

SYNOPSIS REPORT

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

Draft: 17 July 2024



**FORESTSTM
FOR ALL
FOREVER**

Title: Synopsis Report

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

LIST OF ABBREVIATIONS

ASI	Assurance Services International
CA	Competent Authority
CAR	Corrective Action Request
CB	Certification Body
CH	Certificate Holder
DAR	Digital Audit Report
EC	European Commission
EU	European Union
EUDR	Regulation (European Union) 2023/1115 on Deforestation-free Products
FM	Forest Management
FAQs	Frequently Asked Questions
FSC	Forest Stewardship Council
ISO	International Organization for Standardization
MU	Management Unit
NGO	Non-Governmental Organization
P&C	Principles and Criteria
PSU	Performance & Standards Unit
SD	Standard developer
SDG	Standard development group
WG	Working Group

© 2024 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.

CONTENTS

List of abbreviations	3
Contents	4
Foreward and introduction	5
Introduction	5
Background information on the processes	5
1. feedback in numbers	6
2. Methodology for the analysis of public consultation results	8
Quantitative analysis	8
Qualitative analysis	8
WG discussion	8
3. Summary of consultation results & PSU's responses	8
ADVICE-20-007-23	9
Interpretation	14
summary of actions taken to address feedback received	15

FOREWARD AND INTRODUCTION

Introduction

FSC would like to thank members and stakeholders for their participation in the public consultation on the revised ADVICE-20-007-23 Maximum hectare threshold for 'very limited portion' and the draft interpretation on 'conservation and social benefits' that took place between 10th of May and 26th of June 2024. The suggestions and comments were of great importance to collect stakeholders' feedback on a series of questions regarding these documents.

This synopsis report has been prepared in accordance with Clause 5.12 of *FSC-PRO-01-001 V4-0 Development and Revision of FSC Normative Documents Procedure* and contains an analysis of the range of stakeholder groups who submitted comments, as well as a summary of the issues raised in relation to the questions posted during the public consultation period. A general response to the comments and an indication as to how the issues were addressed are provided in the document.

Background information on the processes

FSC does not accept the conversion of natural forests, nor conversion of HCV areas in savannahs, grasslands, peatlands and wetlands and the transformation of plantations on sites directly converted from natural forest except in cases where it affects a 'very limited portion' of the management unit, produces social and conservation benefits and does not damage or threaten High Conservation Values (HCVs).

Areas converted from natural forests between 1 December 1994 and 31 December 2020 that do not meet these conditions are only eligible for certification if remedy for the environmental and social harms caused by the conversion is provided, while areas converted after 31 December 2020 are not eligible for certification.

The definition of 'very limited portion' in the FSC Principles and Criteria specifies that to be considered a 'very limited portion', the area shall not exceed 5% of the management unit, irrespective of whether the conversion activities have taken place prior to or after the organization has obtained FSC Forest Management certification.

This Advice Note was developed in response to the Implementation Note to Motion 37/2021: *Required changes to the FSC Principles and Criteria to implement the Policy to Address Conversion*, approved by FSC members at the 9th FSC General Assembly, which called for the establishment of a maximum limit in hectares for the concept of 'very limited portion'.

This second version of the Advice Note was drafted to address concerns arisen after the publication of its first version. The main concerns regarding the first version were related to:

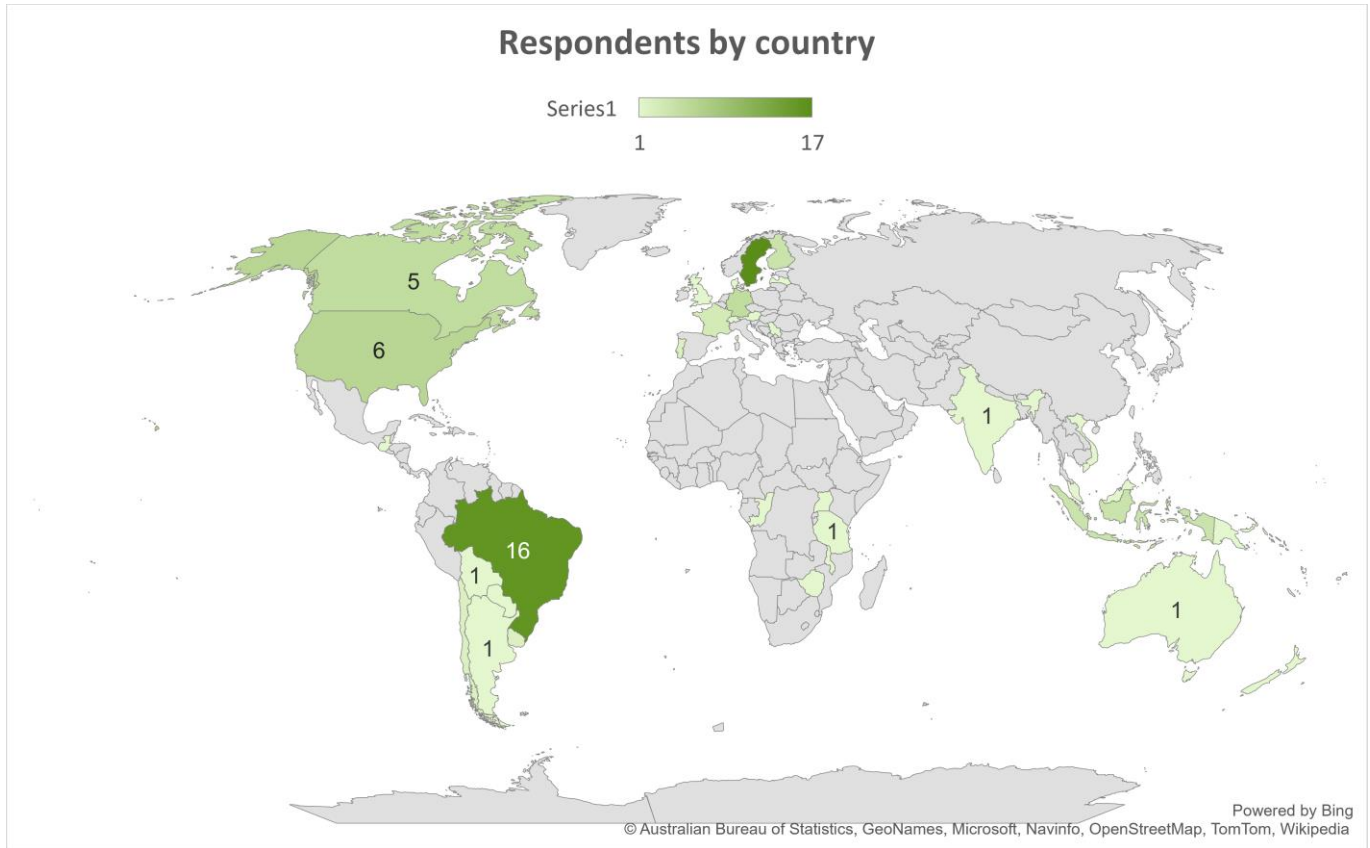
- the option provided to the Standard Development Groups (SDGs) to change (increase or decrease) the maximum threshold of 1000 ha in the Forest Stewardship Standard, and
- the retroactivity of the hectare threshold and the challenges this might have posed for certificate holders.

This Synopsis report presents the feedback received and an indication of how the comments have been taken into account in version 2-0 of the advice note.

1. FEEDBACK IN NUMBERS

A total of 88 stakeholders participated in the public consultation on the revised ADVICE-20-007-23 Maximum hectare threshold for ‘very limited portion’ and the draft interpretation on ‘conservation and social benefits’ through the FSC Consultation Platform. Participants came from 32 countries across 5 regions. Europe is the continent with the highest number of participants, while Africa has the lowest number of participants. In terms of countries, Sweden, Brazil, United States, Canada and Germany provided the highest number of respondents.

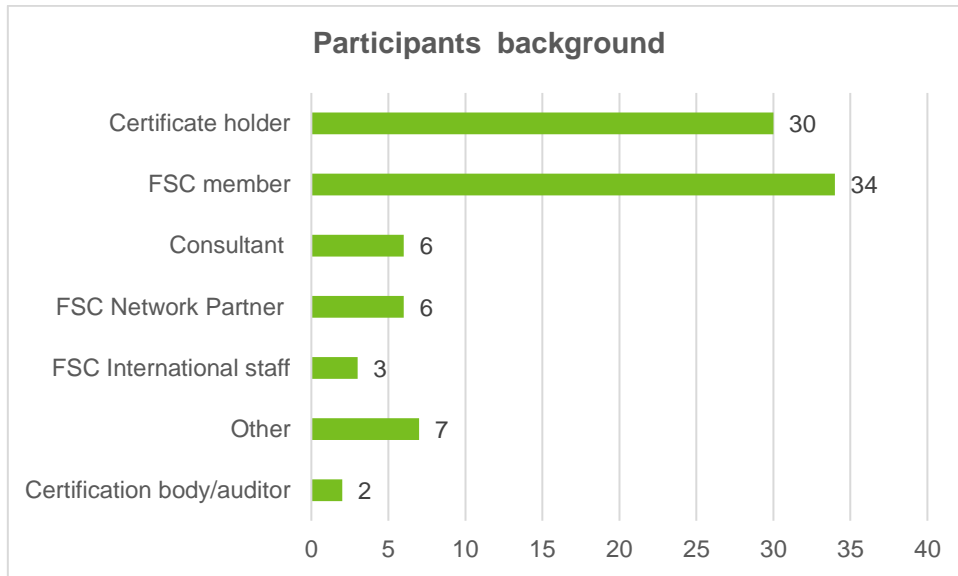
The participants’ regional representation is demonstrated below:



Countries with the highest number of respondents		Number of respondents by region	
Country	Number of respondents	Region	Number of respondents
Sweden	17	Europe	41
Brazil	16	Latin America	27
United States	6	North America	13
Canada	5	Asia Pacific	12
Germany	5	Africa	7

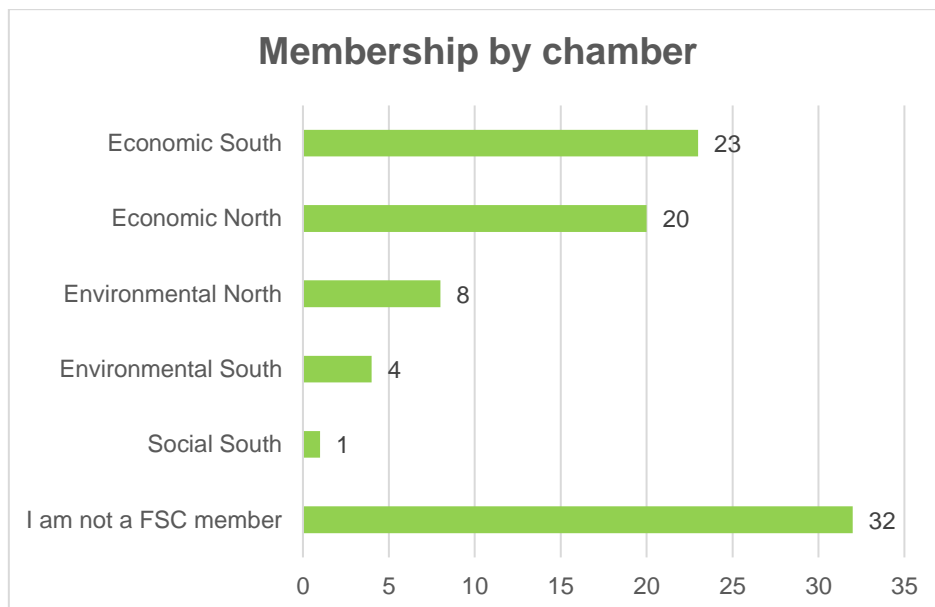
Participant by background

Respondents were asked to identify themselves by their respective background groups. Based on the responses, participants are grouped into 7 different groups. Among all stakeholder groups, FSC members showed the most interest with the highest number of participants. They represent more than 39 % of the total number of participants. Certification body/auditor (CB) is the group with the lowest number of participants.



Participant by chamber

From the 88 participants that responded to the question, more than 60 % are FSC members. The economic chamber showed the highest interest (~ half of participants) with 43 participants. Environmental and social chambers accounted for 14% and 1%, respectively, of the total number of members. Below is an overview of the number of participants by chamber.



2. METHODOLOGY FOR THE ANALYSIS OF PUBLIC CONSULTATION RESULTS

A three-step methodology was implemented for the analysis of consultation results. The process involved a quantitative analysis, qualitative analysis, and WG discussion.

Quantitative analysis

Quantitative analysis was performed using the excel template provided by PSU. Participants' background information such as geographical distribution, stakeholder group and Likert scale questions (from 1 strongly disagree to 1 strongly agree) were analyzed centrally in the first week after receiving the consultation feedback.

The analysis was conducted considering the requirement that all FSC normative documents should take into account the goals and aspirations of all stakeholder groups. The analysis was carried out according to the following categories: (1) background information of the participants; (2) general stakeholder feedback; (3) feedback by stakeholder groups.

An overview of the participants' backgrounds and their overall responses to each quantitative question was compiled and shared with the PSU's internal working group.

Qualitative analysis

Following the quantitative analysis, the consultation feedback was shared with the working group for in-depth analysis of the comments. Specific feedback has been selected and highlighted based on its frequency of appearance and its content.

WG discussion

The quantitative and qualitative results from the consultation were then combined and presented to the PSU's internal Working Group (WG) see Annex 1. On June 27th, 2024, PSU's internal WG discussed the results and proposals to reach an agreement on the way forward.

3. SUMMARY OF CONSULTATION RESULTS & PSU'S RESPONSES

Below is a summary of key topics on which participants provided feedback. Each key topic contains the question posted during public consultation, quantitative results, and qualitative results. The qualitative results include an assessment and conclusions on how the comments were incorporated into the final revised advice note.

ADVICE-20-007-23

Question 1. On a scale of 1 to 5, with 1 indicating strong disagreement and 5 signifying strong agreement, how much do you agree with removing the retroactive element?

Overview:

In total 69 out of 88 respondents answered this question.

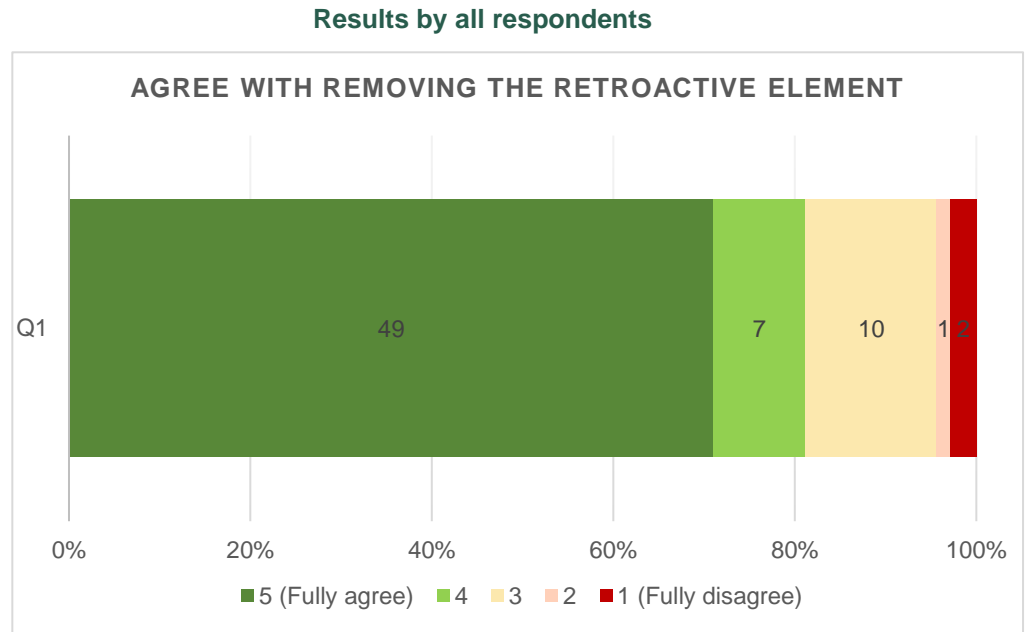
An outline of the results shows that:

Agree 64 %

Neutral 11 %

Disagree 3%

Did not reply 22 %



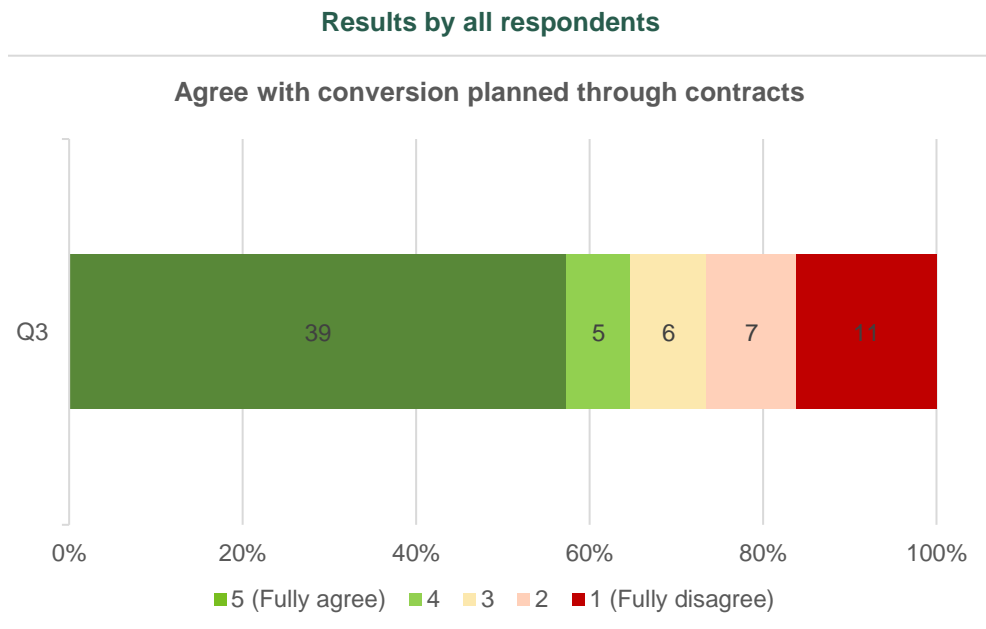
Q2 Summary of qualitative analysis

- No major comments were discussed here. All the comments provided were in favour of removing the retroactivity factor. Retroactive element might be removed under the condition of a clear maximum threshold without the option for SDGs to increase the threshold. Policy changes should not be retroactive, but a maximum limit is necessary to avoid excessive risk.

Question 3. On a scale of 1 to 5, with 1 indicating strong disagreement and 5 signifying strong agreement, how much do you agree that conversion planned and agreed upon through contracts or similar written commitments before the effective date in conformity with the previous FSC requirements should not be counted towards the calculation of the 1000 ha threshold?

Overview:

In total 68 out of 88 respondents answered this question.
 An outline of the results shows that:
 Agree –50%
 Neutral – 7 %
 Disagree – 21 %
 Did not reply – 23 %



Q4. Summary of qualitative analysis

Comments	PSU's responses
----------	-----------------

Contracts might allow substantial natural forest conversion

It is not likely that contracts would allow substantial natural forest conversion, because:

- Contracts agreed after the effective date of this Advice Note (1 October 2023) will count towards the maximum hectare threshold of one thousand hectares.
- Contracts agreed before the effective date of this Advice Note should not be penalized as they were entered in good faith.

Planned conversion via “written commitments” before the effective date should not exempt the 1000-ha threshold

The respondents of this consultation were in favour of removing the retroactivity factor, which should apply also to the contracts which were in place before the effective date of this Advice Note, 1 October 2023.

Planned conversion via ‘written commitments’ before the effective date is not a sufficient reason for giving an exemption to the 1000 ha threshold.

Again, the respondents of this consultation were in favor of removing the retroactivity factor, and not penalizing certificate holders who have faithfully applied previous FSC requirements.

The cut-off date should be clear and equally applied throughout the FSC system.

The cut-off date is the effective date of this Advice Note, which is clearly stated as 1st October 2023.

FSC doesn’t want to risk its reputation and losing more NGO members by enabling exceptions to a strict definition of minimal conversion

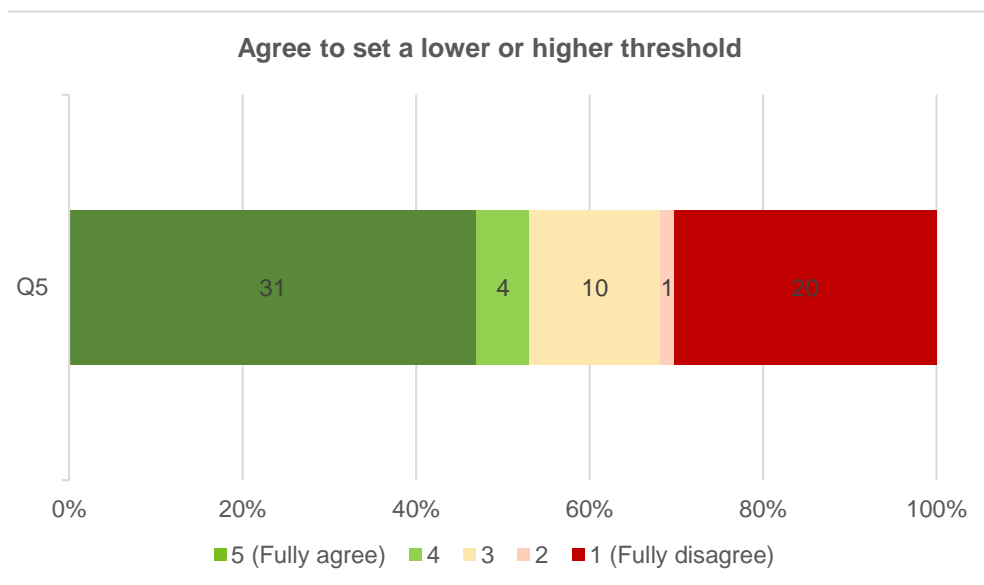
PSU trusts that the maximum hectare threshold (1000 ha) for a ‘very limited portion’, together with the clearly stated cut-off date, upholds FSC’s reputation and gains wide support across the chambers.

Question 5. On a scale of 1 to 5, with 1 indicating strong disagreement and 5 signifying strong agreement, how much do you agree with the possibility for Standard Developers (SD) to set a lower or higher threshold than 1000 hectares following the requirements for a standard setting process?

Overview:

In total 66 out of 88 respondents answered this question.
An outline of the results shows that:
Agree – 40 %
Neutral – 11 %
Disagree – 24 %
Did not reply 25 %

Results by all respondents



Q6 Summary of qualitative analysis

Comments	PSU's responses
<p>Disagree in allowing SDs or other mechanisms to increase the threshold (higher than 1000 hectares) would favour large companies at the expense of smaller ones, especially in regions with significant past deforestation. This proposal would only benefit large forest managers and is not aligned with FSC's goals or principles.</p>	<p>Precautionary Approach on Thresholds: Temporarily remove the upward threshold as a precautionary measure, subject to renegotiation during Principles & Criteria (P&C) revisions and accept the 1000-hectare threshold without accounting for past conversions, maintaining clarity in current standards</p>
<p>Align with EUDR: which does not allow conversion, and future policy reforms likely will follow this path. The implementation note accompanying motion 37 requires a maximum threshold. This approach would respond to Motion 37's request for a hectare limit for minimum conversion and accommodate broader societal needs.</p>	<p>The Secretariat is implementing the Motion 37 approved at the General Assembly in 2022 and will be aligning with EUDR.</p>
<p>FSC's 1,000-hectare conversion limit might be suitable for some countries, but for geographically vast nations like Brazil, it's restrictive. Conversely, smaller countries could find this limit overly generous. To achieve a balanced and equitable approach, Standard Developers should have the flexibility to adjust the limit based on local realities. The FSC's existing control and verification mechanisms ensure these adjustments are appropriate, promoting effective and fair socio-environmental remediation tailored to each country's specific context"</p>	<p>The intent of the implementation note to Motion 37 / 2022 was to establish a maximum hectare threshold that would be much more restrictive than the current 5% threshold. Leaving flexibility to SDGs to define such a maximum hectare threshold could practically lead to an "exhaustion" of the 5% by aligning it with the corresponding "needs" of large-scale certificate holders in their country.</p>

Question 7. Do you think that this option should be available to all Standard Developers or only to chamber balanced Standard Development Groups?

Overview:

In total 60 out of 88 respondents answered this question.

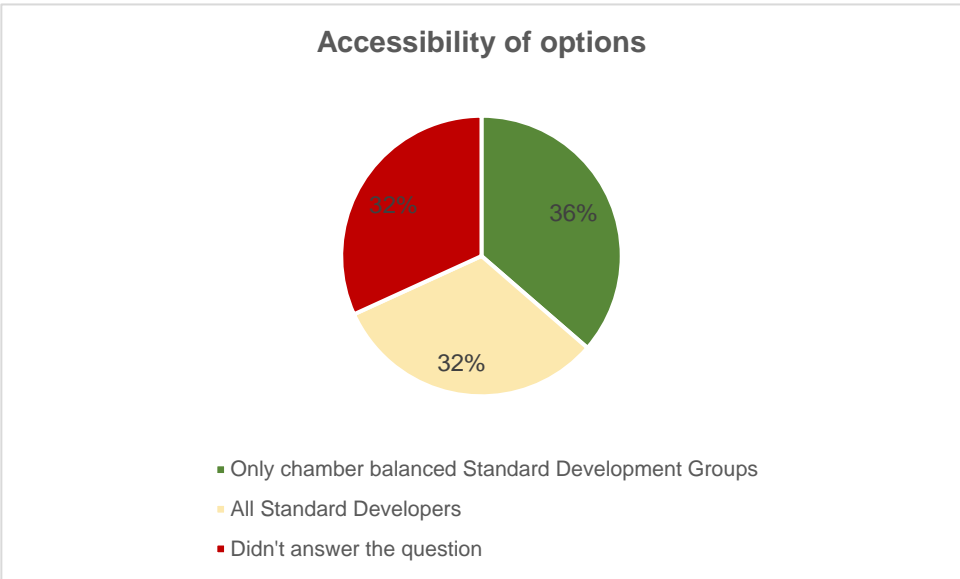
An outline of the results shows that:

All standard Developers – 32 %

Only chamber balanced Standard Development Groups – 36 %

Did not reply 32 %

Results by all respondents



Q8 Summary of qualitative analysis

Comment	PSU's response
<p>Without the ability for SDGs to adjust the threshold to suit regional or national contexts, where this unreasonable set threshold is being applied, FSC will become unworkable.</p>	<p>As no comments advocated for allowing SDs to adjust the threshold, PSU recommends that only chamber SDGs retain the restriction for SDGs.</p>

Interpretation

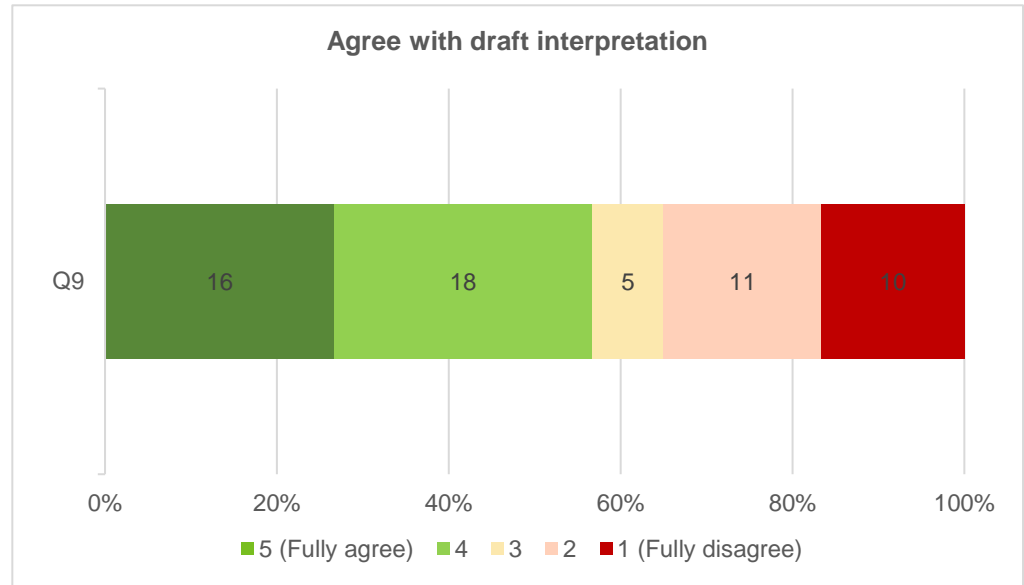
Question 9. On a scale of 1 to 5, with 1 indicating strong disagreement and 5 signifying strong agreement, how much do you agree with the draft interpretation?

Overview:

In total 60 out of 88 respondents answered this question. An outline of the results shows that:

- Agree – 38 %
- Neutral – 6 %
- Disagree 24 %
- Did not reply 32 %

Results by all respondents



Q10 Summary of Qualitative analysis

Comments	PSU's responses
Conversion limits should balance biodiversity conservation and economic development, especially concerning renewable energy projects.	Economic development is not an accepted aspect for allowing 'minimal conversion'.
The FSC's role in maintaining forest coverage should not hinder its contribution to mitigating climate change through renewable energy projects.	Maintaining the forest cover for future generations is built into the FSC's vision and mission, and hence any acceptable conversion activity must be strictly limited in its extent and motivation.
In Sweden, the large FMU sizes make the 1000-hectare limit impractical; a more suitable solution would be a percentage-based limit that adjusts with FMU size.	A percentage-based limit that adjusts with FMU size was the only basis for defining the 'very limited portion' in the past. However, this Advice Note was developed in response to the Implementation Note to Motion 37/2021: <i>Required changes to the FSC Principles and Criteria to implement the Policy to Address Conversion</i> , approved by FSC members at the 9 th FSC General Assembly, which called for the establishment of a maximum limit in hectares for the concept of 'very limited portion'.

The threshold should only apply to FMUs independently deciding to convert land, excluding state-mandated conversions for public infrastructure or energy projects. The state-mandated conversions for public infrastructure or energy projects fall under the Policy for Excision, which will be reviewed as well as part of the upcoming revision of the FSC Principles and Criteria.

More attention is needed to increase flexibility in the standard, allowing adaptations based on differences in Certificate Holders and regional policies. Standard development groups are allowed to introduce flexibility to the Forest Stewardship Standards by developing adaptations based on differences in certificate holders and regional/national policies.

The change from a 5% conversion limit to a 1000-hectare limit is too substantial; a more flexible, percentage-based approach is preferred to accommodate different FMU sizes. As indicated above, the FSC General Assembly has requested the establishment of a maximum limit in hectares for the concept of 'very limited portion'.

Consider a more practical approach that would be better suited for all different CHs: An adaption of threshold that allows increase of area of conversion with increased FMU-size A graduated increase in allowable minimal conversion based on FMU size was proposed in early stage for developing the first version of this Advice Note. However, such approach was considered unfeasible, because it would have introduced additional hectare-based thresholds to the system.

SUMMARY OF ACTIONS TAKEN TO ADDRESS FEEDBACK RECEIVED

- 1) The final advice note has removed the retroactivity factor (conversion activities before the effective date of the advice note do not count towards the 1,000 -hectares threshold).
- 2) Such activities include both conversion that has already taken place at the time of the advice note's effective date, as well as conversion that was planned and agreed upon through contracts or similar written commitments but has not yet been completed prior to this date.
- 3) The final advice note provides the possibility for chamber balanced standard developers to set only a lower hectare threshold following FSC requirements for standard development processes.

ANNEX

Annex 1

PSU Internal Working group

- Stefan Salvador, Director Policy Operations
- Hans Joachim Droste, Chief Policy Officer
- Pasi Miettinen, Senior Reviewer and Analyst
- Maria Melero, Program Manager Forest Management
- Diana Franco Gil, Policy Manager
- Sandra Fahd, Policy Manager



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