



DISCUSSION PAPER Prepared for FSC International: First Consultation Period

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

May 4, 2013

This Discussion Paper provides a review of the Draft 1 IGIs. FSC CA shared Draft 1 of the paper with stakeholders asking for feedback on their level of agreement of the review. Comments were collected and were considered in draft 2 of the Discussion Paper.

This discussion paper has been vetted and endorsed by the FSC Canada Board of Directors and represents efforts to characterize FSC Canada multi-chamber views.

Part A. 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 were made to understand the alignment between FSC Canada and FSC US; the level of alignment is reflected at the end of each section.

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 achievable and defined 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, 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.

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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. Addressing Underlying Strategic Issues

When reviewing the IGIs, it became evident that three underlying issues were impeding constructive dialogue around IGIs, and that by addressing these issues many of the structural and content themes identified in this Discussion Paper, would also be addressed. FSC Canada recommends that the following three underlying issues be addressed prior to the development of Draft 2 IGIs.

1.1 Need for a normative document that describes the transfer process

FSC-International's document titled "*Briefing Paper IGI – Transfer Process January 2013*" (available at the FSC IGI website: <http://igi.fsc.org/background-information-papers.21.htm>) does not provide sufficient detail on the process and requirements for transferring the IGIs into National Standards.

FSC Canada recommends that the Briefing Paper be developed into a formal normative standard that clearly describes requirements and options for the transfer of IGIs by National Standards developers. By describing the expectations and requirements for the use of the IGIs will ensure consistency and transparency in the system. The scope of the document and process should include:

- Clear description of the requirements and process for adopting or adapting the IGIs in National Standards;
- Clear description of the requirements and process for the removal of principles, criterion and/or indicators;
- Reference to complimentary documents that address requirements and processes involving SLIMF and SIR;
- National Offices and stakeholders should have the opportunity to submit comments on the recommended Briefing Paper: Transfer Paper,

FSC CA and FSC US alignment on issue: high

1.2 Need to define approach for Scale, Intensity and Risk

There is recognition that many IGIs will need to be modified to address the *Scale, Intensity, and Risk* (SIR) of management. It is currently unclear the process and approach for addressing Scale, intensity and Risk (SIR) as it relates to the IGIs. The scope of the recommended approach should include:

- Identification of the list of criterion and indicators to be addressed using SIR considerations;
- Identification of who will have the authority to assess risk (e.g. FSC International, National Offices);
- Clear description of the requirements and process for applying SIR at all proposed levels (e.g. FSC International, National Offices, certificate holders);

- Further discussion on defining the appropriate balance between flexibility and consistency – performance and process – relevancy and equity;
- Reference to complimentary documents such as the Briefing Paper: Transfer Process;
- Consideration on the relationship between the SIR approach and SLIMF definitions and requirements;
- Consideration for the roll-out of the approach including training and other resources for National Offices;
- Consideration for countries that do not have a National Office.

FSC CA and FSC US alignment on issue: high

1.3 Need to assess Principles, Criteria and Indicators in their entirety

In general the review of the international generic indicators, to date, has focused on assessing individual indicators rather than looking at the IGIs in their entirety. FSC Canada believes that the IGIs provide a strategic opportunity for FSC to set a high yet achievable and defined 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.

It would be beneficial for the IGI Working and Regional Groups to critically discuss and consider if the IGIs in their entirety will yield intended benefits for environment, communities and Indigenous Peoples. Further thought should be given as to whether the IGIs are attainable for certificate holders and applicants, both in the operational requirements and the costs associated.

A cumulative analysis on key identified indicators (e.g. IGIs with a significantly expanded scope such as P6 Assessments and Plans, Expert Reviews, Research; and P4 Community Engagement Requirements) would help determine the resource requirements (cost and human) needed by certificate holders in being able to meet the requirement. It should then be assessed whether the collective indicators exceed a reasonable level of effort and if all indicators are in fact warranted.

FSC certification is a market mechanism and our standards are tools to promote, improve and reward good forestry. Standards need to be both effective (and focused) in identifying key elements and thresholds, but also practicable and efficient in delivering a product that forest managers, of all sizes can practically use.

FSC CA and FSC US alignment on issue: high

2. Structural Themes related to IGIs

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 203 indicators, the FSC BC FM Standard has 202 indicators and the FSC Maritimes FM Standard has 153 indicators. The GLSL Standard has 138 indicators related to public forests and 131 SLIMF related 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 agrees 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.*

Recommendation: While we do not have a target of what is an appropriate number of IGIs, the Draft 1 IGIs feels unwieldy and needs to be pared down. Problematic indicators (see other sections) need to be revised or removed and the full set of indicators needs to be considered in terms of the ecological/social benefit and the cost to certificate holders.

FSC CA and FSC US alignment on issue: high

2.2 IGIs that do not represent an Element of a Criterion

Issue: We understand that the drafting of indicators requires an articulation of the concepts expressed by the criteria, and that this often extends beyond the criteria elements themselves. However, in some cases, the indicators seem to actually create new requirements and not just an elaboration of the criterion elements.

Impacts: Requirements that go beyond elaborating the concepts behind the indicators agreed to by membership, or 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: Examine the IGIs to determine areas where indicators create new requirements that are clearly not an elaboration of the criterion or its elements. For example, a right to access (4.2.5) assumes a right that may not previously exist and therefore goes beyond 'recognizing and upholding' customary rights as required by the criterion. A contrasting example of an indicator that is legitimately derived from an elaboration of the concepts in the criterion elements is 6.1.5, which defines what is required as part of an assessment of biodiversity (a defined component of environmental values).

As a general rule, IGIs that go beyond the elaboration of a criterion should be discouraged and in cases where a new requirement is proposed, full multi-chamber discussion should occur.

FSC CA and FSC US alignment on issue: high

2.2.1 Loss of Restoration Components (Example of IGIs that do not represent an Explicit Element of a Criterion)

Issue: There is no IGI 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: see section 2.2.

For the loss of restoration components, we suggest adding 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.

FSC CA and FSC US alignment on issue: high

2.3 SLIMF

Issue: As discussed in Section 1.2 consideration and modification of indicators to address the *Scale, Intensity, and Risk* (SIR) of management is needed. While consideration of small and low intensity forests (SLIMF) is related to SIR, distinct SLIMF FSC Standards and requirements warrant additional discussion. Currently, many IGLs are written with an apparent applicability only to very large entities, or to public land tenure agreements.

Impacts: Many IGLs have little relevance to small or medium ownerships.

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*.*

- 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: Further discussion is required to determine effective ways for ensuring that SLIMF considerations are addressed. Ensure that SIR and SLIMF is highlighted and integrated into IGLs in cases where modification is needed. Allow National Offices to develop SLIMF specific indicators.

FSC CA and FSC US alignment on issue: high

2.4 Redundancy with Regulatory Foundation

Issue: Many IGLs 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 indicators identified in 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*.*

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.

FSC CA and FSC US alignment on issue: high

2.5 Redundancy and overlap of IGLs

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

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 prescriptiveness and 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.

Recommendation: Eliminate redundancy between indicators found across criterion.

FSC CA and FSC US alignment on issue: high

2.6 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. Where a list is necessary, only universally applicable 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.

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 universally applicable elements and any remaining elements should be generated by National Standards development groups so that the standard remains pertinent and applicable at the local level.

Or, clearly describe in the Transfer Document, requirements for a National Office to omit aspects of a list that are not relevant to a country.

FSC CA and FSC US alignment on issue: high

2.7 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 important in some areas of the world and this is the challenge of developing globally applicable indicators.

Impacts: Many administrative requirements lead to an unnecessarily complex and less locally functional standard; increased costs for the certificate holder.

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.

FSC CA and FSC US alignment on issue: high

2.8 Expanded Requirements:

2.8.1 Assessment and plan requirements around assessments and plans

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: IGIs requiring assessments should be identified and the FSC IGI Working and Technical Groups should assess the benefit and intended value of the

indicator to ensure that the assessment will provide useful information that will inform management decisions. It should then be assessed whether the collective indicators related to assessments exceed a reasonable level of effort. See Section 1.3. Need to assess Principles, Criteria and Indicators in their entirety

FSC CA and FSC US alignment on issue: high

2.8.2. 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.

Recommendation: IGIs requiring expert reviews should be identified and the FSC IGI Working and Technical Groups should assess the benefit and intended value of the indicator to ensure that the expert review will provide useful information that will inform management decisions. It should then be assessed whether the collective indicators related to expert reviews exceed a reasonable level of effort. See Section 1.3. Need to assess Principles, Criteria and Indicators in their entirety. Other approaches, such as in-house review by an organization could be considered.

FSC CA and FSC US alignment on issue: high

3. Content Themes related to IGIs

3.1 Stakeholder engagement, FPIC as it relates to communities, 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 as described in the P&Cs and FPIC Guidance. 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 or municipalities. 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 complex and do not allow for necessary local considerations.

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

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: IGIs 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 and applying and testing FPIC guidance to Canadian contexts.

FSC CA and FSC US alignment on issue: high

3.2 Expanded Scope of FPIC IGIs 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).

In Canada the appropriate application of FPIC as it relates to Indigenous rights and requirements and community (or municipal) rights and requirements is needed.

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 IGIs 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.

FSC CA and FSC US alignment on issue: high

3.3 Ecological Targets

Issues: There is inconsistency in the IGIs (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, and this should be completed prior to the release of Draft 2 IGIs.

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.

FSC CA and FSC US alignment on issue: high

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

Issue: Some draft IGIs 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...

Recommendations: Remove indicators or language that goes beyond the sphere of influence of the certificate holder.

FSC CA and FSC US alignment on issue: high

3.5 International Labor Organization (ILO) Requirements

Issue: Criterion 2.1 requires that organizations *uphold principles* as defined in the International Labour Organization (ILO) conventions, but the draft IIGs 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.

FSC CA and FSC US alignment on issue: high

Part C. Conclusion: Creating Relevant and Practical Standards

The IGIs provide a strategic opportunity for FSC to set a high yet achievable and defined 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 unwieldy and needs to be pared down. The following are strategic recommendations for addressing our concerns.

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.

Develop an approach that addresses SIR and SLIMF. Further develop the process and approach for addressing Scale, intensity and Risk (SIR) and SLIMF as it relates to the IGIs, and agree to this prior to further discussion of indicators.

Assess the IGIs as a market tool and in their entirety. If FSC wants to influence global forestry through the uptake of standards, then they will need to create standards that focus on the key values of the organization, but are also practicable.

Substantially reduce the number of IGIs from 340. 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. In general, Indicators should be limited to elements that can be tied back to the criterion.

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 -