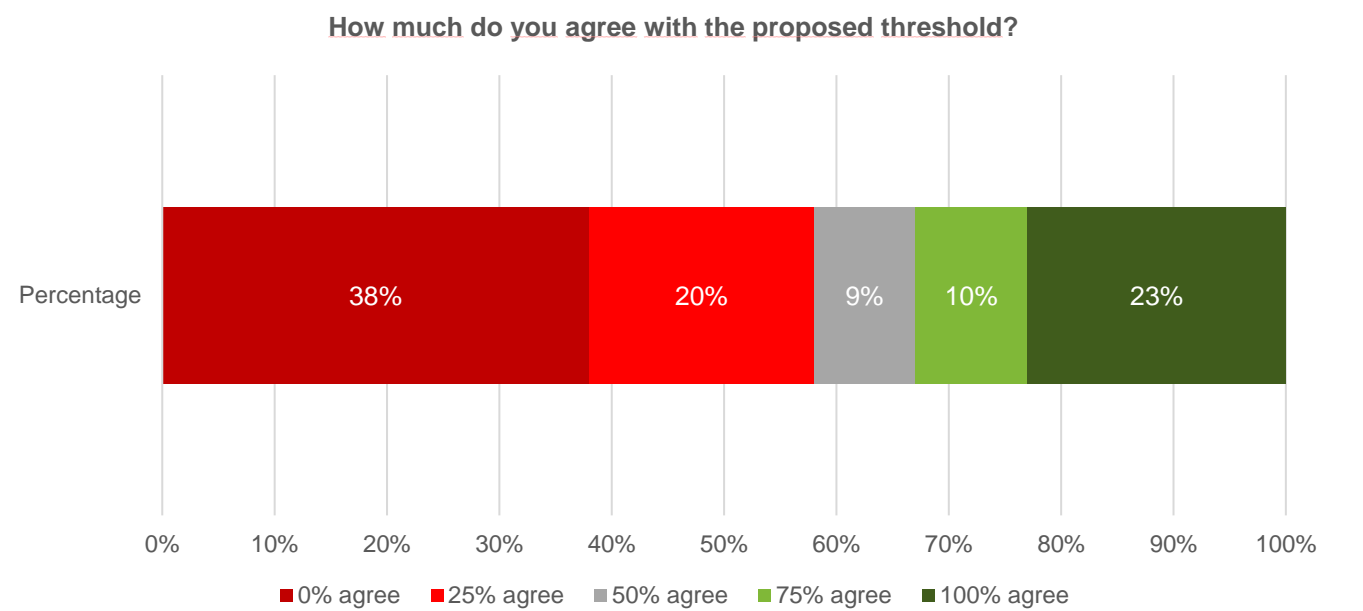
Graphic 1. Number of participants by country

Certificate holders were most active in participating, with 38 respondents, followed by FSC members with 35 respondents. Answers were also received from FSC network partners, certification bodies, consultants, FSC international staff and ASI.



Graphic 2. Participant description

The draft advice note suggested a threshold level of 1000 hectares for a ‘very limited proportion’. Participants were asked their level of agreement with the proposed threshold. A total of 58% of the respondents agreed with the proposal in a range from 0% to 25%. While a total of 33% agreed with the proposal in a range from 75% to 100%. Finally, 9% of the respondents agreed 50% with the proposal.



Graphic 3. How much do you agree with the proposed threshold?

SUMMARY OF QUALITATIVE ANALYSIS

Respondents provided qualitative feedback to complement their answers on the level of agreement with the threshold. Their responses are summarized below accordingly. This analysis shows that those disagreeing had different arguments for disagreeing and did not always disagree with the threshold itself but rather with other concepts than the threshold being consulted. For example, some respondents found the threshold too low for large companies. While some found the threshold too high for small companies.

Disagree	Neutral	Agree
Arbitrary threshold	Threshold is acceptable as it does allow construction of roads, skid trails, etc.	1000 hectare is a good compromise.
Threshold is too low for large companies and an obstacle to establish renewable energy projects.	Threshold is meaningless in some countries.	It is aligned with intent of Motion 37.
A global threshold creates unbalance between countries.	Agreement with threshold but not with definition of conversion.	5% needs to be better implemented.

Standard developers should be allowed to set the threshold.

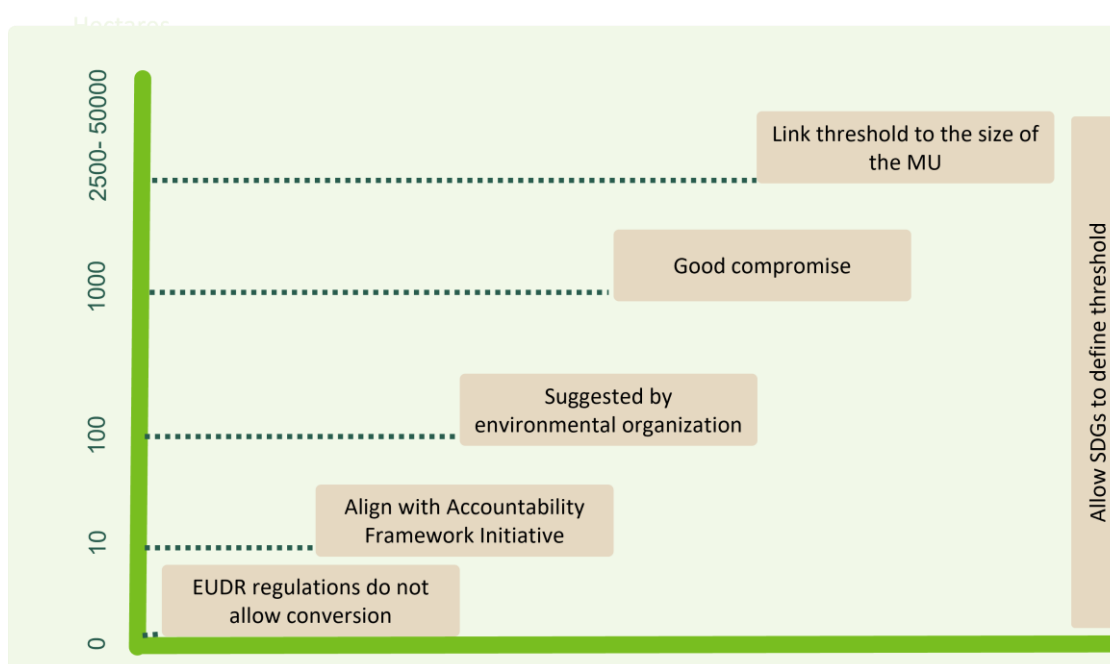
Threshold should be defined according to the size of the management unit.

Need to clarify retroactivity, if any, and how it relates to Policy for Association

PROPOSALS ON THE HECTARE THRESHOLD RECEIVED AND THEIR JUSTIFICATION

Respondents proposed threshold levels ranging from 0 to 50,000 hectares. A summary of these proposals is presented below:

- European Union Deforestation Regulation ([EUDR](#)) which does not allow any conversion.
- Accountability Framework Initiative's ([Afi](#)) definition for Minimal level of deforestation or conversion allows only 10 hectares conversion of natural forest and zero conversion of HCV
- Many environmental organisations suggested 100 hectares.
- One single most popular threshold level was the proposed 1000 hectares and considered as a good compromise.
- Hectare thresholds from 2500, 5000, 10000 and 50000 hectares were also suggested, based on the proposal to adjust the threshold to the size of the management unit.
- Allowing standard developers to define the thresholds was also suggested.



Graphic 4. Hectare proposals received and their justification

SUMMARY OF ACTIONS TAKEN TO ADDRESS FEEDBACK RECEIVED

- The final advice note has maintained the 1000 hectare threshold.
- The final advice note provides the possibility for standard developers to set a lower or higher hectare threshold following FSC requirements for standard development processes.
- A clarification regarding application of the threshold has been provided in the scope section.
- An explanatory table has been added to the final advice note showing how the hectare threshold applies to an organization (provided that relevant requirements in Criteria 6.9, 6.10 and 6.11 are met, including that the 5% has not been reached) and depending on whether the organization has FSC Forest Management certification or not, and when the conversion took place.
- Application of hectare limit for minimal conversion in the context of association will be clarified separately.

COMMENTS AND RESPONSES

A summary of the comments is presented below with indicating how they have been addressed in the final advice note.

Comments	Addressing the comments
Clarify why is FSC establishing a hectare cap for “very limited portion”. Percentage is enough.	A hectare limit for a “very limited portion” of conversion was requested in the Implementation Note of Motion 37 approved at the General Assembly in 2022. The Secretariat is implementing the motion request.
Clarify rationale behind 1000 hectare limit.	The 1000 hectare threshold represents a compromise solution. Besides the results of the focused consultation, this figure is based on the survey conducted with certification bodies held in February 2023 to understand the use of the 5% threshold so far. The feedback received showed that the 5% allowance has been used in limited occasions and usually in less than 100 hectares.
The threshold seems to be quite arbitrary: A stepwise approach with different thresholds depending on the size of the MU should be considered.	A stepwise approach is not in line with the Implementation Note of Motion 37 which requests a maximum threshold in hectares.
Guidance for calculating the conversions is needed for different time periods: before 1994, between 1994 and 2020, after 2020, and after the effective date of the advice note – including	An explanatory table has been added to the final advice note showing how the hectare threshold applies to an organization (provided that relevant requirements in Criteria 6.9, 6.10 and 6.11 are met, including that the 5% has

clarification related to direct and indirect involvement and conversions in acquired lands.	not been reached), depending on whether the organization has FSC Forest Management certification or not, and when the conversion took place.
Clarify what happens to the management units that are currently certified but have already exceeded the established threshold.	<p>An explanatory table has been added to the final advice note for clarification.</p> <p>From 1 September 2023 existing certificate holders and applicants with “very limited portion” conversion above 1000 hectares are not eligible for certification. Remedy for certification purposes is not possible.</p>
Clarify if this advice note will apply in the context of Policy for Association. It is not clear whether a certificate holder would have to also consider conversions that have occurred on other lands that they manage that are not within scope of the certificate.	Application of hectare limit for minimal conversion in the context of association will be clarified separately.
Standard Developers should have the possibility to increase the absolute limit of hectares, instead of just reducing it.	Standard developers have the possibility of reducing and increasing the threshold provided that a standard setting process is in place.
The hectares limit that is established with this advice note should only be applicable to conversions that occur after the effective date of the advice note.	A clarification has been provided under the scope section indicating that hectares converted during 1 December 1994 and 1 September 2023 (effective date of this advice note) count towards the calculation of the “very limited portion” threshold of the management unit that can be converted for conservation and social benefits.
Conversion to green energy should be considered a net conservation benefit. Fossil-free energy production such as e.g., wind turbines and solar cell electricity, inclusive related infrastructure, should be exempted from the “very limited portion”	<p>This proposal cannot be changed through the advice note as this is ruled in Criteria 6.9 of <u><FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship></u>,</p> <p>If conversion for renewable or sustainability projects meet the conditions defined in 6.9, produce social and conservation benefits and do not damage nor threaten HCVs they fall under the concept of “very limited portion”.</p>
The absolute threshold should apply only to the conversion of HCV areas.	Applying “very limited portion” of conversion only to High Conservation Value (HCV) Areas would contradict Criterion 6.9 which includes natural forests and HCV.

Define a maximum area for the individual conversion area, e.g., not more than 100 ha.	This is not possible as the hectare threshold should refer to the management unit and not an individual area to align with Criterion 6.9, 6.10 and 6.11 which refers to the management unit.
Clarify why only HCV areas are no-go for conversion, in effect that could result in cases of e.g., primary rainforest converted into eucalyptus plantation with a FSC logo on.	Criteria 6.9 and 6.11 include conversion of natural forests and High Conservation Value Areas as disqualifiers for certification.
Consider small conversions for personal reasons: solar farm, wind turbine, or some other benign small development.	There is dispensation for small-scale smallholders introduced in <u><FSC-PRO-01-007 FSC Remedy Framework></u> defined as less than 50 hectares.
Incorporate hectare threshold via the Forest Stewardship Standards and the process described in ADVICE-60-006-02 V1-0.	The Implementation Note for Motion 37 requests this clarification to be provided prior to 1 July 2023, the effective dates of the <u><FSC-POL-01-007 Policy to Address Conversion></u> and the updated <u><FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship></u> V5-3. Following <u><ADVICE-60-006-02> V1-0</u> would take more time and would be against the request of the Implementation Note.
Clarify if this Advice Note will automatically preclude all plantations from certification. The entire plantation MU on previously forested land is per definition affected by conversion.	Plantations established after 31 Dec 2020 do not qualify for certification. However, if the plantations were established between 1 Dec 1994 and 31 Dec 2020, the company may conduct remedy according <u><FSC-PRO-01-007 FSC Remedy Framework></u> .
Clarify the scope of conversions that are applicable to the advice note.	An explanatory table has been added to the advice note showing how the hectare threshold applies to an organization (provided that relevant requirements in Criteria 6.9, 6.10 and 6.11 are met, including that the 5% has not been reached) depending on whether the organization has FSC Forest Management certification or not and when the conversion took place.
The definition of minimal conversion is not in line with the requirements of the EUDR that does not define a "very limited proportion". It is also not aligned with the Accountability	FSC is working on a document to clarify the alignment with the EUDR.

Framework's Definition and specifically disregards "cumulative thresholds".

The EUDR does not allow any deforestation and forest degradation after 31 Dec 2020. <FSC-PRO-01-007 FSC Remedy Framework> introduced a cut-off date of 2020. Land converted (including natural forests and HCV areas) after 2020 will not be eligible for certification. Land converted between 1994-2020 will be eligible for certification after a remedy process for social and environmental harms is conducted.

Include standard developers in the scope of the advice note

The final advice note has been modified to include Standard Developers in the scope section.

Clarify whether management units that are currently certified but have already exceeded the established threshold will be disqualified from certification.

A clarification has been provided in an explanatory table. Existing certificate holders with conversion above 1000 hectares (between 1 December 1994-31 December 2020) will have no impact on certification or remedy required. However, converted areas contribute to the calculation of the area that can be converted for conservation and social benefits in the future.

Clarify that this advice note only applies to the use of "very limited portion" in C6.9, C6.10 and C6.11.

This advice note sets a maximum threshold for the concept of "very limited portion" of conversion which applies for criteria 6.9, 6.10 and 6.11.

This clarification is provided in Advice 1: The 'very limited portion' of a management unit referred to in Criteria 6.9, 6.10 and 6.11 shall not exceed 1,000 hectares.

This threshold will increase the cost of doing business, which policies like these can cause, will cause further unenrolment of timberlands from FSC certification, which is counterproductive to FSC's mission.

This concern addresses an issue outside the scope of this advice note.

The 5% allowance for minimal conversion is not new to the system. The hectare limit is. The survey conducted among certification bodies showed that this allowance has been used in limited occasions.

In the case of Brazil, which is a continental country, 1000 ha is not enough. However, in some European countries, 1000 ha can be too much.

The rationale behind the 1000 threshold responds to the practical use of the 5% allowance for minimal conversion so far. The survey conducted by FSC among certification bodies showed that the 5% has been used in

	<p>limited occasions and usually in less than 100 hectares.</p> <p>Apart from the threshold itself, other conditions need to be met including producing conservation and social benefits and do not damage nor threat High Conservation Values (HCVs).</p>
<p>In small countries, the CH will be able to bring more converted areas into its certificate scope without having to perform remediation, which seems unfair</p>	<p>Standard developers may set a threshold below 1000 hectares. This can be considered by standard developers in small countries.</p>
<p>Clarify calculation of the "very limited portion", especially for MUs already certified that are considering adding, after July/2023, converted areas to their certification scope. While The 5% cap is nothing new to the system, in P&C V5-2 it only applied to areas converted by the company itself, while in P&C V5-3 it applies to all areas converted – those converted by the company itself and those acquired by the company. Therefore, these differences must be taken into account to calculate the "very limited portion" after July/2023.</p>	<p>An explanatory table has been added to the advice note, clarifying that this advice note does not apply retroactively to conversion between 1 December 1994 and the effective date of this advice note, if it was conducted in a management unit under FSC Forest Management certification and in conformity with Criteria 6.9, 6.10 and 6.11. However, the hectares converted during this period count towards the calculation of the “very limited portion” threshold of the management unit that can be converted for conservation and social benefits after the effective date of this advice note.</p>