GREEN PAPER ON OUTCOME ORIENTATION

FSC Principles and Criteria for Forest Stewardship and International Generic Indicators revision

FSC FORESTS FOR ALL FOREVER™

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Objective of document:	This paper explores how to introduce an outcome-oriented approach to forest stewardship and integrate it into forest management certification. It has two sections: the first explains the approach to define a set of global intended outcomes of forest stewardship; and the second suggests how to make the PCI outcome-oriented, linking these outcomes to the content and sustainability topics covered by the PCI
Confidential?	No
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Personal data included?	No

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INTRODUCTION

The FSC Principles and Criteria (P&C) ,<FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship> V(5-3) and the associated International Generic Indicators (IGI) <FSC-STD-60-004 The International Generic Indicators> V(2-1), hereafter referred to as PCI, are under revision. One important topic identified for this revision was outcome orientation. In FSC, this topic originates from the FSC Global Strategy 2021-2026 and its Goal 1.2: Streamline standards and policies towards outcome orientation. In light of this strategic objective, the FSC Secretariat has decided to deploy the concept of outcome orientation into the FSC normative framework through the <FSC-PRO-60-006a V1-0 Structure and Content of Forest Stewardship Standards> and the <FSC-PRO-60-006 V3-0 The Development and Revision of FSC Country Requirements> and the PCI. In this green paper, the FSC Secretariat provides a brief overview of the main aspects of outcome orientation to consider in this revision.

A detailed explanation of outcome orientation in FSC can be found in the dedicated concept note available on the PCI Hub - Outcome Orientation.

First, outcome is defined by the short to medium-term effects resulting from the implementation of activities. Regarding forest stewardship, outcomes should be understood as the effects resulting from forest management activities.

Second, outcome orientation refers to developing and implementing normative requirements that are guided by a few prioritized key intended outcomes, with progress against these outcomes being reported and demonstrated

While this green paper specifically focuses on the PCI revision process, it is important to stress the importance of <FSC-PRO-60-006 Development and Transfer of National Forest Stewardship Standards to the FSC Principles and Criteria> as it specify how exactly outcome orientation can be implemented, including the prioritization of 3 to 5 key intended outcomes when developing a National Forest Stewardship Standards (NFSS). Therefore, the PCI and PRO-60-006 need to be aligned so that the globally defined intended outcomes in the PCI provide a consistent list of intended outcomes that are relevant and can be used during the NFSS development.

This paper explores how to introduce an outcome-oriented approach to forest stewardship and how outcome orientation can be integrated into forest management certification. The paper is organized in two main sections.

The first section explains the approach taken to define a set of global intended outcomes of forest stewardship.

The second section presents suggestions to make the PCI outcome-oriented, building on the first section, and relating to the content and the various sustainability topics covered by the PCI.

1. DEFINING INTENDED OUTCOMES OF FOREST STEWARDSHIP

This section describes what a theory of change is and the importance of adopting this approach to revise the PCI. In the context of the PCI revision, this approach will allow to define a set of global intended outcomes of forest stewardship, and how forest stewardship can contribute to reach FSC's Vision.

1.1 What is a Theory of Change?

Conceptually, a theory of change (ToC) articulates what change an organization intends to make and how to reach that change. It maps the pathway required to bring about the desired long-term outcomes by explaining what the vision of success is (what it is trying to be achieved), what strategies and interventions are used to reach that vision of success, and how to link short- and medium-term outcomes that precede the long-term outcomes. This process may include defining underlying assumptions behind the pathways. These assumptions represent the links between successive steps, or pre-conditions that are necessary to reach the long-term outcomes. The pathways consider what the external factors are, such as political instability for instance, that could affect to achieve or not the goals.

As a process, developing a theory of change provides the opportunity to create a shared vision of how the organization can promote change and reach its goals. As a result, the theory of change provides a description, in text or visual graphic (diagram), of the different causal relationships between the outcomes and goals. This product can be the basis to develop a framework for implementation, where strategies and activities are defined according to the goals, and to develop a monitoring and evaluation system containing indicators, assumptions and hypotheses to monitor progress towards the goals.

1.2 Using a ToC process to define the causal pathway for forest stewardship

The FSC Secretariat is using a theory of change approach to guide the PCI revision process in view of defining the intended outcomes of forest stewardship and their links with FSC's Vision.

The FSC Secretariat suggests using FSC's Vision ("Resilient forests sustain life on earth") as stated in the FSC Global Strategy 2021-2026 (FSC GS). The vision is FSC's ultimate sustainability goal and serves as the starting point to visualize what forest stewardship should look like. While the FSC GS includes additional elements such as FSC mission, 2026 objective and strategic priorities, the FSC Vision was selected because it is concise and captures the long-term outcome that all other elements aim to achieve. However, this Vision statement does not explain how change happens and what "success" looks like in detail. This means how activities, outcomes and impacts connect to lead to the Vision through a causal pathway. The FSC Secretariat started from the FSC's Vision (the desired change) and then mapped backwards the pathways liking the necessary outcomes, or pre-conditions, to reach the intended impacts. The intended impacts are the lasting changes that must be in place to achieve the FSC's Vision. These pre-conditions are the necessary changes or outcomes that must occur before the intended impact. Therefore, the intermediated intended outcome is a pre-condition to reach the main intended outcome, and the main intended outcome a pre-condition to reach the intended impact.

The end product is foreseen to be a diagram, the *causal pathway of forest stewardship,* representing these intended outcomes and their causal links. This causal pathway is foreseen to be related to the broader Theory of Change that is being developed in parallel for the revision of FSC Global Strategy 2027-2032 (see Figure 1).

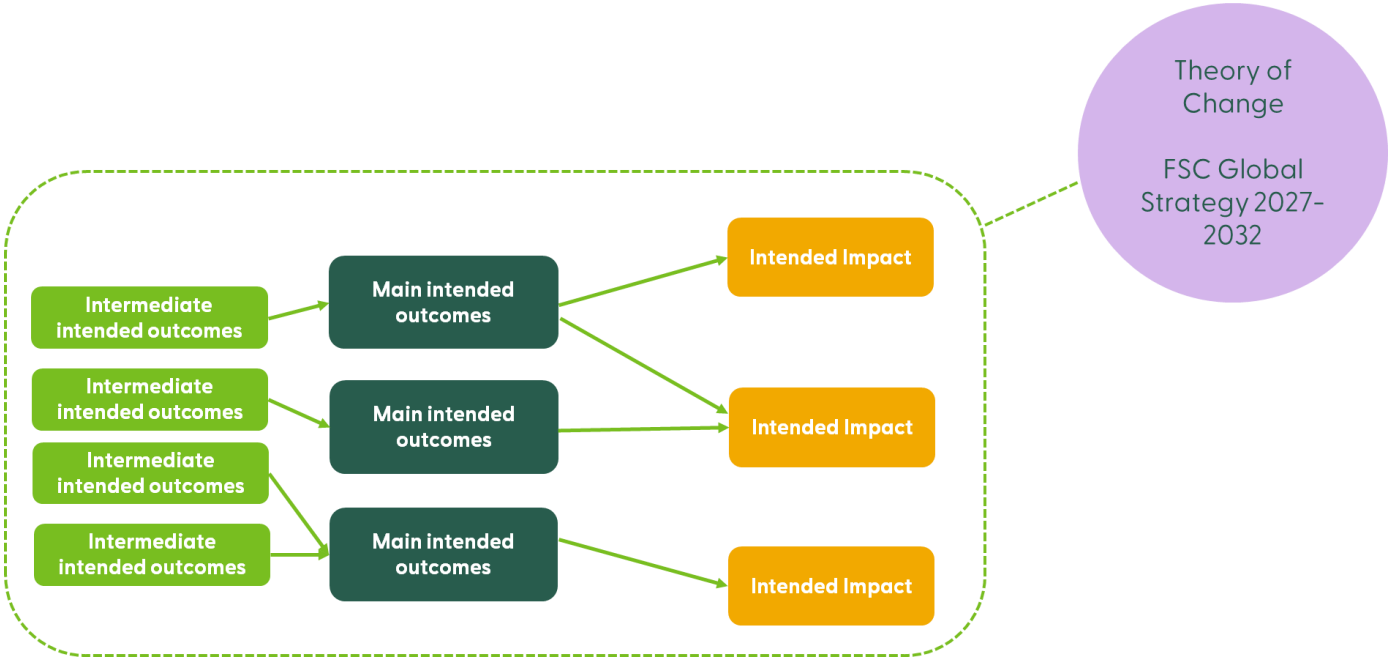


Figure 1 – Description of the causal pathway to define intended outcomes and impacts of forest stewardship and how this causal pathway connects with the theory of change from the FSC Global Strategy 2027-2032.

Using the ToC to support the revision process will help to:

1. Think broadly about what forest stewardship should be and how it contributes to FSC's Vision;
2. enhance collaboration by involving multiple stakeholders to agree on the intended outcomes specific to the PCI; and
3. improve the FSC system by providing a global overarching framework to guide Monitoring and Evaluation activities while enhancing transparency and accountability.

Identifying the pathways to define the intended outcomes of forest stewardship might be particularly useful because it clarifies *how* and *why* certain forest management actions lead to specific desired results or outcomes, in this case how the achievement of intended outcomes contribute to FSC's Vision. Having assumptions about how and why actions lead to specific outcomes allow monitoring and evaluation (M&E) activities to test and improve those assumptions over time. By mapping out these causal relationships, it is possible to reach consensus: (1) on what change FSC aims to achieve (e.g., livelihood improvements); (2) make explicit the logic behind certain practices (e.g., reduced-impact logging) and their contribution to intended outcomes; (3) develop meaningful indicators for tracking progress towards these intended outcomes; and (4) establish a framework for continuous monitoring, learning and evidence-based demonstration of outcomes and impacts.

By using the causal pathway between FSC's Vision through impacts and outcomes it implies, the FSC Secretariat can propose how to structure the PCI so that each requirement is aligned with an outcome. This can be done by developing a diagram illustrating the intended outcomes of forest stewardship and

their causal links with forest management activities. Such diagram can act as the FSC's global framework to guide monitoring and evaluation of FSC forest management certification (for an example of such diagram see the current FSC roadmap to change). Furthermore, linking requirements to outcomes will provide multiple stakeholders with a transparent reference point to make it easier for these stakeholders to converge on a shared vision of what responsible forest stewardship should achieve.

1.3 The intended outcomes and the causal pathway of forest stewardship

1.3.1 FSC's Vision as starting point and intended impacts

To define the intended outcomes of forest stewardship, we start from FSC's Vision - "Resilient forests sustain life on earth." Then we define three intended impacts defined as per the three sustainability dimensions (social, economic and environmental) and capturing FSC's governance structure. These intended impacts are assumed to contribute to achieving the FSC's Vision. These three intended impacts aim to describe the overall goal for each of these dimensions (see Figure 2).

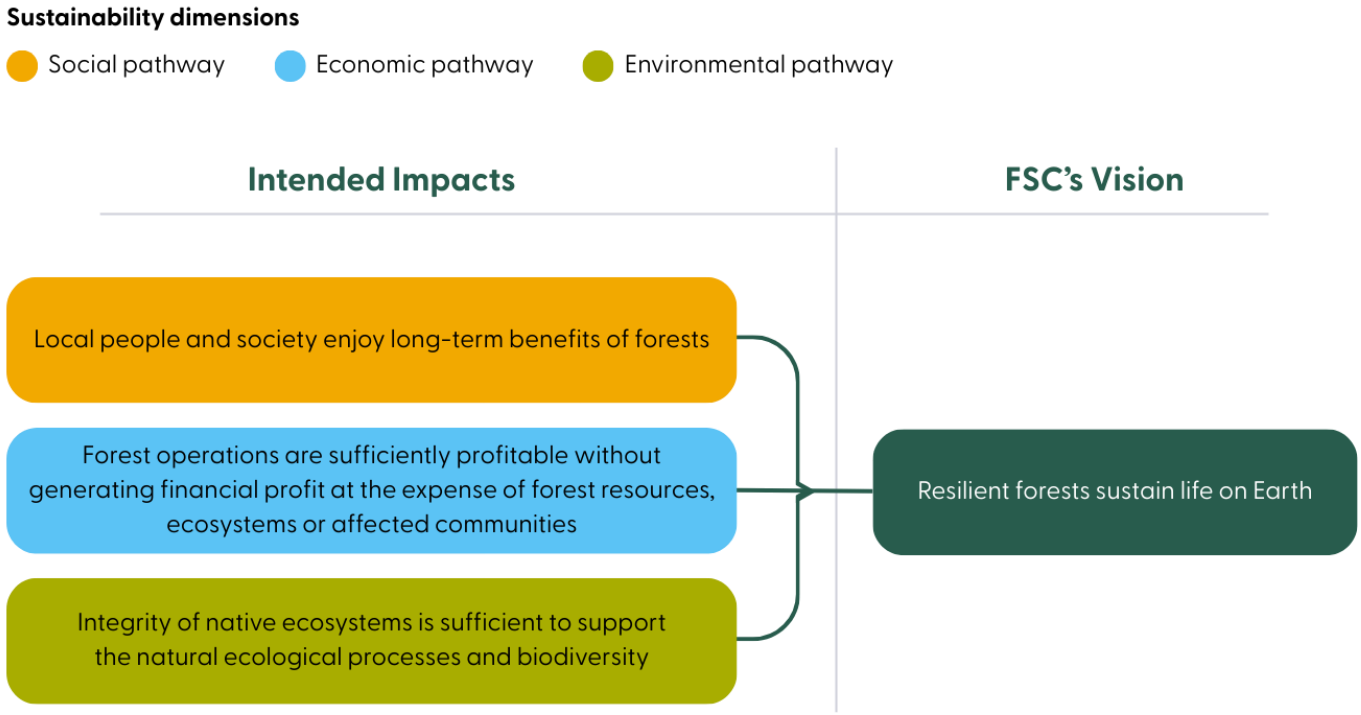


Figure 2 – Diagram illustrating the intended impacts that contribute to reach the FSC's Vision.

The **environmental intended impact** relates to the integrity of forest ecosystems and aim to maintain it similar to that of reference forest ecosystems. The FSC Secretariat proposes to formulate the ultimate environmental impact of forest stewardship with forest integrity because, according to science, forest integrity encompasses all values related to biodiversity, climate, forest health, and all other environmental values that are commonly discussed in society and the FSC system. Also, the FSC Secretariat assumes it to be the closest environmental pre-condition of achieving FSC's Vision.

The **social intended impact** relates to the need that forest management benefits both local people and society at large by providing strong incentives to local people to sustain the forest resources. Such incentives should be integrated into broad national policies that identify the forestry sector as an overall priority for sustainable development. Therefore, it recognizes that resilient forests cannot be sustained without generating positive social value for people who live in, depend on, or are otherwise affected by the forest.

The **economic intended impact** relates to how forest operations being structured and managed. Operations should be sufficiently profitable without generating financial profit at the expense of the forest resources, the ecosystem, or affected communities. This means that forest management includes environmental safeguards and social commitments, avoiding the short-term profit at the expense of long-term forest integrity or community well-being.

These three intended impacts are then used as the basis to define the main intended outcomes, which are necessary pre-conditions to achieve the intended impacts. In this causal chain (see Figure 3), the intermediate intended outcomes represent pre-conditions to achieve the main intended outcomes. These main intended outcomes are in turn expected to contribute to achieve the intended impact related to FSC's mission and finally these intended impacts will lead to the FSC's vision.

In this green paper, the FSC Secretariat propose a set of intended outcomes (sub-sections 1.3.2 Main Intended Outcomes and 1.3.3 Intermediate Intended Outcomes) that together form a global, outcome-oriented definition of forest stewardship. These intended outcomes can guide the formulation and revision of the PCI around outcomes (see section 2 – Making the PCI outcome-oriented). The formulation of the proposed set of intended outcomes is based on multiple inputs: the current FSC roadmap to change, the Joint Review Report of FSC Principles and Criteria, International Generic Indicators and other Forest Management normative documents, FSC Climate and Biodiversity Strategic Framework 2026-2032, FSC's Global Strategy 2021-2026 and engagement with FSC staff and FSC members. This engagement process was led by the Monitoring and Evaluation team of FSC International (M&E) and involved using the P&C V5 as starting point. Then conduct a series of co-development workshops with FSC technical experts to co-develop intended outcomes in topics such as biodiversity, workers' rights, gender, climate, Indigenous Peoples and local communities. Further, the M&E co-developed these intended outcomes with the consultant teams authoring the other green papers part of this PCI consultation phase, who contributed findings from member surveys and key-informant interviews. The formulation of these intended outcomes has also been presented with the FSC membership through a series of webinars as part of the engagement process of the PCI revision.

1.3.2 Main intended outcomes

Main intended outcomes are used to define the intermediate outcomes, which are the first step or set of pre-conditions necessary to reach the main intended outcomes. In the figure 3 it shows the causal pathway of intended outcomes (main intended outcome and intermediate intended outcome) to reach the intended impacts and FSC's Vision. The proposed set of main intended outcomes is articulated in a way to connect the FSC's Vision with the goal of forest stewardship. While the formulation of these main intended outcomes is rooted in the FSC Principles and Criteria (Version 5), their expression here reflects a causal pathway with clear outcomes of forest stewardship. In addition, these main intended outcomes incorporate additional dimensions, such as forest ecological integrity, based on evolving scientific evidence and alignment with global sustainability frameworks (e.g., Global Biodiversity Framework). The main intended outcomes are formulated to express key goals or values related to the forest ecosystem or the social systems connected to it. They represent core elements of broader objectives related to forest stewardship, and therefore, more difficult to monitor and evaluate. Their role is less to allow tracking and confirming progress made, but more to define the general scope in which intermediate intended outcomes are to be

defined. The main intended outcomes provide the overarching goals toward which all intermediate outcomes should contribute.

These are the main intended outcomes of forest stewardship and the rationale of why they are important.

Forestry operations are legally compliant: Illicit harvesting still accounts for up to 30 % of global timber trade, undermining climate and biodiversity goals. This main intended outcome therefore is important to protect certificate holders' market access and reduce illegal harvesting.

The social and economic wellbeing of workers is safeguarded: Forestry remains one of the most dangerous land-based sectors. The ILO's 2023 global review links safer and fairly paid jobs to lower accident rates and higher productivity. Making workers wellbeing a main intended outcome of forest stewardship and aligns FSC with international conventions on human and labour rights, but also with the essential principle of FSC to be "socially beneficial".

Indigenous Peoples's rights are upheld, their knowledge systems, identity, culture and wellbeing in relation to their forests is thriving: The contribution of Indigenous Peoples (IP) to the conservation and sustainable use of biodiversity and forest ecosystems is widely recognized by the international treaties (UN Declaration on the Rights of Indigenous Peoples) and by science (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services - IPBES). Therefore, it is an essential main intended outcome that respects IP rights through Free, Prior, and Informed Consent (FIPC), while engaging IP in forest stewardship. This main intended outcome is still in being drafted in collaboration with the FSC's Permanent Indigenous Peoples Committee (PIPC).

The social and economic wellbeing of local communities is safeguarded: According to Global Forest Goals report 2021 from the Food and Agriculture Organization (FAO), approximately 1.6 billion people worldwide rely on forests for their livelihoods, subsistence, employment, and income. Furthermore, science-based evidence shows that equitable benefit-sharing creates strong incentives for forest conservation, while improving the living conditions of local communities around forestry operations. Securing and improving the wellbeing of local communities through this main intended outcome is therefore one of the pillars of responsible forest stewardship.

Forestry operation is economically viable: According to the Forestry Market Report 2025, global forestry and logging market is projected to reach a substantial size in 2025, reflecting the ongoing demand for wood products. Several factors contribute to the growth of the global forestry and logging market in 2025, including the growing awareness of climate change, which has led to investments in sustainable forest management practices and certified timber production. This outcome aims to support businesses that combine sustained yield harvesting with value-added processing, enabling them to outperform extractive models over time.

Native ecosystem structure and composition resemble that of a reference native ecosystem: Biodiversity and climate benefits flow from forests whose vertical structure, species composition and age mosaic mirror natural conditions, according to scientific evidence. However, only about 40 % of the planet's remaining forests still possess high structural integrity, and integrity loss is now recognized by IPBES and IPCC as a driver of both species decline and carbon emissions[1]. This main intended outcome provides organizations with a universally understood target that captures both biodiversity conservation and climate-regulation goals within a single main intended outcome.

[1] Grantham, H.S., Duncan, A., Evans, T.D. et al. Anthropogenic modification of forests means only 40% of remaining forests have high ecosystem integrity. Nat Commun 11, 5978 (2020). https://doi.org/10.1038/s41467-020-19493-3

Native ecosystem functional processes resemble that of a reference native ecosystem: IPBES's Global Assessment[2] warns that breakdowns in ecological processes (pollination, nutrient cycling, regeneration) accelerate biodiversity loss and impair climate-regulation capacity. By targeting functions - e.g. carbon stocks, natural regeneration rates, water flow (water quantity) – this main intended outcome contributes to measure both biodiversity and climate targets recognized by United Nations Framework Convention on Climate Change and the Convention on Biological Diversity.

Management plans are effectively implemented, regularly updated based on monitoring results, and support adaptive forest management and **Objective evidence from monitoring outcomes is documented and supported by a monitoring system**: these cross-cutting outcomes provide the foundation for adaptive forest management. By integrating objective evidence from monitoring into planning, these outcomes ensure that all other intended outcomes can be continuously improved over time. This feedback loop, in turn, strengthens the environmental, social and economic outcomes of forest stewardship.

[2] IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES secretariat, Bonn, Germany. 1148 pages. https://doi.org/10.5281/zenodo.3831673

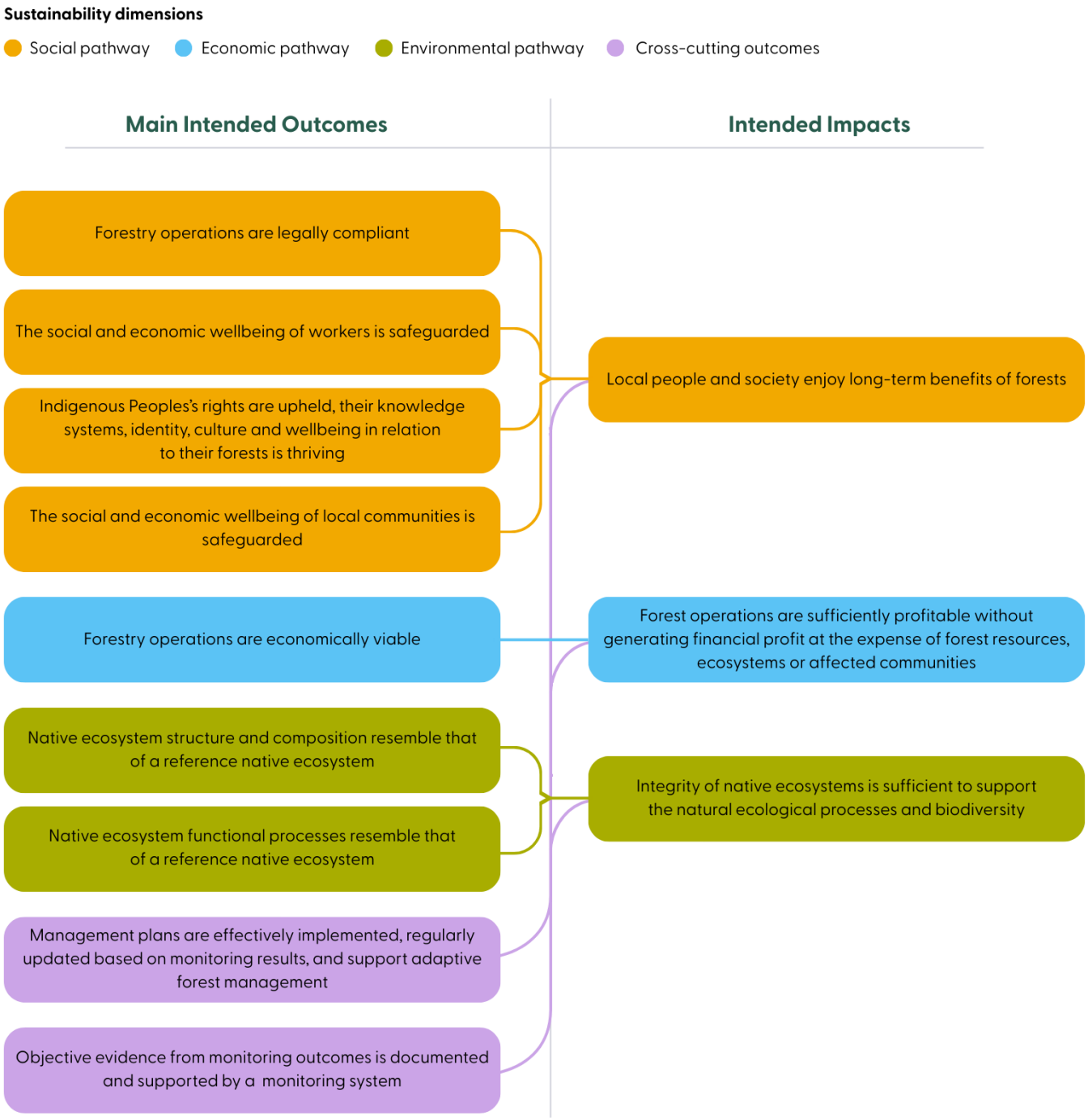


Figure 3 – Causal pathway illustrating the link between a list of main intended outcomes of forest stewardship with intended impacts.

1.3.3 Intermediate intended outcomes

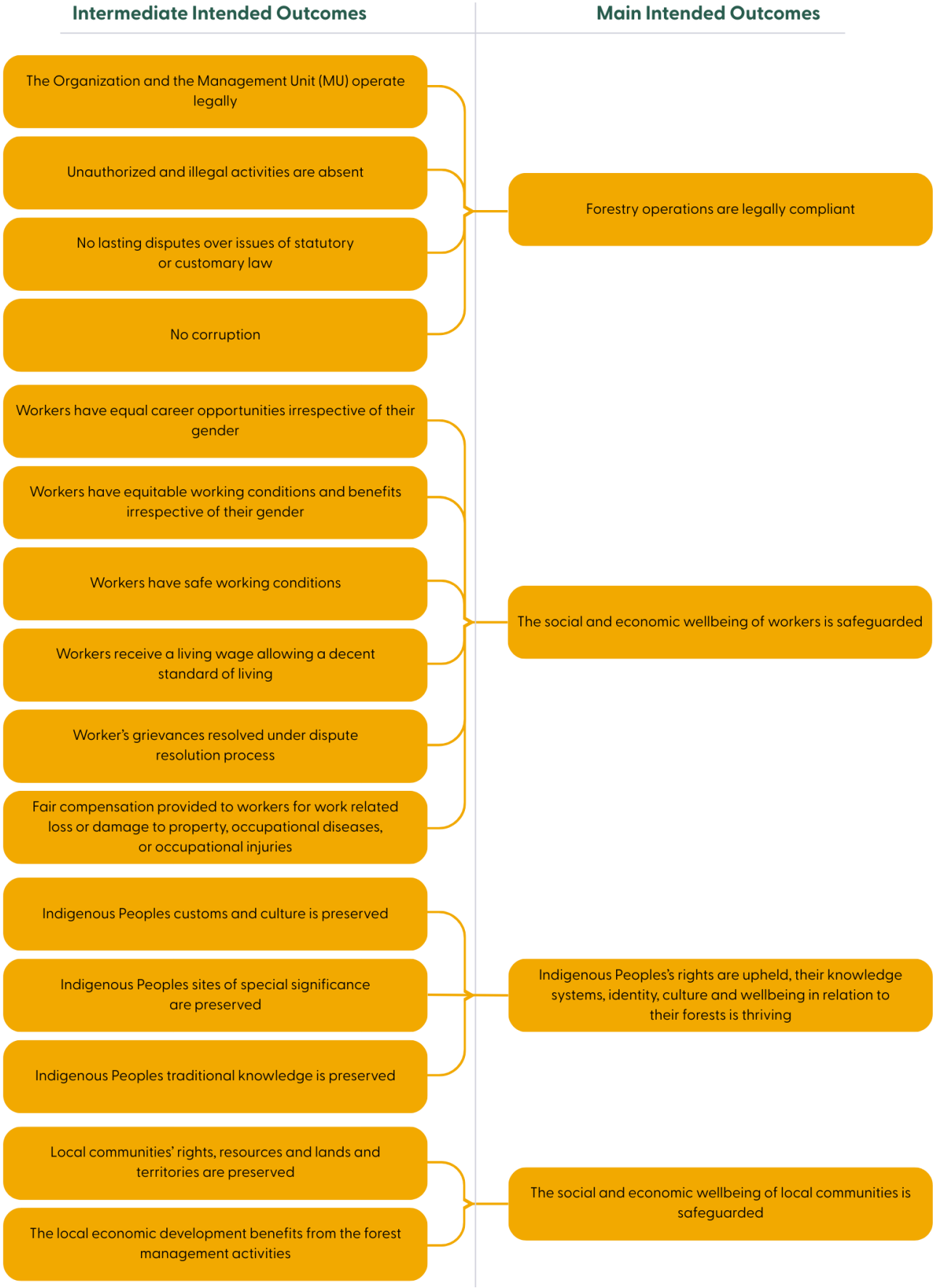
To further specify the pre-conditions or outcomes necessary to reach the main intended outcomes as presented in sub-section 1.3.2 and figure 3, a set of intermediate outcomes is proposed. These are formulated to represent more specific and concrete aspects of forest management. Therefore, they represent the actual or desired result of forest management activities on the state or capacity of the

ecosystem, or the state of the related social system or its components. Each intermediate outcome acts as a necessary pre-condition for achieving one or more main intended outcomes.

Figure 4 below is an example of how intermediate intended outcomes for forest stewardship connects with main intended outcomes.

Sustainability dimensions

Social pathway | Economic pathway | Environmental pathway | Cross-cutting outcomes



Sustainability dimensions

Social pathway · Economic pathway · Environmental pathway · Cross-cutting outcomes

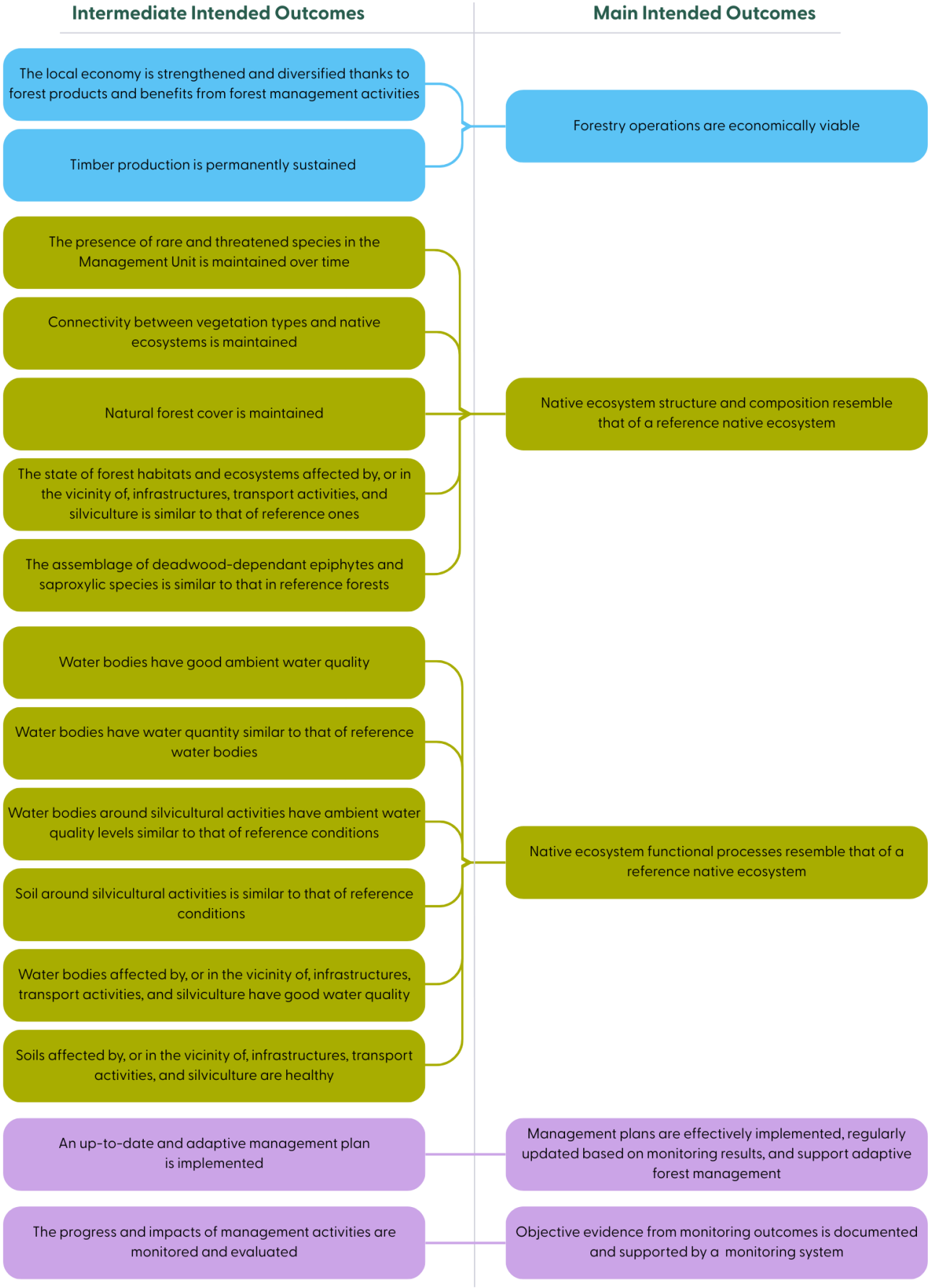


Figure 4 - Causal pathway illustrating the link between a list of intermediated intended outcomes with main intended outcomes of forest stewardship and intended impacts.

The list of intended outcomes provided in the Figures 2 and 3 are not intended to be exhaustive but rather aim to be a starting point to define the intended outcomes of forest stewardship.

2. MAKING THE PCI OUTCOME-ORIENTED

This section aims to explore opportunities and propose options to make the PCI outcome oriented. The suggestions in this section should be understood from a broad perspective where the structure and content of the PCI can be improved using outcome orientation.

2.1 Using intended outcomes to formulate the PCI

Having a list of well formulated and agreed on intended outcomes of forest stewardship offers the possibility to clarify the intent of the PCI.

A first overall suggestion is to use the causal pathway presented in section 1.3 as a starting point to structure the PCI around outcomes. This structure would therefore consist of using the main intended outcomes to define the Principles, and the intermediate outcomes to define the Criteria. The logic would thus be similar to that of the causal pathway in that the Criteria (i.e. intermediate intended outcomes) would act as pre-conditions and contributing to the Principles (i.e. main intended outcomes). Furthermore, it is suggested to use forest management activities to formulate the IGI so that these directly contribute to achieving or progressing towards the intermediate outcomes defined for the criteria.

Informative note

The examples presented in this section are using the currently effective version of the P&C and IGI. Unless otherwise specified, these examples are used to illustrate the opportunities and their alternative options and should not be seen as FSC's proposals for the formulation of future Principles and Criteria.

The main benefits to structure the PCI around outcomes are:

1. Increase the clarity of what FSC certification is expected to achieve
2. Increase relevance of IGI to contribute to expected outcomes
3. Allows alignment with the FSC-PRO-60-006 and FSC-PRO-60-006a.

A second overall suggestion is to simplify the formulation of the Principles and Criteria by using the intended outcomes to formulate them. This can be done by making the sentences short and clearly showing the desired result. In addition, using plain language would also simplify the Principles and Criteria by removing the complexity of technical language. This would make the PCI more readable and easier to understand, therefore, supporting the goal of streamlining standards and making them more user-friendly.

Figure 5 below is an example of how the formulation of the Principles and Criteria can be done using outcomes.

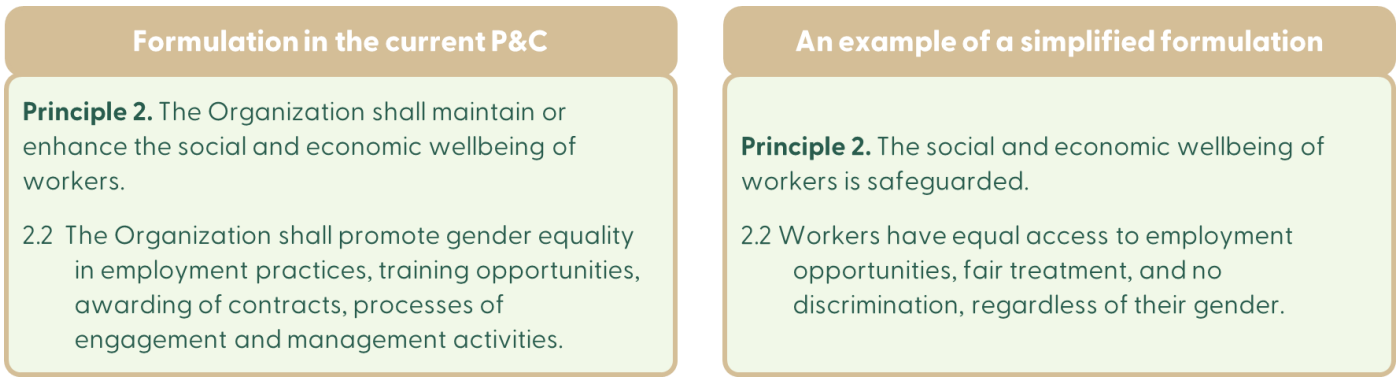


Figure 5 – Example of how to use outcomes to formulate the Principles and Criteria.

There are other certification schemes that have used such an approach to both structure and formulate Principles and Criteria around outcomes. Below are a few examples:

- The Better Cotton Principles and Criteria has "*Principles are the overarching sustainability areas, Criteria are the outcomes that should be aimed for within a Principle, and Indicators are specific requirements under each Criteria against which Producers are assessed for compliance…*"
- The Sustainable Agriculture Framework is composed of 10 broad impact areas, themselves composed of sustainability goals and associated expected outcomes from the implementation of practises, themselves composed of performance indicators that specify actions to be implemented and verified.
- The Aquaculture Stewardship Council farm standards has "*multiple Principles consisting of sets of thematically related Criteria which contribute to the broader outcome defined in the Principle title; each Criterion defines an outcome that contributes to achieving the outcome of the Principle and consists of one or several Indicators that defines an auditable state that contributes to achieving the Criterion outcome."*

This option is recommended because it offers the best solution to simplify the P&C and draw more attention to the desired sustainability results.

2.2 Structuring the PCI around intended outcomes

This section explains the overall proposal of structuring the PCI around intended outcomes developed in the previous section. Having explicit formulation of intended outcomes in the PCI does not necessarily mean that the requirements are consistently and coherently structured according to a given sustainability outcome, or thematic area. The PCI can be designed around intended outcomes at the level of Principles and Criteria. Specifically, the FSC Secretariat is presenting the specific proposals to design the Principles, the Criteria and the International Generic Indicators around intended outcomes.

2.2.1 Designing the Principles

Background

In the currently effective version of the P&C, many of the Principles are formulated around intended outcomes and the Criteria under them are intended to contribute to these outcomes. However, this is not always the case and some Principles are not designed around specific intended outcomes. For example, Principle 9 relates to High Conservation Values for which the 6 categories relate to different sustainability outcomes (e.g. biodiversity, landscapes, ecosystem services, Indigenous Peoples, etc.). Similarly, Principle 10 currently refers to the implementation of management activities which poorly reflects the expected outcomes it should deliver.

Proposal and its implications

The FSC Secretariat suggests structuring the Principles according to their intended outcomes so that each Principle refers to a precise intended outcome.

Restructuring the Principles according to intended outcomes would entail several key changes in the design and logic of the PCI.

This would not result in significant restructuring of the current Principles since most of them are currently structured according to outcomes. For example, the current Principles 2, 3 and 4 are already structured around outcomes.

Following this suggestion, foreseen implications include two main potential changes in the current Principles:

1. Principle 9, which relates to High Conservation Values (HCVs) in general, could be redesigned so that each HCV category would fall under the Principle that relates to the corresponding sustainability outcome. For example:
    a. HCV 1 (Species diversity) could be moved to Principle 6 or any other Principle for which the intended outcome relates to biodiversity conservation.
    b. HCV 4 (Ecosystem Services) could be moved to Principle 5 or any other Principle for which the intended outcome relates to ecosystem services.
    c. HCV 5 (Community needs) and 6 (Cultural values) could be moved to other Principles relating to social intended outcomes.

2. Principle 10 could be reformulated to be included in a principle related to environmental values, as most of its current criteria are related to the prevention of negative impacts and the minimization of disturbance from silvicultural activities on habitat. The principle related to environmental values could be designed around the proposed main intended outcomes of “Native ecosystem structure and composition resemble that of a reference native ecosystem” and “Native ecosystem functional process resemble that of a reference native ecosystem” (see Figure 3, sub-section 1.3.2).

Main benefits of this proposal

1. Making emerging priorities more prominent at the Principle level

This approach would create space to integrate sustainability themes that are currently underrepresented or not clearly visible at the Principle level by embedding them into newly defined outcome-oriented Principles or adjusting the scope of existing Principles. New sustainability priorities can be introduced at

the level of Principles, when they represent fundamental goals of forest stewardship, or at the level of Criteria when they represent more concrete outcomes to be achieved. This contrasts with the current structure, where cross-cutting issues like climate change are often implicitly addressed under multiple Principles or Criteria—limiting their visibility and operational relevance.

2. Coherence across the normative hierarchy – the PCI

Aligning Principles with main intended outcomes enables a cascading structure, where Criteria define intermediate outcomes contributing to each Principle, and indicators serve as measures of performance. This structure ensures vertical alignment between Principles, Criteria, and Indicators through a clear hierarchy of intended outcomes. It reinforces the causal pathway of intended outcomes of forest stewardship by linking practices at the Management Unit to FSC's Vision.

3. Enhance communication

Organizing the Principles by outcome allows FSC to more clearly articulate its contributions to global sustainability goals (e.g., biodiversity, climate, rights), making Forest Management Certification easier to understand for stakeholders, governments, and external partners.

4. Support for monitoring and evaluation activities

An outcome-aligned structure enables better definition of what success looks like, and how progress can be measured—supporting credible impact assessment, adaptive management, and learning.

2.2.2 Designing the Criteria

Background

In the current P&C, the logic behind the formulation of the Criteria within a given Principle is not consistent. For example, in some Criteria under a given Principle, multiple Criteria are supposed to contribute to single outcome, while in some Criteria under another given Principle, each Criterion is supposed to contribute to a single outcome. From an outcome perspective, such inconsistencies would make the implementation of outcome orientation more difficult and complex.

An example of Criteria under a given Principle contributing to a single outcome are the Criteria associated with Principle 9. The Criteria under Principle 9 are formulated according to a chronological sequence in which they build on each other. The sequence forms a kind of small result chain where the first Criteria relate to activities (e.g. identifying and assessing X) and on which the subsequent Criteria that relate more to outcomes (e.g. maintaining X) are built. From an outcome perspective, those sequenced Criteria are dependent on each other, and all are contributing cumulatively to a specific intended outcome. For example, the Criteria under the current Principle 9 contribute to the intended outcome to "maintain and/or enhance the High Conservation Values in the Management Unit" (see Figure 6 below).

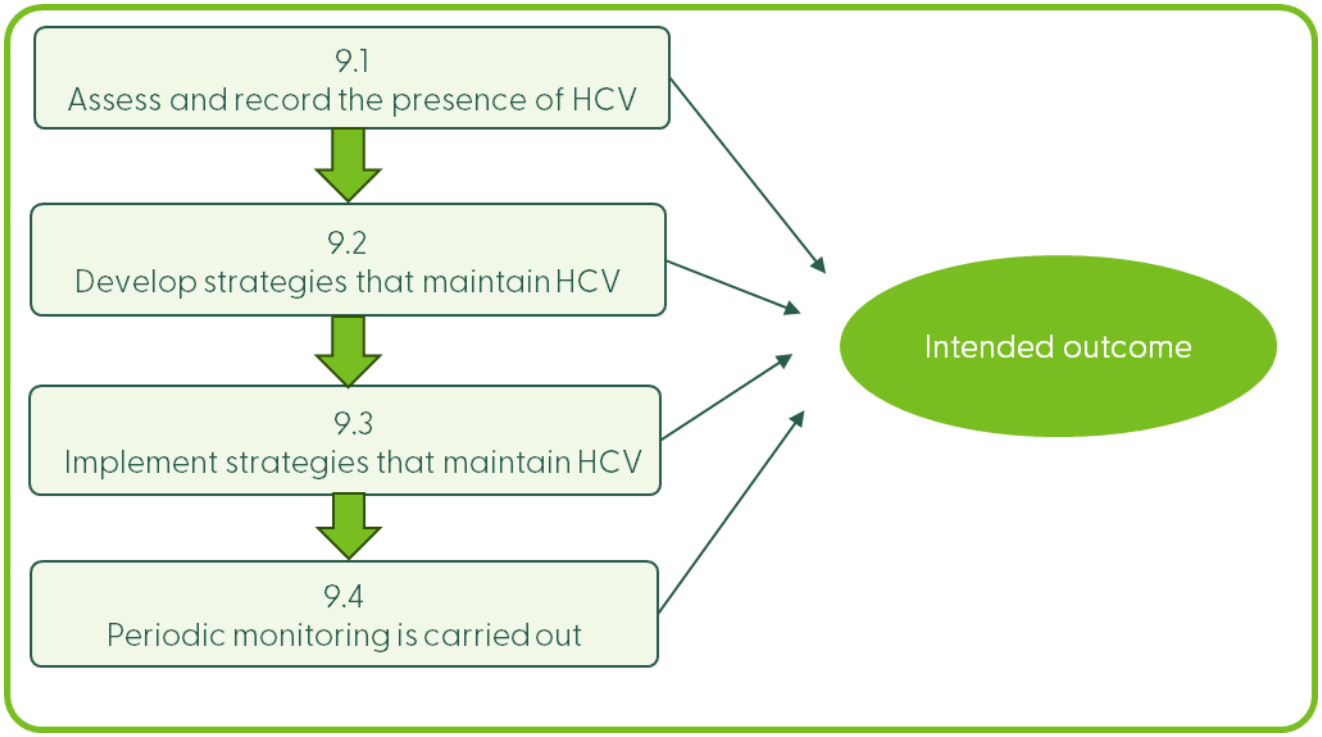


Figure 6 – Example of how the currently criteria under Principle 9 are formulated as sequential steps contributing to the intended outcome of "maintain and/or enhance the High Conservation Values in the Management Unit".

Another example of Criteria under a given Principle contributing to a single outcome is the case of the Criteria associate with Principle 6. The Criteria under Principle 6 are formulated according to different but complementing aspects and scope of the Principle. From an outcome perspective, each of these Criteria can be associated with at least a given intended outcome, altogether representing a set of intended outcomes that contribute to achieving the Principle. For example, the Criteria under the current Principle 6 are formulated as individual aspects supposed to contribute to the intended outcome of "maintain, conserve and/or restore ecosystem services and environmental values of the Management Unit" (see Figure 7 below).

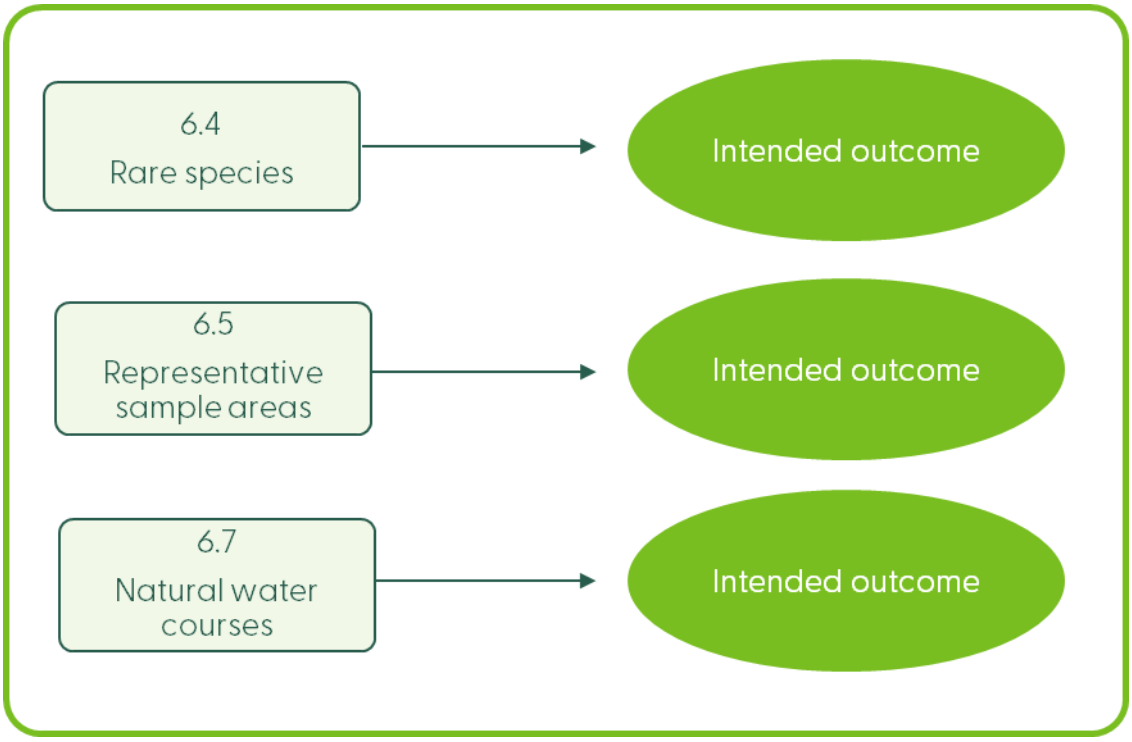


Figure 7 – Example of how the currently criteria under Principle 6 are formulated as individual aspects that complement each other and can be associated with a single intended outcome.

Proposal and its implications

The FSC Secretariat suggests:

1. Keeping the formulation of Criteria focused on intended outcomes or results (e.g., The presence of rare and threatened species is maintained). Conversely, Criteria should not describe forest management activities (e.g., Measures to prevent hunting of rare and threatened species are implemented), which are more appropriately captured in the formulation of IGI. Therefore, forest management activities should be used in the formulation of IGI (see below), as they provide measurable means to assess how forest management contributes to the intended outcomes.

2. Formulating Criteria as intended outcome that clearly contribute to achieving the intended outcome set for the Principle (i.e. main intended outcome).

3. Keeping consistency and clarity by assigning only one intended outcome to a Criterion. This would allow to streamline the formulation of Criteria, so that each Criterion relate to a single intended outcome. This will simplify, increase the clarity and focus on the scope of each Criteria which should in turn facilitate the subsequent implementation and evaluation of requirements.

Informative note:

During the revision of the <FSC-PRO-60-002a FSC National Risk Assessment Framework>, which became the <FSC-PRO-60-006b Risk Assessment Framework>, a similar process has been effectively conducted.

The <FSC-PRO-60-002a FSC National Risk Assessment Framework> had 32 indicators and **each single indicator included multiple aspects of a specific risk category**. With the revision process of the <FSC-PRO-60-002a FSC National Risk Assessment Framework>, **each single indicator included one single aspect of a specific risk category**, resulting in a total of 64 indicators in the <FSC-PRO-60-006b Risk Assessment Framework>. (See the cross-walk document). Although, the number of indicators increased for this procedure, this resulted in the benefit of increase the clarity around what exactly each indicator assess.

This proposal is recommended because it would increase the clarity of the scope of the requirement and ensure an easy prioritization of the key intended outcomes for a given Forest Stewardship Standard as per the FSC-PRO-60-006a.

Main benefits of this proposal

1. Increase consistency of the formulation across Criteria.
2. Increase coherency between Criteria and Principles.
3. Increase clarity and focus of the scope of each Criterion.
4. Facilitate the implementation of outcome-oriented Forest Stewardship Standards.

2.2.3 Designing the IGI

Background

FSC's current certification and auditing as per the standard <FSC-STD-20-007 Specific Requirements for Certification Bodies - Forest Management V(4-1)> for sustainable forest management were not originally designed to quantify and monitor field performance of forest management using metrics. This is the case for the formulation of the current IGI. These indicators are practice-based, that means, they are used by certification bodies to evaluate conformity with the requirements by using a binary method (yes/no) by checking if specific practices are implemented or not, and if certified Organizations or applicants are in conformity or not. As a result, at the Management Unit (MU) level, it is difficult to assess exactly which management practices lead to specific outcomes or performance results in a quantifiable way.

On the other hand, the monitoring indicators allowing the monitoring of key intended outcomes of Forest Stewardship Standards (FSS) would consist primarily of quantifying progress towards the key intended outcomes (See the info box below). FSC suggests that FSS feature 3-5 key intended outcomes and associated monitoring requirements as per the revision of FSC-PRO-60-006 taking place at the time of writing of this green paper.

Proposal and its implications

The FSC Secretariat suggests keeping IGI as binary (yes/no), field usable verifiers – the **certification requirements**, and at the same time, specify the forest management **activities** that clearly contribute to achieve the intended outcomes (see the box below for an example of IGI based on forest activities contributing to a specific intended outcome).

Example of IGI based on forest activities contributing to a specific intended outcome

Current wording

Criterion 2.3. The Organization* shall implement health and safety practices to protect workers* from occupational safety and health hazards. These practices shall, proportionate to scale, intensity and risk* of management activities, meet or exceed the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work. (C4.2 P&C V4)

Intended outcome

Workers have safe working conditions

Example of activity-IGI that does not contribute to the outcome:

> **2.3.4** Records are kept on health and safety practices including accident rates and lost time to accidents.
>
> Why it does not contribute to the intended outcome: Record-keeping supports assurance and learning, but even perfect records don't change exposure or behavior unless they trigger protective actions.

Example of activity-IGI that does contribute to the outcome:

> **2.3.3** Use of personal protective equipment is enforced.

Why it contributes to the intended outcome: If enforcement is effective, exposure to hazards (e.g., chainsaw injuries, chemical splashes, noise) drops immediately—this action causally reduces probability and severity of harm.

At the same time, the monitoring indicators allowing the monitoring of key intended outcomes of Forest Stewardship Standards (FSS) would consist primarily of quantifying progress towards the key intended

outcomes (See the box below for an example of monitoring indicator allowing quantify progress towards intended outcomes).

Example of monitoring indicator

Monitoring indicator definition

A **monitoring indicator** refers to a quantitative or qualitative factor or variable that provides a simple and reliable means to measure the performance against the key intended outcomes, including positive or negative trends (e.g., soil productivity). An indicator can be measured through one or multiple metrics.

Principle 2: Workers rights and employment conditions

The Organization shall maintain or enhance the social and economic wellbeing of workers*.*

Intended outcome: *The social and economic wellbeing of workers is safeguarded.*

Criterion 2.3 *The Organization* shall implement health and safety practices to protect workers* from occupational safety and health hazards. These practices shall, proportionate to scale, intensity and risk* of management activities, meet or exceed the recommendations of the ILO Code of Practice on Safety and Health in Forestry Work.*

Intended outcome: *Workers have safe working conditions*.

Monitoring indicator: *Number of working days lost because of work-related accidents.*

Main benefits of this proposal

1. Keep the consistency with how the current IGI work.

2. Focus on IGI that are clearly contributing to outcomes.

3. Ensures an optimum balance between the cost of implementation (assuming that having IGI specifying activities provide the most cost-effective way to define certification requirements and allow conformity evaluations) and the need to measure progress towards outcomes, as per <FSC-PRO-60-006a V1-0 Structure and Content of Forest Stewardship Standards>.

Overall, the suggestions presented before can be synthesized as the Principles representing the main intended outcomes of forest stewardship, and the Criteria representing more concretely the elements of the main intended outcomes to be monitored. This structure ensures that forest stewardship is both

globally consistent and locally relevant, with a strong emphasis on monitoring and continuous improvement. See the figure 8 below for a graphical illustration of this structure.

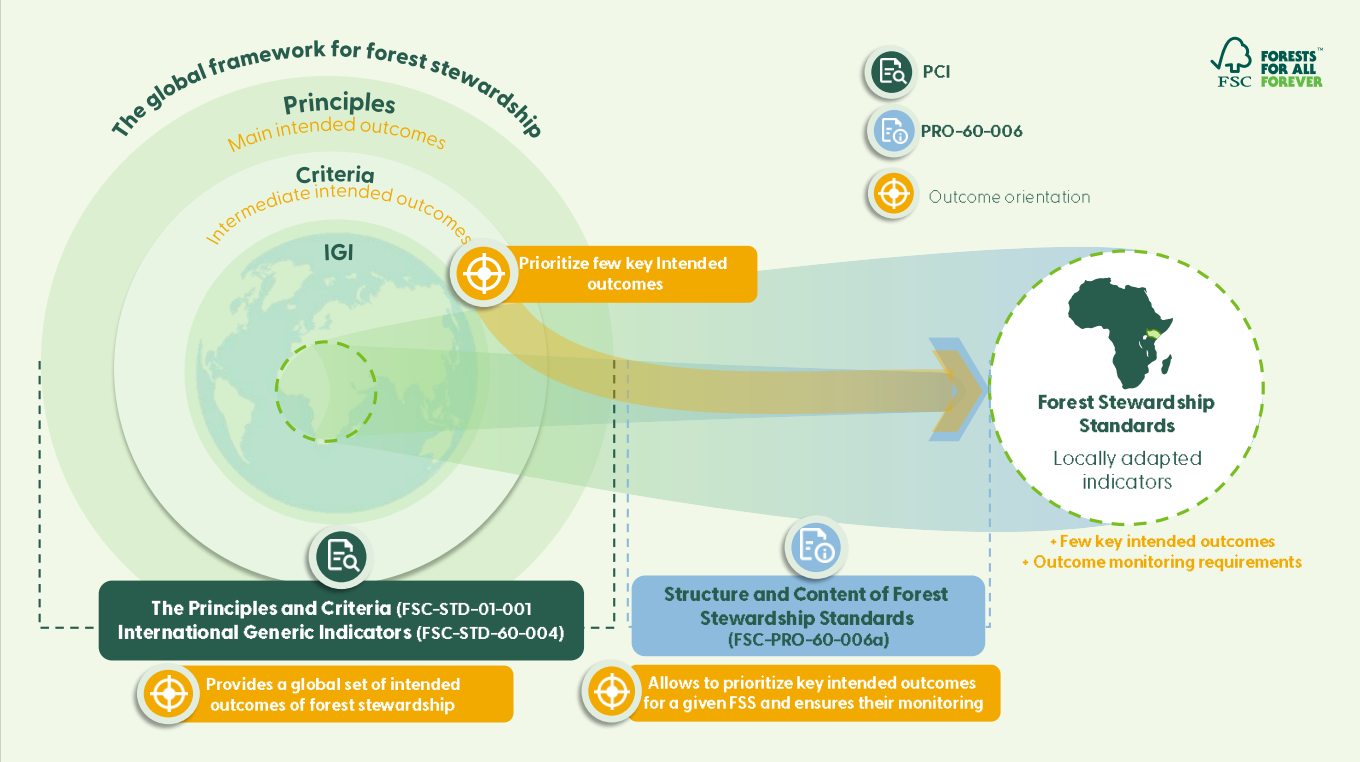


Figure 8 – Visual description of the overall deployment of outcome orientation in the PCI, the FSC-PRO-60-006a, and the Forest Stewardship Standards.

2.3 Redesigning the Principle 8

Principle 8 focuses on monitoring activities, and the impacts of these to support learning and adaptive management by certificate holders. However, current evidence from the Fast-Tracking Biodiversity project shows two important limitations of how this Principle is being implemented.

Firstly, the monitoring activities conducted by certificate holders are rarely done in a way that allow quantifying the effects or results of specific forest management activities. And while this might not be necessary in all instances, it shows that adaptive forest management cannot rely strongly on data and insights derived from sound scientific approaches and quantified outcomes over time.

Secondly, monitoring activities conducted by certificate holders, as currently prescribed by the Principle 8, are not performed in a consistent way across countries and across certificate holders. The diversity of approaches used for collecting data about those monitoring activities represents a major limitation to compile data across certificate holders and countries, and therefore, these data cannot be used for learning and evaluating the effects of FSC certification. Therefore, there is a clear opportunity to improve the approach to monitor and quantify the effects of forest management activities as part of forest management certification to ensure actionable insights and evidence of outcomes are gathered.

Proposal and its implications

The FSC Secretariat suggests to use Principle 8 for embedding the monitoring indicators related to the 3-5 key intended outcomes that will be prioritized by standard developers when revising the FSS according to the PRO-60-006a for a given country. Under this suggestion, the principle 8 would keep, as currently, a list of generic indicators to monitor activities to support adaptive management, but it would also include the list of monitoring indicators associated with the key intended outcomes prioritized under the PRO-60-006a, to monitor progress against the key intended outcomes.

Below is an example of how this suggestion would be reflected in the formulation of the PCI using Criterion 8.2 as an example.

Example of how the Principle 8 can include monitoring indicators

Current formulation in the P&C

Criterion 8.2

The Organization shall monitor and evaluate the environmental and social impacts of the activities carried out in the Management Unit*, and changes in its environmental condition. (C8.2 P&C V4)*

8.2.1 The social and environmental impacts of management activities are monitored consistent with Annex G.

8.2.2 Changes in environmental conditions are monitored consistent with Annex G.

Formulation according with the suggestion

Criterion 8.2

The Organization shall monitor and evaluate the environmental and social impacts of the activities carried out in the Management Unit*, and changes in its environmental condition. (C8.2 P&C V4)*

8.2.1 The social and environmental impacts of management activities are monitored consistent with Annex G.

8.2.2 Changes in environmental conditions are monitored consistent with Annex G.

8.2.3 Monitoring indicators are applied to assess the progress towards the prioritized key intended outcomes

Main benefits of this proposal

1. Bridge the gap between adaptive management and intended outcomes of forest stewardship, by ensuring that progress against intended outcomes is monitored using scientific approaches to allow adaptive forest management based on insights and data. Adding monitoring indicators in Principle 8 will ensure it continues to support local adaptive management, while also allowing aggregate information consistently across certificate holders and countries. This in turn will allow for deriving insights and learnings to improve the FSC system and track progress towards the intended outcomes of forest stewardship.

2. Ensure that all requirements related to monitoring activities of key intended outcomes are found under the same Principle 8.

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