



DISCUSSION PAPER Prepared for Public Consultation

FSC Canada Thematic Review of the Draft FSC International Generic Indicators (IGI)

April 12, 2013

This Discussion Paper provides a preliminary review of the Draft 1 IGIs. We are sharing it with stakeholders and invite your feedback as to whether you support or do not support our review. Comments collected will be considered and a second draft will be compiled and presented to FSC IC prior to the April 30 '13, consultation period deadline.

PLEASE SUBMIT COMMENTS BY APRIL 23RD. THANK YOU!

DISCLAIMER: This discussion paper has not been fully vetted by the FSC Canada Board of Directors and may not represent all chamber views.

PART 1. SUMMARY

As part of the first public consultation period of the FSC International Generic Indicators (IGI) process, FSC Canada and FSC US Standards Committees met in mid-March to discuss the IGIs. This document is an effort by FSC Canada, with collaboration from FSC US, to assess the first draft of the IGIs in relation to their potential impacts on FSC in North America. In Draft 2 of the Thematic Review Paper, efforts will be made to coordinate a regional response from FSC Canada and FSC US that will be submitted to FSC IC by April 30, 2013, for consideration.

The IGIs are meant to serve two distinct functions: one as a baseline for all National Standards; the other as a replacement for interim standards in those countries and regions that do not have National Standards. FSC Canada has initiated a forest management (FM) standards revision process and will engage stakeholders in revising and aligning the regional (FM) Standards (National Boreal Standard (2004), Maritimes Standard (2008), BC Standard (2005) and Great Lakes-St. Lawrence draft Standard (2010)) with FSC revised Principles and Criteria. The revision of regional FM Standards will

build on previous work while providing opportunities for focused regional and national discussions. The FM Standards revision process will align with the revised international P&Cs and FSC international generic indicators (IGIs) that are currently being drafted. Go to <https://ca.fsc.org/regional-fm-standard-revision.246.htm> for more information.

The term “baseline” comes from materials issued by FSC IC related to the transfer process for national standards. It is important to recognize that under the current plan, IGIs are to be used as a minimum set of requirements, or a floor, for all forest management standards. The current materials developed by FSC IC state that National Offices have the capacity to add requirements to those expressed in the IGIs, but generally will not have the capacity to omit IGIs or the required elements contained in the IGIs.

The IGIs provide a strategic opportunity for FSC to set a high yet tangible bar that could transform forest management globally. As a network we should aim to create standards that are attainable and meaningful and Draft 1 IGIs provide a good starting place for discussions. FSC Canada has conducted an initial comparison of regional standards and crosswalk document that compares existing FSC Canada Standards to Draft 1 IGIs. In conducting this initial assessment via the Crosswalk, themes emerged both in terms of the structure and the content of the IGIs. This document captures themes and presents perceived challenges associated with the IGIs, with examples drawn from the set of draft IGIs. We also offer potential solutions for resolving the issues we have identified. An additional objective of this document is to foster comments and critique in order for FSC to better understand stakeholder perspectives associated with the draft IGIs.

Structural Themes related to IGI structure, include:

- Total number of IGIs
- IGIs that don't represent an explicit element of a Criterion
- SIR (Scale, Intensity and Risk) and applicability to all ownership types
- Additional requirements around assessments and plans
- Redundancy with regulatory foundations
- Research Requirements (atmosphere, decay rates, soil biota)
- Redundancy within the IGIs
- Use of lists
- Administrative requirements with no clear on-the-ground outcomes

Content Themes include:

- Stakeholder engagement and the definition of local communities, community rights, and affected and interested stakeholders
- Expanded Scope of Free, Prior, and Informed Consent (FPIC) IGIs, and the application of FPIC guidance
- External expertise requirements

- Ecological Targets
- Jurisdiction (hunting, fishing, on public lands)
- Loss of restoration requirements
- ILO references and requirements
- Employee/contractor relationships
- Ambiguous or unattainable social requirements

Many of the themes are related and we do not intend for these to be mutually exclusive. For example, the *Total Number of IGIs* theme is clearly related to themes associated with redundancy, research requirements, etc.

1.1 The National Standard Transfer Process – the Role of IGIs.

The document that has been developed by FSC-IC to guide National Offices when adopting or adapting the IGIs in National Standards is an informal and non-normative document titled “*Briefing Paper IGI – Transfer Process January 2013*” (available at the FSC IGI website: <http://igi.fsc.org/background-information-papers.21.htm>). Currently it is unclear what flexibility the IGI process will afford National Offices when revising their national or regional standards. The briefing paper states that National Offices have the capacity to adopt or adapt IGIs, but not to omit them, even where there may be agreement that a particular IGI is not relevant given local conditions.

FSC Canada recommends that the Briefing Paper be developed into a formal normative procedure that clearly describes requirements and options for the transfer of IGIs by National Standards developers. Within the process of developing the Briefing Paper, National Offices and stakeholders would have the opportunity to submit comments.

PART 2. STRUCTURAL THEMES – EXPLANATION AND EXAMPLES

2.1 Total Number of IGIs

Issue: In Draft 1 of the IGIs, there are 340 indicators. In Canada, the FSC Boreal Regional FM Standard has 210 indicators, the FSC BC FM Standard has XX indicators and the FSC Maritimes FM Standard has XX indicators. In the FSC US FM standard there are between 181-191 indicators, depending on the region within the US, and the FSC UK standard only has 84 indicators.

Indicators contained in FSC Forest Management (FM) standards should be locally relevant and attainable. Some Draft 1 IGIs have limited local relevance (even though they are relevant for other global contexts) and are expected to increase the burden of certification in North America while having little relevance to on-the-ground forest management. National Offices need to have the authority to define their own indicators, but if the burden of the IGIs is too pervasive and onerous, elements that are important to National Offices will not be set, and/or what will result is a standard that is overly bureaucratic and impractical.

Note: FSC Canada recognizes the benefit of having one indicator related to one activity and supports that more specific audit findings and corrective actions will result.

Impacts: Potential for reduced local relevance, unnecessary complexity, redundancy, increased costs of certification due to increased administrative requirements and auditing costs and ultimately, attrition/loss of certificate holders.

Examples:

- Criterion 2.2 (8 indicators). *The Organization shall promote gender equality in employment practices, training opportunities, awarding of contracts, processes of engagement and management activities.*
- Criterion 6.5 (11 indicators). *The organization shall identify and protect representative sample areas of native ecosystems and/or restore them to more natural conditions. Where representative samples do not exist, the organization shall restore a proportion of the management unit to more natural conditions [...].*

Recommendation: While we do not have a target of what is an appropriate number of IGIs, the Draft 1 IGIs feels unwieldy and need to be pared down. Each indicator needs to be justified and the sum total of the IGIs and their respective requirements need to be considered in terms of whether this is a reasonable and meaningful threshold we are asking of certificate holders.

2.2 IGIs that do not represent an Explicit Element of a Criterion

Issue: The FSC membership approved the Principles and Criteria (P&C), and within each criterion, elements are identified that are then expanded into indicators. If the IGIs are to function as a core baseline, then that core should be limited to the elements contained in the P&C. We note that there is discussion to include indicators with elements that are not an explicit part of the criterion and understand that the

explanatory notes are a resource document in the IGI process. The number of IGIs that are outside the scope of the criterion is an area of concern and further discussion.

Impacts: Requirements that were not agreed to by membership, nor by local standards development groups; loss of local relevance; increased academic and administrative burden and associated costs.

Examples:

- Criterion 7.3: *The management plan shall include verifiable targets by which progress towards each of the prescribed management objectives can be assessed.*
 - Indicator 7.3.3 *Affected stakeholders are engaged in the establishment and revision of targets for monitoring*
- Criterion 4.2: *The Organization* shall* recognize and uphold* the legal* and customary rights* of local communities* to maintain control over management activities within or related to the Management Unit* to the extent necessary to protect their rights, resources, lands and territories*. Delegation by local communities* of control over management activities to third parties requires Free, Prior and Informed Consent*.*
 - Indicator 4.2.5 *Local communities are permitted to access and/or transit through the Management Unit* where this does not cause non-compliance with this standard and the management objectives*.*

Recommendation: Limit the IGIs to core elements of the Criteria, except in those cases where issues were raised during the revision of the P&C (e.g., restoration requirements) and were noted in the Explanatory Notes.

2.3 SIR and Applicability to All Ownership Types

Issue: There is recognition that some IGIs will need to be modified to address the *Scale, Intensity, and Risk (SIR)* of management, but not all IGIs that require SIR consideration have been identified. Currently, there are IGIs that are written with an apparent applicability only to very large entities, or to public land tenure agreements.

Impacts: Many IGIs have little relevance to small or medium ownerships, or privately owned lands.

Examples:

- 4.1.3 *A Community Engagement Strategy is developed and implemented that includes:*
 - a. *determining the representatives & contact points (in each local community) for the various activities in which their engagement* is required, including where appropriate, local institutions, organizations and authorities;*
 - b. *establishing a mutually agreed, culturally appropriate communication channel with each local community, allowing for information to flow in both directions;*
 - c. *ensuring that all groups are equally represented and included;*
 - d. *using the agreed channels to communicate all related information;*

- e. *recording all meetings, all points discussed and all agreements reached;*
 - f. *approving the content of meeting records;*
 - g. *sharing the results of all engagement* activities with the community to gain their formal approval of the content and intended use before proceeding.*
- See also 4.2.7
 - 5.4.3 *Where local services, processing and value-added facilities are not available, reasonable* attempts are made to establish these services.*
 - 5.1.1 *The range of products, resources and ecosystem services* and their possible benefits for the local economy are identified, assisted through engagement* with legal* rights holders, customary rights holders, affected stakeholders* and interested stakeholders*.*

Recommendation: Further discussion is required to determine effective ways SIR will be addressed. Ensure that SIR is highlighted and integrated into IGIs in all cases where modification is needed.

2.4 Redundancy with Regulatory Foundation

Issue: Many IGIs appear to be written for regions with weak governance. They do not take into consideration the existence of legal structures that address the goals of the criteria, or the presence of government agencies that provide good mechanisms for verification of compliance with laws.

One example of this relates to Criteria 1.7 and corruption. In this case there are functional regulatory systems and rule-of-law per World Bank indices, with the example that Canada is ranked as having low corruption by Transparency International Corruptions Perception Index, and thus could be exempt from this criterion.

Impacts: Increased audit requirements with low return value.

Examples:

- 1.1.2 *Legal registration* is granted by a legally competent* entity according to legally prescribed processes.*
- 2.1.7 *There is no forced or compulsory labor, within the Management Unit* nor in any other operation under the control of The Organization*.*
- 4.1.5 *Culturally acceptable ways for identifying, agreeing to and documenting the rights and obligations of local communities* are used where there is no written text or records to support these claims to rights.*

Recommendation: As guided by clear normative requirements, allow countries with strong and functional regulatory structures to omit selected criterion and/or indicators that are covered by legal frameworks that meet an acceptable threshold. The requirements for omission would be described in the normative Transfer Briefing Paper as discussed in Section 1, above, and might include the preparation of evidence packages that justify the rationale for omission.

2.5 Research and Data Collection

Issue: There is a significant increase in the number of assessments required by the certificate holder and in some cases these assessments are not practical and do not directly benefit improved forest management or monitoring actions.

Impacts: Unreasonable expectations for land managers and requirements that have little impact on influencing forest stewardship; standards that are dissociated with recognizing exceptional forest management.

Examples:

- 6.1.4 Assessment of ecosystem functions* identifies natural processes including decomposition, production, nutrient cycling, fluxes of nutrients and energy, carbon sequestration and storage.
- 6.1.8 Assessment of soil resource values identifies, at a minimum: [...] b) Key soil biota.
- 6.1.9 Assessment of atmosphere values identifies, at a minimum, the role of the forest* in regulating climatic conditions and air quality.

Recommendation: IGI's requiring assessments should be identified and the FSC IGI Working and Technical Groups should assess 1. the merit for having an assessment for each identified indicator; and 2. the accumulative resource requirements (cost and human) needed to fulfill the indicator. It should then be assessed whether the collective indicators related to assessments exceed a reasonable level of effort and/or if all assessments are justified. A recommended list of suggested assessments to be eliminated, if any, would result.

2.6 Redundancy Within the IGIs

Issue: Many IGIs contain similar and overlapping requirements that are found across principles (monitoring, training and engagement requirements have many trans-principle indicators), and should be addressed in a single IGI.

In addition, while FSC Canada recognizes the benefit of having one indicator relate to one activity and understands that more specific audit findings will result in many cases, having multiple related indicators creates a heavy and difficult standard.

Impacts: Increased number of IGIs leads to increased complexity of the standard and potentially increased audit costs with limited on-the-ground benefits.

Examples:

- 1.3.5 Activities covered by the Management Plan* and operational plans are designed to comply with all applicable laws*.
 - This IGI specifically notes that plans are designed to be legal. This is redundant with other requirement stating that the activities are, in fact, legal.
- 10.8.3 Any use of biological control agents* is recorded. **and** 10.8.4 Any use of biological control agents* is monitored to identify potential impacts to social and environmental values*.

- Should be merged to read “recorded and monitored”

Recommendation: Eliminate redundancy between indicators.

2.7 Use of Lists

Issue: Some IGIs contain lengthy and detailed lists that are intended to identify minimum requirements. These mandatory elements do not necessarily apply to all regional contexts or across ownership types and sizes. In addition, some lists exceed the elements identified in the criteria. Where a list is necessary, only core elements should be included and any remaining elements should be generated through National Standards development processes so that the standard remains pertinent and applicable at the local level.

Impacts: Requirements that are not appropriate to local contexts; scope creep of indicators that go beyond the elements identified in the criterion.

Examples:

- 10.9.1 *Natural hazards are identified including, at a minimum: a. droughts; b. floods; c. fires; d. landslides; e. storms; f. avalanches; g. earthquakes; h. volcanic activity; and i. tsunamis.*
- 6.1.7. *The range of naturally occurring species and their distribution are identified. Naturally occurring species include, at a minimum: a) Fish; b) Mammals; c) Amphibians and reptiles; d) Birds; e) Flora, including rare plant communities; f) Fungi; and g) Insects.*

Recommendation: Lists should only reference core elements (directly related to the criterion) and any remaining elements should be generated by National Standards development groups so that the standard remains pertinent and applicable at the local level.

2.8 Administrative Requirements with no On-the-Ground Outcomes

Issue: Some IGIs related to administrative requirements appear to have limited value for affecting on-the-ground improvements in certain local contexts. We do understand that some of these may be exceedingly important in some areas of the world and this is the challenge of developing globally applicable indicators.

Impacts: This leads to an unnecessarily complex and less locally functional standard.

Examples:

- 2.1.1 *Copies of the eight ILO Core Labour Conventions are maintained.*
- 1.7.1. *An anti-corruption policy that meets or exceeds existing anti-corruption legislation is developed and implemented, including a commitment not to offer or receive bribes in money or any other form of corruption.*

Recommendation: Limit IGIs to those that have applicability and do not just add administrative burden. For example, the goal of Criterion 2.1 is to ensure that rights of work as defined in the ILO Conventions are upheld. One possible approach would be

that national developed indicators identify the local laws that address conditions and not the ILO Conventions themselves.

Or if a wider suite of indicators remains, it becomes imperative that FSC develop a normative procedure that describes requirements for the omission of irrelevant indicators.

PART 3. CONTENT THEMES – EXPLANATION AND EXAMPLES

3.1 Stakeholder Engagement and the Definition of Local Communities, Community Rights, and Affected and Interested Stakeholders

Issue: There is a substantial increase in the number of IGIs requiring engagement with various target groups, and an increase in the engagement requirements where they already exist. Some areas of engagement are explicit in the Criteria and can be accommodated. However, many IGIs expand the range of stakeholders the organization is required to engage with (e.g., local communities, affected communities, stakeholders, Indigenous Peoples, legal rights holders, customary rights holders, workers and contractors) and the topics associated with engagement.

In part, the issue relates to clarifying and constraining definitions. In North America there is concern with the term '*local communities*', as each FMU could potentially include a large number of communities. Similarly, the relatively unbounded term '*interested stakeholder*', could also require an ambiguous level of engagement. These two terms need to be more clearly defined and constrained in their application.

There are also concerns that the IGIs associated with the proposed *Community Engagement Strategy* are too prescriptive and do not allow for necessary local considerations.

There is uncertainty and concern in how FPIC guidance will be applied to community-related indicators.

Impacts: The scope of these IGIs may be unattainable, especially for ownership types and sizes with limited capacity. There is concern that meeting requirements will require a substantially increased level of effort, an increased administrative burden and associated costs required by the organization to meet the requirement, and in the disassociation from meaningful on the ground outcomes.

Examples:

- 5.1.1 *The range of products, resources and ecosystem services* and their possible benefits for the local economy are identified, assisted through engagement* with legal* rights holders, customary rights holders, affected stakeholders* and interested stakeholders*.*
- 4.1.3. *A Community Engagement Strategy is developed and implemented that includes:*

- a. *determining the representatives & contact points (in each local community) for the various activities in which their engagement* is required, including where appropriate, local institutions, organizations and authorities;*
- b. *establishing a mutually agreed, culturally appropriate communication channel with each local community, allowing for information to flow in both directions;*
- c. *ensuring that all groups are equally represented and included;*
- d. *using the agreed channels to communicate all related information;*
- e. *recording all meetings, all points discussed and all agreements reached;*
- f. *approving the content of meeting records;*
- g. *sharing the results of all engagement* activities with the community to gain their formal approval of the content and intended use before proceeding.*

Recommendation: IGLs related to engagement requirements should be limited to core Criterion elements that will result in tangible benefits. Further consideration is required in defining additional terms.

3.2 Expanded Scope of FPIC IGLs and the Application of FPIC Guidance

Issue: The treatment of free, prior, informed and consent (FPIC) in FSC criteria and indicators, added the number of FPIC-related indicators from two (2.2, 3.1) to five (3.2, 3.3, 3.6, 4.2, 4.8), and increased the secondary references. The expansion of FPIC requirements to include local community rights also presents a marked divergence from current FSC requirements. Of particular importance is the new requirement for meeting FPIC as described in the draft FSC IC FPIC Guidance (October, 2012).

There is a wide range of opinion, from overt concern related to the application of FPIC, to an appreciation that FPIC presents a constructive opportunity to improve and recognize excellent forest management.

Impacts: How certified organizations will respond to the changed scope and expanded requirements of FPIC will depend on the authority FSC Canada will have to define the application of FPIC IGLs in National Standards. Certificate holders, certification bodies, and national offices are apprehensive about the applicability of FPIC.

Recommendation: FSC Canada will be looking to Indigenous Peoples and others for important perspectives on how to make FPIC functional. In the immediate term, FSC as an organization needs to clarify interim expectations related to what FPIC requirements need to be met now. FSC IC needs to work with FSC Canada in order to present a consolidated approach. FSC Canada is committed to analyzing past and future expected application of FPIC related requirements as it relates to Indigenous Peoples.

3.3 Jurisdiction (Hunting, Fishing, Public/ Private Lands) and the Authority of the Organization

Issue: Some draft IGLs require compliance with outcomes that are not within the capacity of a certificate holder to influence due to land ownership, partial tenures, and access rights.

There are also references in Draft IIGIS to requirements that go beyond the authority of the organization to reasonably apply. Language that indicates an action that is 'within and outside management unit' and the use of definitive language such as 'all' or 'no' is problematic and often exceeds the sphere of influence held by the organization.

Impact: Some IIGs are unattainable and go beyond the legal or operational capacity of the certificate holders to influence.

Examples:

- 1.4.1. *Procedures are developed and implemented to systematically provide protection* from illegal harvesting, hunting, fishing, trapping, collecting, settlement and other unauthorized activities, which may include, but are not restricted to [...].*
 - Note: where forest tenures are held on crown land in Canada, tenure holders do not have authority over hunting and fishing on the tenure.
- 2.2.5 There is no sexual harassment and gender discrimination.
- 7.6.1. All stakeholder affected by, or interested in management activities are identified....
- 6.1.1. The environmental values within and outside the Management Unit are assessed...

3.4 Loss of Restoration Components

Issue: There is no IIG that requires a proportion of the overall forest management area in intensively managed settings to be returned to and managed as natural forest cover per current Criterion 10.5. We understand that this is a reflection of the new P&C, and note that some similar requirements are included in the Representative Sample Areas section. However, Representative Sample Areas serve a very different purpose from the maintenance and restoration of natural forests within intensively managed settings. Given our goal of maintaining consistency within the FSC system, this is a substantial change and raises challenges.

Impacts: Loss of restoration requirements in more intensively managed settings. This is a central element of support from many environmental chamber members and other stakeholders.

Recommendation: Add an indicator similar to the current C10.5: A proportion of the overall forest management area, appropriate to the scale of the plantation and to be determined in regional standards, shall be managed so as to restore the site to a natural forest cover.

3.5 Ecological Targets

Issues: There is inconsistency in the IIGs (D1) for the use of targets and more discussion is needed to determine a correct approach that would balance the identification of global thresholds while ensuring appropriate regional targets. Discussion should consider the following:

- In what cases should quantitative or descriptive targets be set and should this be addressed through the IGIs or by the National Office when revising or developing regional standards.

In either case, it is advisable that the FSC IGI Working Group and Technical Group identify what indicators require some type of target.

Impacts: Diminished consistency and the development of inappropriate regional targets.

Recommendations: More discussion is needed to determine an appropriate approach and FSC should identify what indicators require a target.

3.6 International Labor Organization (ILO) Requirements

Issue: NOTE: This is an issue more pressing to FSC US.

Criterion 2.1 requires that organizations *uphold principles* as defined in the International Labour Organization (ILO) conventions, but the draft IGIs require *conformance* to ILO Core Labor Conventions. This issue has already proven to be a major challenge where it is incorporated within the Policy for Association with FSC. First, ILO conventions were written for legislative bodies, not for companies. It is unclear how companies can conform to ILO conventions. Second, in countries like the U.S. where not all of the ILO conventions have been ratified there are situations where compliance with laws results in non-conformance to ILO conventions. Third, there are challenges with certain details of the ILO conventions as they conflict with what many in the US view as rights of free speech.

Impacts: ILO requirements may be impossible to meet legally and to audit, and may represent impasse issues for some certificate holders.

Examples:

- Criterion 2.1. *The Organization* shall* uphold* the principles* and rights at work as defined in the ILO Declaration on Fundamental Principles and Rights at Work (1998) based on the eight ILO Core Labour Conventions.*
 - Indicator 2.1.2. *Employment practices and conditions for workers and contractors demonstrate conformity with the ILO Core Labour Conventions.*

Recommendation: IGIs should more accurately represent the Criterion language relating to upholding the *principles* addressed in the ILO core conventions, as compared to requiring the specifics within the Conventions themselves. In this manner, companies can better achieve the goals of the Criterion and eliminate direct conflicts with legal structures.

3.7 External Expertise Requirements

Issue: There is an increase in the number of indicators that require independent and external experts to review the organizations assessments and analyses. FSC needs to be

conscientious of the cost and burden the increased number of external reviews has on an organization, especially small to medium size certificate holders.

Impacts: The requirements for independent expert analysis include clear benefits related to system integrity and reducing conflicts of interest, however there are also substantial costs.

Examples:

- *6.5.5 The analysis of representation is conducted using a scientifically rigorous methodology and is reviewed by an expert independent of The Organization*.*
- *9.1.5 Results of the assessment are reviewed by expert(s) independent of the organization with knowledge of the potentially present High Conservation Values* and the area in which the Management Unit* is located.*

Recommendation: IGIs requiring expert review should be identified and the FSC IGI Working and Technical Groups should assess 1. the merit for having a expert review for each identified indicator; and 2.the accumulative resource requirements (cost and human) needed to fulfill the indicators. It should then be assessed whether the collective indicators exceed a reasonable level of effort and/or if all expert reviews are justified. A recommended list of suggested expert reviews to be eliminated, if any, would result.

3.8 Employee/Contractor Relationships

Issue: The capacity for a certificate holder to influence contractors and sub-contractors may be legally limited to contract language and legal compliance. The IGIs in many situations call for certificate holders to control working conditions, remuneration, training, and supervision of contractors and sub-contractors. In addition to legal limitations, there are also reported liability limitations – where organization employees are precluded from engaging with contractors due to the assumption of liability of the contractors after engaging them on issues related to safety or other working conditions. For example, some certificate holder employees are instructed to report minor safety violations of contractors to state or federal agencies (e.g. OSHA) in charge of worker health and safety instead of working directly with contractors.

Impacts: IGI requirements associated with working conditions and training for contractors and sub-contractors present legal and liability challenges to certificate holders, particularly in the US context.

Examples:

- *2.1.2. Employment practices and conditions for workers* and contractors demonstrate conformity with the ILO Core Labour Conventions.*
- *Workers (defined in glossary): All employed persons including public employees as well as 'self-employed' persons. This includes part-time and seasonal employees, of all ranks and categories, including laborers, administrators, supervisors, executives, contractor employees as well as self-employed contractors and sub-contractors.*

Recommendation: Any language in the IGIs that is related to contractor performance should be limited to contractual language and legal compliance.

3.9 Additional Social Requirements

Issue: There are proposed IGIs designed to benefit local communities and economies that may not be appropriate for all ownership types and sizes. Benefits to local communities are an important component of FSC, but the IGIs are written to be relevant and practical only for very large ownerships or those associated with public lands.

Impacts: Increased administrative burden for all certificate holders without a corresponding increase in benefits to communities and economies, except from a limited subset of the certificate holders.

Examples:

- 5.4.3 *Where local services, processing and value-added facilities are not available, reasonable* attempts are made to establish these services.*
- 4.4.2 *Local Development Plans and associated budgets are developed and implemented from the identified opportunities for local social and economic development taking into account the and related activities promoted by relevant organizations [...].*
- 4.5.4 *Workers and contractors are trained to carry out impact assessment and develop appropriate mitigation measures.*

Recommendation: Some IGIs addressing social impacts should be revised to accommodate particular ownership types and local conditions (e.g. SIR). Other IGIs should be revised or removed in order to make the requirements relevant in local contexts. Further discussion on effective ways to accommodate scale, intensity and risk (e.g. SIR) is required.

Part 4. Conclusion: Creating Relevant and Practical Standards: Recommended Approaches

The IGIs provide a strategic opportunity for FSC to set a high yet tangible bar that could transform forest management globally. As a network we should aim to create standards that are attainable and meaningful, and are not mired in administrative requirements that yield no on the ground value. Draft 1 of the IGIs in its current form is in parts, unwieldy and needs to be pared down. Each proposed indicator needs to be justified and any indicator that strays from the core elements identified in the criterion should be modified or removed. The following are strategic recommendations for addressing our concerns.

Substantially reduce the number of IGIs from 340. As mentioned earlier, National Offices need to have the authority to define their own indicators, but if the burden of the IGIs is too pervasive and onerous, elements that are important to National Offices will not be set, and/or a standard that is overly bureaucratic and impractical will result. Indicators should be limited to core elements that can be tied back to the criterion.

Develop a normative standard that explicitly describes how the IGIs are to be transferred and used. It is in FSC's interest to describe the expectations for the use of the IGIs so as to ensure consistency and transparency in the system. In this normative document there should be references to the removal of principles, criterion and/or indicators.

Allowance for FSC National Offices or FSC IC to evaluate key principles and criterion. Not all principles and criteria are relevant for all countries, and/or the evaluation of the requirement can be made by FSC IC or the National Office. For example, criterion 1.7 sets the thresholds for corruption and while it is important for many areas, it has little value for countries like Canada and the United States. We suggest an international or national assessment similar to what is done through controlled wood to be conducted at a national or international level (e.g. for companies with a corruption ranking at a certain threshold are exempt from the Criteria). This approach should be explored for other criterion and indicators.

END -