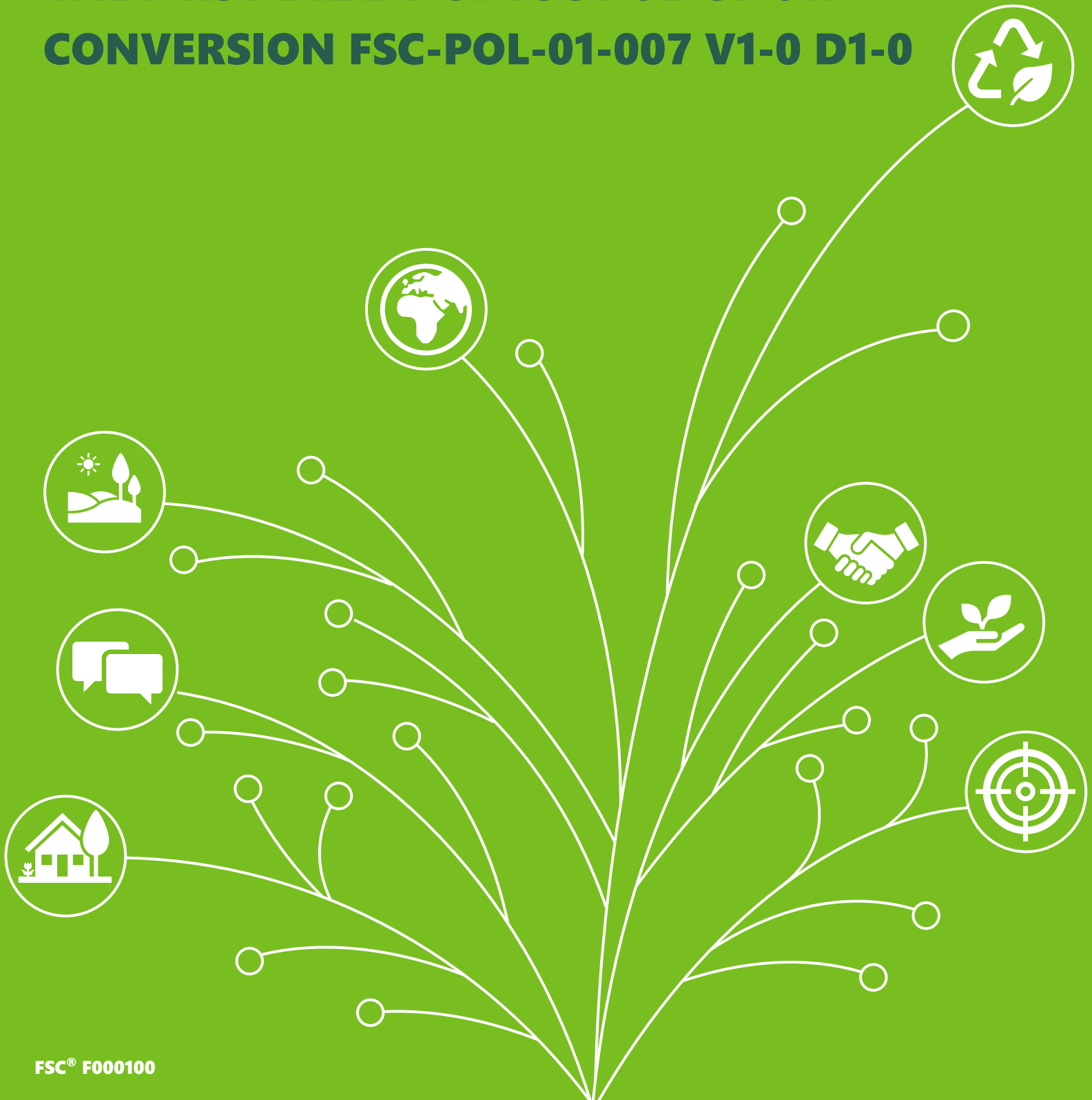




Forest Stewardship Council®

SYNOPSIS OF CONSULTATION COMMENTS

THE FIRST DRAFT OF FSC POLICY ON CONVERSION FSC-POL-01-007 V1-0 D1-0



FOREWORD

At the General Assembly 2017 in Vancouver, Canada, the membership approved Motion 7 and requested that FSC puts in place a mechanism, building upon previous work, which will guide the review and revision of relevant FSC Principles and Criteria, and to advise the national standard developers in creating the corresponding indicators. In addition, the policy will provide overall guidance to the Policy of Association and other elements of the normative framework which regulate conversion.

FSC Policy on Conversion FSC-POL-01-007 V1-0 D1-0 (see annex A for Policy draft 1-0) was developed by a Chamber-balanced Working Group and the first round of public consultation was conducted during September and October 2019.

The report authors would like to thank FSC members and stakeholders for their participation in the public consultation on the first draft of FSC Policy on Conversion FSC-POL-01-007 V1-0 D1-0. Their suggestions and comments are of great importance to the development of the second draft of the Policy.

This synopsis report has been prepared in accordance with Clause 5.12 of FSC-PRO-01-001 (V 3-0)1, and contains an analysis of the range of stakeholder groups who submitted comments, as well as a summary of the issues raised in relation to the questions posted during the public consultation period. A general response to the comments and an indication as to how the issues raised were addressed are provided in the compiled comments document.

For further information related to the policy development, please visit the webpage dedicated to this page [here](#). For more information related the report, please contact FSC Forest management policy manager Yan Li at y.li@fsc.org.



Contents

Chapter 1: Public consultation participation overview

Chapter 2: Analysis Methodology of public consultation results

Chapter 3: Summary of general comments & FSC feedback

- 3.1 Policy on Conversion Terms & definitions
- 3.2 Policy on Conversion Principle 1 & 2
- 3.3 Policy on Conversion Principle 3
- 3.4 Policy on Conversion Principle 4
- 3.5 Policy on Conversion Principle 5 & 6
- 3.6 Policy on Conversion Principle 7
- 3.7 Policy on Conversion Principle 8
- 3.8 Policy on Conversion Principle 9
- 3.9 Policy on Conversion Principle 10

Annex:

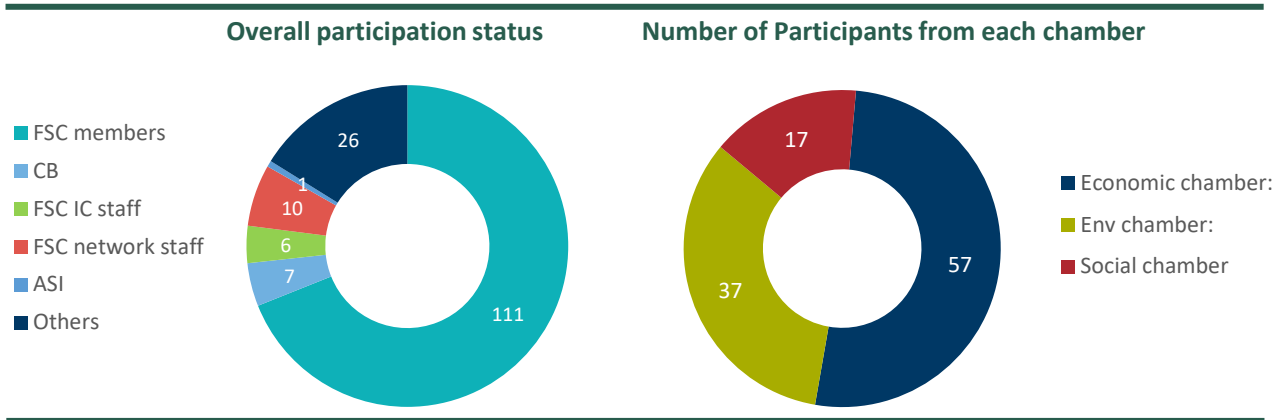
Annex A: Policy on Conversion Draft 1-0

Abbreviations used:

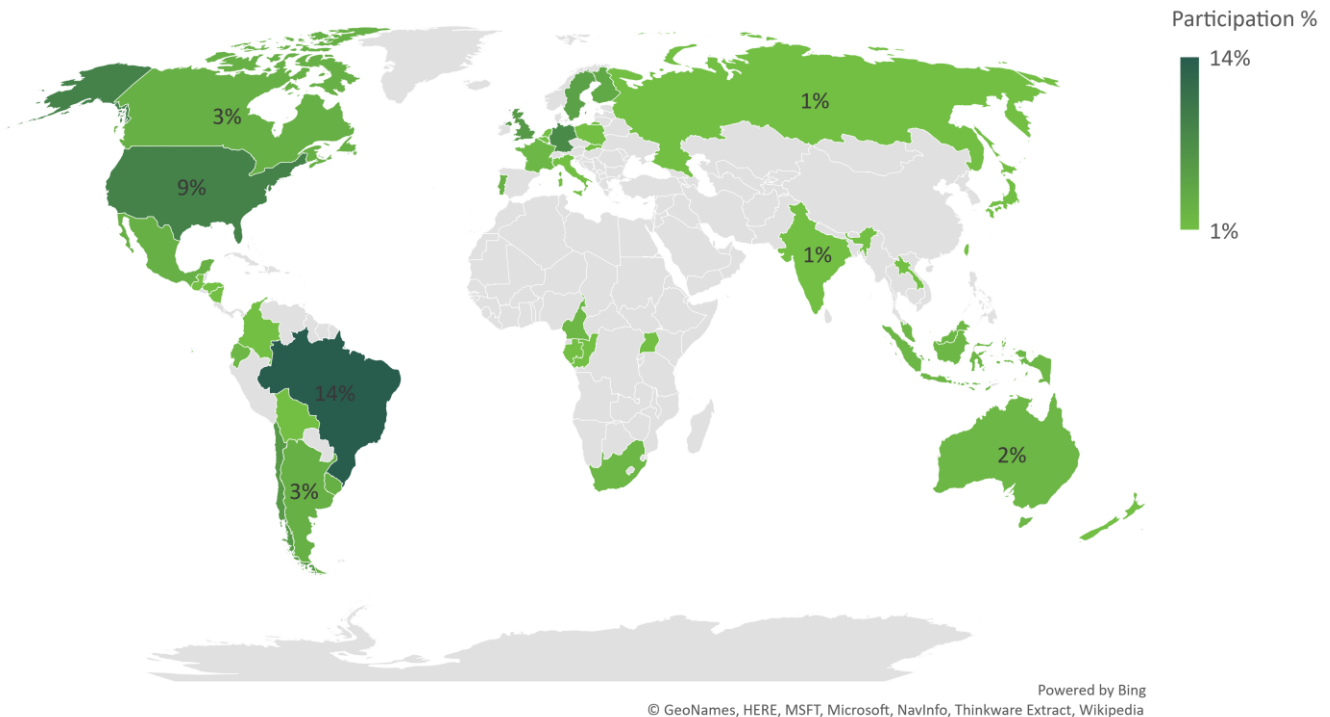
CB – Certification Body
CH – Certificate Holder
COC – Chain of Custody
CW – Controlled Wood
FM – Forest Management
PSU – Policy and Standards Unit
SLIMF - Small and Low Intensity Managed Forests
ToR – Terms of Reference
TWG – Technical Working Group
WG – Working Group

Chapter 1: Public consultation participation overview

Overall 161 stakeholders provided feedback on the consulted first draft of FSC Policy on Conversion. Of the 161 consultation respondents, 111 are FSC members. Detailed participation status is presented in boxes below:



The 161 participants come from 41 countries. Rate of participation is demonstrated below:

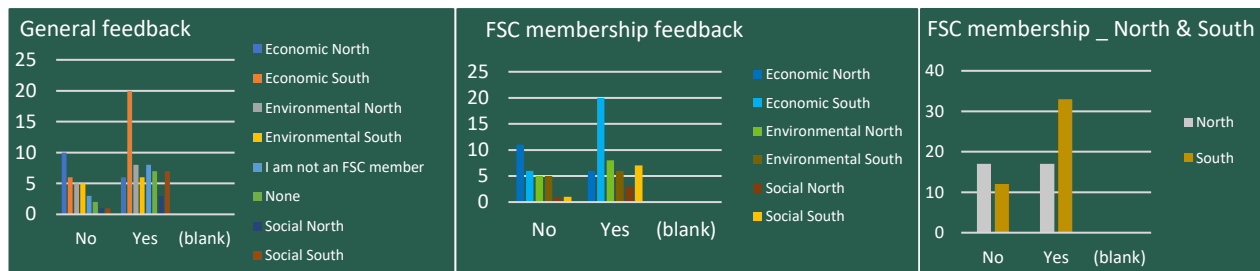


Chapter 2: Analysis Methodology of public consultation results

Based on the feedbacks collected via the FSC Public consultation platform, The Policy on Conversion working group and PSU adopted the methodology containing three major steps for the analysis of consultation results. Details as below:

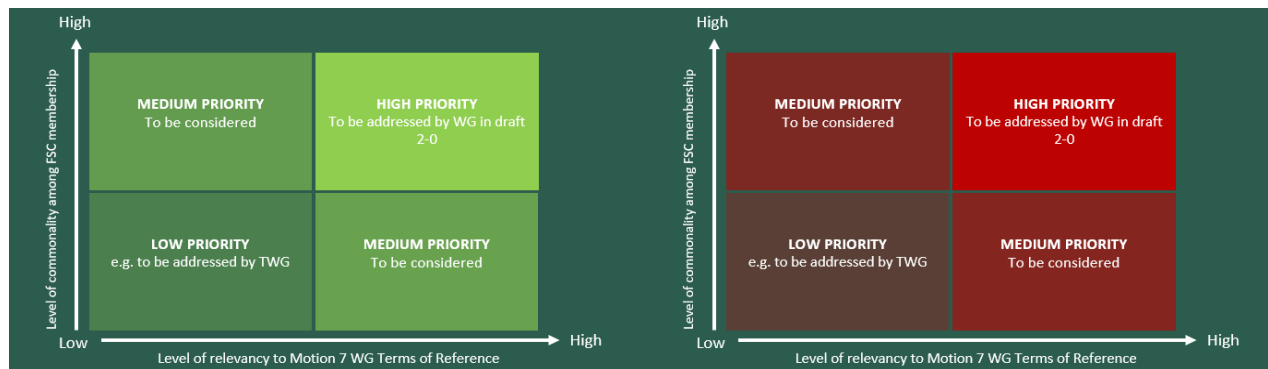
Quantitative analysis: Out of the 14 question items posted during the public consultation, 12 items requested participants to answer multiple choice questions and vote from strongly disagree through to strongly agree. Quantitative analysis was conducted by developing pivot charts for each of these 12 questions, analysis was done considering the requirement that an FSC Policy considers the aims and aspirations of members taking equal account of the concerns and interests of the three FSC chambers, and its 'northern' and 'southern' membership. The analysis results show: (1) general stakeholders' feedback; (2) FSC membership feedback, including chamber-based, sub-chamber based and northern and southern hemisphere-based voting results. It should be noted that for many of the questions a significant percentage of respondents did not necessarily respond to every question, and this explains the variance in the number of people responding to a specific question against the total number of people who participated in the consultation.

Sample: Should there be a fixed minimum length for the period which the organization is no longer directly or indirectly involved in conversion? is presented as below:



Qualitative analysis: Following the quantitative analysis, working group and PSU developed an excel document containing 14 tabs. Each tab provides a sub-chamber-based summary of FSC membership feedback in the form of comments from respondents in the public consultation. Other stakeholders' feedback was then added into the same template.

Prioritization exercise: Following the completion of qualitative analysis, a prioritization exercise was introduced, to be able to analyze cross-chamber feedback, and other high priority issues raised by a significant number of members and stakeholders. Two parameters used are (1) Level of commonality across FSC stakeholders/members; (2) Level of relevancy to Motion 7 WG ToR. An overview on the exercise is shown below:





Chapter 3: Summary of general comments & FSC feedback

Below is a summary of key topics stakeholders and members provided feedback on, together with PSU responses on how these comments were/will be addressed. Each key topic contains two/three sections: a) questions posted during public consultation; b) quantitative results (for multiple choices questions only), and c) qualitative results and PSU comments.

Note:

- (1) In acknowledgement of the work to be conducted by the TWG in developing a Compensation Procedure, wording in the draft Policy was changed from Compensation Mechanism to more defined wording of Compensation Procedure.
- (2) the qualitative results below contain a summary of stakeholders/membership feedback only, not all comments received are presented here.
- (3) the qualitative results are categorized into three priority levels (High, medium and low priority), details of parameters used in the prioritization process can be found under chapter 2.

As part of the overall analysis of the feedback it was acknowledged that at time there was confusion around the structure of FSC Normative Framework documents, where this WG is developing a Policy while the TWG will operationalize the Policy into relevant FSC standard documents. Therefore, as a generic guide the WG attempted to clarify this in the revision form draft 1 to draft 2.

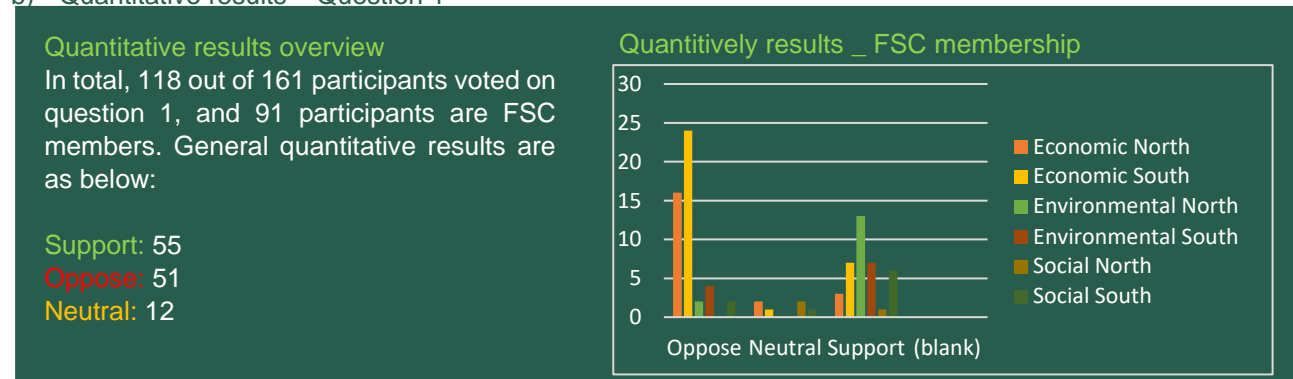
3.1 Policy on Conversion Terms & definitions

a) Questions posted during public consultation

Question 0: General comment on terms and definitions

Question 1: The Policy on Conversion applies to conversion of natural forest and conversion of natural ecosystems. Do you agree with the proposal?

b) Quantitative results – Question 1



c) Qualitative results – Question 0

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	<p>1. Conversion:</p> <p>(1) Positive conversion shall not be limited: Conversion of degraded forests or non-forest lands with low biodiversity value into forests</p> <p>(2) Social elements shall be added (a. Add: a lasting change or loss of livelihoods and cultural values b. Add: Conversion includes the</p>	<p>WG revised the definition of conversion considering stakeholders and members' feedback. The revised definition is:</p> <p>Conversion: A lasting change of natural forest cover* or High Conservation Values (HCV's), induced by human activity* and</p>



High priority

removal of Indigenous and Traditional Peoples from their customary territory resulting in changes to species and habitat diversity, complexity or ecosystem functionality.)
(3) need to align with "conversion free commitments"

characterized by significant loss of species diversity, habitat diversity, structural complexity or ecosystem functionality or loss of livelihoods and cultural values. The scope of the definition of conversion* covers gradual forest degradation as well as rapid forest transformation.*

2. Nature ecosystem:

- (1) Lack of definition
- (2) gives an impression that all ecosystems have equal value and shall not be converted
- (3) Align with AFI
- (4) Inclusion of natural ecosystem went beyond Motion 7 mandate
- (5) HCV is the most suitable scope of the Policy

WG revised the scope of conversion from natural ecosystem to natural forest and High Conservation Value areas. This change has been reflected throughout the Policy draft 2-0.

In addition, WG reached agreement that in compliance with the way FSC applies new requirements only natural forest (and not other natural ecosystem) can be applied retrospectively to conversion that occurred between 1994 and 2020.

3. Degradation

- (1) should distinguish and describe different degrees of degradation and identify the point (severe degradation) where restoration is required. these degrees of degradation shall have attributes which can later be interpreted by SDG

WG revised the definition of degradation as below:

Degradation: *Changes within a natural forest that significantly and negatively affect its species composition, structure, and/or function and reduces the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.*

Meanwhile, WG updated Policy principle 4 in draft 1-0 (principle 5 in draft 2-0), details as below:

*5. FSC defines what constitutes natural forest and the **threshold for when degradation constitutes conversion.** Standard developers may adapt this at the national level, based on guidance and instructions developed by FSC.*

4. Restitution

- (1) Need to determine where/how restitution/remedy will be applied - consider using M12 decision chart
- (2) differentiate between restitution and remedy-compensation
- (3) need to be based on the scale of human interaction, dependence and links to the pre-existing ecosystem.
- (4) need to ensure restitution is commensurate to existing values and accounts for future compensation needs

WG revised compensation procedure requirements to incorporate the concern. Details can be found under Section 3.5.

5. Induced by human activity

WG discussed and agreed that If IP and TP practices of traditional forest management



	(1) differentiate intended arson and accidental forest fires. (2) consider IP and TP.	activities that do not change the land use, these practices are not considered as conversion thus does not fall under the definition of induced by human activity.
	6. compensation (1) the additionality should be clear in the definition of compensation. (2) unclear definition, need to make more explicit on economic payment, to ensure true remedy is not being "bought"	WG revised compensation procedure requirements to incorporate the concern. Details can be found under Section 3.5.
	8. Significant (1) How baseline is set to define significant	WG updated Policy principle 4 in draft 1-0 (principle 5 in draft 2-0), and WG provided recommendation to TWG to involve relevant organizations and resources for defining the baseline for the constitution of conversion.
	9. Loss of species (1) Should be clarified to indicate loss of biodiversity	WG reviewed the use of "species diversity" in the Policy draft and confirmed that "loss of biodiversity" is indicated through "loss of species diversity" in draft 1-0 and draft 2-0.
	10. Additionality (1) additionality should not be in relation to FMU scope, but in relation to landscape and existing environmental and social values	WG refined the historical draft definition on additionality. Details can be found under terms and definitions in draft 2-0.
Medium priority	1. Conflict scope of natural ecosystem and natural forest in the policy (In the definition of Conversion says that "The scope of the definition of conversion covers gradual forest degradation as well as rapid forest transformation"... why then the intention to include other natural ecosystems?)	WG revised the scope of conversion from natural ecosystem to natural forest and High Conservation Value areas. These terms: Natural Forest, and High Conservation Value Areas, would be as per existing FSC definitions, simplifying understanding in FSC.
	2. Current definition makes it impossible to do innovation in forest to address the impact of climate change	WG considered climate change element in the Policy as well as global commitments on conservation and restoration. WG provided further clarify on the constitution of conversion in draft 2-0.
	3. Definitions shall be tested in scenarios	WG considered these suggestions. The WG also had a number of case studies available to test their changes.
	4. All "and" shall be "and/or"	
	5. If conversion also considers natural forest to natural ecosystem? or only natural forest to plantation?	WG revised the scope of conversion from natural ecosystem to natural forest and / or High Conservation Value areas. With the and or wording being applicable based on the application of these terms in the Policy.
	6. Compensation (1) Conservation shall not be a form of compensation as it does not generate additional benefit (2) If compensation is done in FMU, there is no additionality as certified forests shall be conserved anyways	WG reviewed and revised Policy principles related to compensation, and provided definitions on key terms e.g. additionality, equivalent, etc. Please refer to draft 2-0 for further details.

d) Qualitative results – Question 1



Priority	Stakeholder/Membership feedback	PSU Comment
High priority	Stakeholders/members supporting the inclusion of natural ecosystem expressed various rationales, e.g. inclusion of Natural Ecosystems is important to credibility and consistency of FSC etc.	WG revised the scope of conversion from natural ecosystem to natural forest and High Conservation Value areas. This change has been reflected throughout the Policy draft 2-0.
	Stakeholders/members asked for a clear definition of natural ecosystem.	WG has considered international best practices during the revision process.
	It is suggested that International Best practices shall be considered.	
	The concern raised that the inclusion of natural ecosystem will create potential barrier for commercial reforestation.	
	Rationales for the opposing views include e.g. Inclusion of natural ecosystem may increase significantly the complexity of implementation for lack of appropriate tools to assess past conversion of non-forest-related ecosystems and it went beyond the mandate of Motion 7, etc.	As per Board Meeting 77, Motion 7 WG was established with a focus on developing a high-level conversion policy based on ideas already generated and discussed in the previous Motion 12 process, including the issue of non-forest ecosystems conversion (wetlands, peatlands, savannahs or natural grasslands). Thus, WG has considered the inclusion of natural ecosystem in Policy draft 1-0. Based on stakeholders and members' feedback, draft 2-0 specified the scope of conversion into natural forest and HCV. Moreover, WG agrees that only natural forest (and no other natural ecosystem) will be applied retrospectively to conversion that occurred between 1994 and 2020.
	Need to include social impacts in definitions and analysis.	WG revised definitions and compensation requirements to integrate/highlight social impacts/elements, e.g. for conversion, revised definition as below: <i>A lasting change of natural forest cover* or High Conservation Values (HCV's), induced by human activity* and characterized by significant loss of species diversity*, habitat diversity, structural complexity or ecosystem functionality or loss of livelihoods and cultural values. The scope of the definition of conversion* covers gradual forest degradation as well as rapid forest transformation.</i> Further revisions can be found under draft 2-0.
	The scope should be expanded beyond natural ecosystem focus should be biodiversity protection.	WG considered these suggestions and decided to include natural forest and HCV in the scope of conversion definition.



Medium priority	All ecosystems are important to wildlife and ecosystem services and HCV is the most suitable inclusion of natural ecosystem.	
Low priority	It is expected that quantification of conversion of natural ecosystems will be difficult.	TWG is tasked to develop the compensation procedure. Within this procedure, calculation of conversion liability will be specified.

3.2 Policy on Conversion Principle 1 & 2

- a) Questions posted during public consultation
 Question 2: General comment on policy principle 1 & 2

b) Qualitative results

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	Principle 1 & 2 are too narrow and does not include reforestation of degraded lands.	WG aim to address the concerns on principle 1 & 2 through (1) revising conversion definition, and (2) added clarification on degradation and restoration via Policy principle 5 in draft 2-0.
	The proposed methods in principle 1 & 2 are too weak for halting conversion: ambitious targets with demonstrated restoration environmental and social benefits need to be introduced.	WG revised Policy principles related to compensation, to specify the calculation of overall conservation, restoration, and restitution requirements, and to outline the requirements for a compensation plan and the monitoring of its implementation. These principles are refined to ensure environmental and social benefits are required and demonstrated.
	It should be crystal clear what ecosystems can't be converted and what degraded lands can be converted.	WG revised the Policy scope to include natural forest and HCV instead of natural ecosystem. Meanwhile, degradation and conversion are considered and reflected via Policy principle 5. TWG will develop further Criteria, indicators and thresholds for the constitution of conversion across FSC normative framework.
	Clarify the terms mentioned in both principles (e.g. conversion, natural ecosystem)	WG revised the relevant terms in draft 2-0.
Medium priority	Both principles imply conversion is wrong, however, in many cases conversion may be the best option under certain social and economic situation.	WG acknowledged global restoration commitments and activities. WG aims to address conversion considering environmental, social and economic values via the Policy draft 2-0.
	A tradeoff is required between restoration cost and expectation of compensation mechanism.	
	Major improvements needed throughout the policy draft.	WG aims to improve the Policy draft considering all stakeholders and members' feedback.



Low priority	Consultation should be also conducted in Spanish.	Consultations are conducted in English and Spanish, and it can be found on the public consultation platform.
	Further work should include scenario building and field testing.	Field testing is applicable for procedure level document but not for policy level. WG has developed case studies to analyze the impact of the Policy.
	Facilitate better participation so people understand proposals.	4 webinars were organized during the consultation period to introduce the Policy proposals. Similar arrangements will be done for the second round of public consultation.

3.3 Policy on Conversion Principle 3

a) Questions posted during public consultation

Question 2: The Working group considered three options for defining how an organization may enter the FSC system where the organization has been associated with conversion carried out after 1994. Please indicate which option you would prefer the FSC system to adopt, including how strongly you support this option.

b) Qualitative results

Quantitative results overview
 In total, 98 out of 161 participants voted on question 3, and 72 participants are FSC members. General quantitative results are as below:

Option 1: 24
 Option 2: 18
 Option 3: 56

Quantitively results _ FSC membership

Option	Economic North	Economic South	Environmental North	Environmental South	Social North	Social South
Option 1	1	9	2	3	2	1
Option 2	2	3	3	1	2	3
Option 3	11	13	9	7	3	2

Legend:

- Economic North
- Economic South
- Environmental North
- Environmental South
- Social North
- Social South

c) Qualitative results

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	Majority of stakeholders/members supported option 3, rationales include: e.g. Option 3 respects Mandate of Motion 7 on "past conversion", future conversion shall not be allowed, etc.	Based on quantitative consultation result, WG has chosen to refine option 3 for the Policy draft 2-0.
	Many stakeholders/members provided recommendation for further improvement of Option 3: 1. Making exceptions for cases of 'severe' conversion (e.g. HCV); 2. consideration around potential loopholes;	WG revised the scope of conversion from natural ecosystem to natural forest and High Conservation Value areas. This change has been reflected throughout the Policy draft 2-0.
	Indirect & direct involvement to be clarified. The 1994 rule applied previously to plantations within applicant management units. It now	WG revised option 3 proposed in draft 1-0, to differentiate organizations apply for FM



	<p>applies to organizations applying for certification direct and indirect involvement in conversion. This greatly increases the complexity of assessment for compliance and is inconsistent with the goal of the Policy stated in the introduction to “provide a mechanism for forests which have been previously converted...to enter the FSC system”.</p>	<p>certificates and organizations apply for association with FSC. Details as below:</p> <p>For FM certificate applicant: To incentivize and advance: the restoration and conservation of natural forest and High Conservation Value areas; and, restitution of social harm caused by conversion, FSC enables:</p> <p>Organizations that are directly or indirectly involved* in conversion on the Management Unit that occurred after 1994 and before 2020 to apply for certification to the FSC standards upon demonstrated compliance with FSC Compensation Procedure requirements.</p> <p>In line with global commitments and to discourage further conversion FSC prohibits organizations that are directly or indirectly involved* in conversion of natural forest and / or High Conservation Value areas on the Management Unit that occurs after 2020 are not eligible for the FSC certification.</p> <p>For organization applying for association: organizations that were directly or indirectly involved in conversion that occurred after 1994 to associate with the FSC upon demonstrated compliance with FSC Compensation Procedure requirements.</p>
	<p>There are some participants opposing to all three options.</p>	<p>WG invite the stakeholders and members to review revised Policy principle 3 and provide their valuable feedback.</p>
<p>Medium priority</p>	<p>Threshold for acceptable conversion is not provided.</p>	<p>WG added the following Policy principle to define acceptable conversion:</p> <p>6.FSC accepts small scale / minimal conversion that:</p> <ul style="list-style-type: none"> a. Affects a very limited portion*, and b. Will produce clear, substantial, additional, secure long-term conservation* and where possible social benefits, in the Management Unit*, and c. Does not threaten High Conservation Values*, nor any sites or resources necessary to maintain or enhance those High Conservation Values*.
	<p>New cut-off date suggested 2011 (Motion 18).</p>	<p>WG considered this suggestion.</p>
	<p>Criticism on option 1 & 2 are as below: 1. Option 2 is too complicated 2. Option 1 opens door for convert & pay</p>	<p>Due to more generalized support across the FSC chambers option 3 is included in Policy draft 2-0.</p>



Low priority	<p>3. Option 1 and 2 directly contradict the first Policy Principle 1 and are high risk</p> <p>4. Option 1 and 2 risk losing current FSC markets who have 2020 zero conversion commitments</p>
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3.4 Policy on Conversion Principle 4

a) Questions posted during public consultation

Question 3: The Policy on Conversion proposes that standard developers may adapt international generic threshold for what constitutes conversion at national level. How much do you agree with the proposal?

Question 4: Do you support this change to 5% for the Policy for Association?

b) Qualitative result – Question 3

Quantitative results overview

In total, 106 out of 161 participants voted on question 4, and 84 participants are FSC members. General quantitative results are as below:

Support: 51
Oppose: 15
Neutral: 40

Quantitatively results _ FSC membership

Response	Economic North	Economic South	Environmental North	Environmental South	Social North	Social South
Support	10	15	5	10	5	5
Neutral	5	5	5	5	5	5
Oppose	10	5	5	15	5	5

c) Qualitative result – Question 4

Quantitative results overview

In total, 95 out of 161 participants voted on question 5, and 75 participants are FSC members. General quantitative results are as below:

Support: 61
Oppose: 34

Quantitatively results _ FSC membership

Response	Economic North	Economic South	Environmental North	Environmental South	Social North	Social South
No	5	5	5	15	5	5
Yes	10	20	5	5	5	5
(blank)	5	5	5	5	5	5

d) Qualitative results – Question 3

Priority	Stakeholder/Membership feedback	PSU Comment
	How to ensure governments and companies can use FSC certification to demonstrate global "commitments to zero-conversion by 2020"?	To ensure governments and companies can use FSC certification to demonstrate global commitments to zero-conversion, WG has



High priority	Social elements are not considered and need to be included.	selected option 3 posted for principle 3 related to cut-off rule. Social elements are added through adding “or loss of livelihoods and cultural values” in the definition of conversion and consideration of generic additions throughout the Policy to indicate the intent of the WG to fully support social elements in the policy.
	Need to outline and discuss which thresholds are being discussed in the Policy.	WG revised the Policy principle 4 in draft 1-0 (principle 5 in draft 2-0) to provide further clarification on the thresholds being discussed in this Policy. Revised proposal as below: “5.FSC defines what constitutes natural forest and the threshold for when degradation constitutes conversion. Standard developers may adapt this at the national level, based on guidance and instructions developed by FSC.”
High priority	Stakeholders and members supporting the proposal recommended that: 1. Consistency in guidance important - Need to link to other initiatives or tools that already do this and allow for consistent guidance integrated with local realities for "thresholds" (e.g. REDD, HCV) 2. SDG adaptation need to align with global principles 3. SDG can only adapt the threshold if it is equal or more stringent than International limit 4. National adaptation of thresholds is acceptable. System must be trust and local knowledge need to be utilized. 5. Need to develop generic attributes and thresholds for different quality levels (e.g. for primary, secondary, degraded and severely degraded ecosystems).	WG considered all relevant suggestions, and in draft 2-0, natural forest and HCV are used for the scope of conversion (instead of natural ecosystem). Besides, WG provided recommendations to TWG that: (1) TWG should work with e.g. HCV resource network, HCSA, etc. to ensure consistent guidance is provided to SDG for the adaptation of HCV thresholds at regional level. (2) TWG will define threshold for when degradation constitutes conversion to ensure adequate guidance is provided to SDG.
	Stakeholders and members opposing the propose recommended that: 1. Solid international/global rules should be developed consider the sensitivity of conversion issue 2. Policy need to define which threshold to be set by SDG. 3. SDG can only adapt threshold for 'low biodiversity value' conversion 4. natural ecosystem can be defined by SDG by not conversion threshold 5. different conversion threshold generate misunderstanding	

e) Qualitative results – Question 4

Priority	Stakeholder/Membership feedback	PSU Comment
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<p>High priority</p>	<p>Stakeholders and members supporting the alignment of 5% recommended that:</p> <ol style="list-style-type: none"> 1. All organizations regardless of type of association with FSC shall have the same threshold (lowest 5%) 2. Alignment with PfA, CoC etc. is important 3. there is nothing about exemptions for acceptable conversion in the policy - need to be described in the policy 	<p>Based on stakeholders and members feedback, WG developed the definition below:</p> <p>Very Limited portion: The area affected shall* not exceed a total of more than 5% of the area of the Management Unit* (for Forest management standards) and of the total forest area under direct or indirect involvement of the organization in the past five years (for association).</p>
<p>High priority</p>	<p>FSC CW risk assessment threshold (0.02%) shall be adjusted</p>	<p>Note: For the purposes of this policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (forest roads, skid trails, log landings, fire protection, etc.) is not considered conversion.</p> <p>The WG discussed alignment of the CW risk assessment threshold but decided that it should remain unchanged as CW is based on a very different risk assessment approach to direct audits.</p>
<p>Medium priority</p>	<p>Further recommendations include:</p> <ol style="list-style-type: none"> 1. Acceptable if it is based on clear and additional conservation benefits 2. Acceptable if ensure it is not open to abuse 3. No exemptions should be allowed 1. 5% subject to definition of FMU 2. 5% is too strict 3. tightening of limit introduces complexity 4. depends on local situation 5. There should be rigorous 0% approach 7. Where is 5% mentioned in the policy? 8. Should depend on relative value of the converted ecosystem 9. 5% does not measure future impacts but only consider risks 	<p>In WG ToR, one of the expected outputs from the WG is the identification of alignment needs for the FSC normative framework, including FSC Principles & Criteria, International Generic Indicators, National Forest Stewardship Standards, Policy for Association and Controlled Wood.</p> <p>Based on in-depth consideration, WG proposes the 5% threshold alignment between FSC FM P&C and PfA.</p>
<p>Low priority</p>	<p>TWG should study scenarios with different %</p>	<p>WG considered this suggestion.</p>



FSC Policy on Conversion Principle 5 & 6

a) Questions posted during public consultation

Question 6. Should there be a fixed minimum length for the period which the organization is no longer directly or indirectly involved in conversion?

Question 7: Should the length of the period be different if there is a rolling cut-off date (option1) or definite 2020 cut-off date (option 3)

Question 8: What requirements for compensation plans do you hold as the most fundamental and what further requirements would you like to see and/or strengthen?

Question 9. How much do you agree that measures proposed in the Policy will provide clarification of FSC intent, and will facilitate development of normative framework requirements regarding review and reporting of the compensation plan?

Question 10: FSC FM certification of the area under compensation plan management shall be?

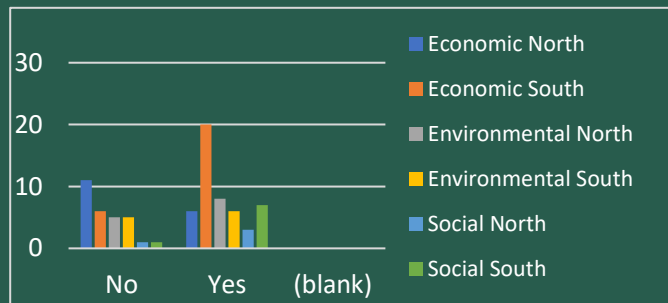
b) Qualitative result – Question 6 (Question 7 received very limited feedback as option 1 under policy principle 3 is not well supported. Qualitative feedback received under question 7 is combined in 6)

Quantitative results overview

In total, 98 out of 161 participants voted on question 6, and 79 participants are FSC members. General quantitative results are as below:

Support: 65
Oppose: 33

Quantitatively results _ FSC membership



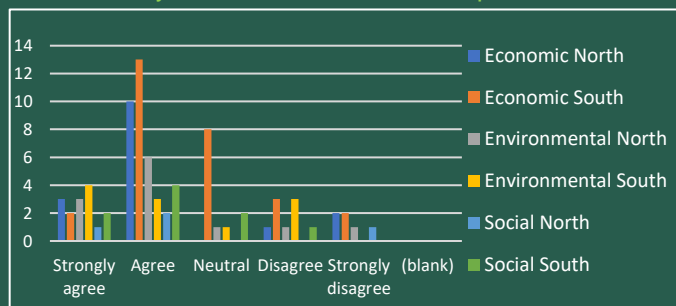
c) Qualitative result – Question 9

Quantitative results overview

In total, 99 out of 161 participants voted on question 9, and 80 participants are FSC members. General quantitative results are as below:

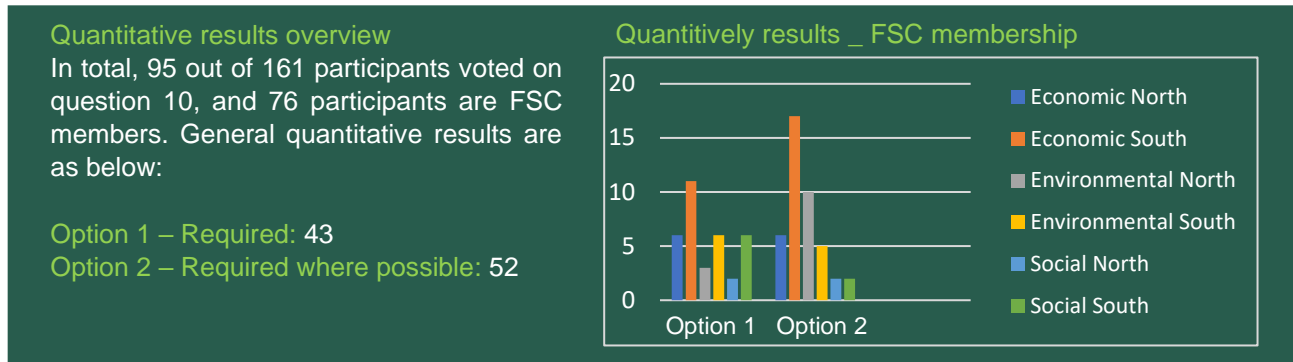
Support: 60
Oppose: 27
Neutral: 22

Quantitatively results _ FSC membership





Quantitative result – Question 10



f) Qualitative results – Question 5&6

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	<p>Feedback on the length of conversion free period:</p> <ol style="list-style-type: none"> The number of years shall be based on a rationale (e.g. fixed minimum shall include one rotation length of the plantation replacing converted forest) Conversion free period shall ensure products from conversion is strictly excluded from supply chains of FSC Must incorporate disincentives need long enough to show conversion has stopped and compensation is being implemented Maintain FSC credibility Length of time should be based on the following rationales: <ul style="list-style-type: none"> - Long enough to demonstrate genuine commitment - Be (5years) longer than rotation length - Ensure conversion products not in supply chain - Avoid misuse of system - Act as deterrent - Long enough to allow restoration and restitution is to be effectively implemented (ie reach significant milestones) 	<p>WG appreciated the suggestions provided by stakeholders and members. As there is a clear request from the public consultation that the Policy shall define the length of conversion free period, thus WG conducted discussion using various case studies.</p> <p>WG reached agreement that: A 5 years conversion free period where an Organization has not been directly or indirectly involved* in conversion prior to eligibility for FSC FM certification shall be requested.</p> <p>Considerations behind the suggestion include but not limited to: How to ensure enough incentives are provided to achieve restoration, restitution and conservation outcomes? How to provide safeguard to ensure conversion products are not in FSC supply chain? What parameters shall be considered for defining the length of conversion free period? Etc.</p>
	<p>Focus should be put on achieving restoration/remediation outcomes</p>	
	<ol style="list-style-type: none"> Suggest re-wording: organization should not be able to apply for association/certification with the system until/unless they have demonstrated that they are no longer converting per FSC rules. 	WG considered these suggestions.
	Additional suggestions on length of the period:	



Medium priority	<p>1. length of time should be based on size of FMU</p> <p>2. Should be more than 5 year</p> <p>3. There need to be a minimum compensation target prior to certification</p> <p>4. Number of years recommended vary from more than 5years to 25 years, majority 10 years - fixed term should start from 2011 or 2014 - based on Motions at GAs.</p>	
	<p>Conversion free period will complicate FSC normative framework and blur FSC position on conversion. Policy just need to have clear distinction between acceptable and unacceptable conversion</p>	<p>WG considered these suggestions.</p>

g) Qualitative results – Question 8

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	All proposed requirements are fundamental.	WG considered the suggestion.
	Equivalence is essential, and compensation must be proximate to the area where conversion occurred.	WG proposed the definition on equivalence. Please find details in draft 2-0.
	Key is compensation plan is proportionate to the damage done, produce clear and additional benefits and are developed in consultation with affected stakeholders. Proportionality need to be defined.	WG proposed the definition of proportionate. Please find details in draft 2-0.
	Emphasis shall be on HCV.	WG agreed on the inclusion of natural forest and HCV instead of natural ecosystem.
	The positive benefits of compensation shall be greater than negative environmental and social impact of conversion, not just a proportional remediation.	WG discussed and acknowledged that it is impossible to guarantee the benefits of compensation is greater especially around social impact. The purpose of the proposed requirements for compensation plan is to achieve maximum compensation outcome.
	A full restitution of lost social-economic value is difficult/impossible to achieve (equivalent to full restitution can be considered)	WG added “equivalent” in draft 2-0 and adjusted “full restitution” to “restitution”, considering cases where full restitution will not be possible to implement.
FPIC - Policy must include method to empower communities to genuinely engage to ensure their rights.	<p>WG revised definitions and compensation requirements to integrate/highlight social impacts/elements and FPIC, e.g. WG proposed the following revision and inserted the “social compensation measure” in the principle below:</p> <p><i>Restitution requirements shall be based on the recognized social impacts incurred by the affected parties in consultation with them based on FPIC principles.</i></p>	



	<p>Conversion history should play a role in defining liability.</p>	<p>WG aim to address this concern through defining a clear conversion free period where an organization shall not be directly or indirectly involved in conversion.</p>
	<p>Establish requirements that are normative, concrete, objective and will result in consistency in compensation.</p>	<p>WG reviewed and proposed changes related to the requirements of compensation plan, to ensure normative and objective requirements are outlined to provide consistency in implementation. The proposed compensation requirements in draft 2-0 are as below:</p> <p>7.3 To associate with FSC, organizations shall develop a compensation plan for restoration and restitution, that:</p> <ul style="list-style-type: none"> a) Is fair, equitable, and genuine, b) Is proportionate and equivalent to the scale and impacts caused by the conversion event, c) Demonstrates additionality and longevity of conservation outcomes, d) Demonstrates restitution, e) Addresses risk of non-permanence and reversal of restoration, conservation and restitution activities, f) Is consistent with FSC Mission / Standards / Normative Framework, and g) Is developed in consultation with affected stakeholders including rights- holders in accordance with FPIC principles.
	<p>Proof of compensation and implementation of plan need to be checked.</p>	<p>WG revised under Policy draft 2-0 and required that the compensation plan shall be approved by an FSC approved competent authority, and the Implementation of the Compensation Procedure and the delivery of the conservation and restoration outcomes and social restitution shall be monitored through a standardized auditing process.</p>
<p>Medium priority</p>	<p>Stakeholders and members recommended the following requirements:</p> <ol style="list-style-type: none"> 1. Include requirement to return converted ecosystem to natural state 2. Point 3 shall be separated. 3. The requirements should be consistent with AFi, and include: additionality, equivalence, co-harms, etc. 4. Only acceptable if restoration efforts are defined 5. Mechanism must include evaluation prior to selling certified products 6. requirements on thorough baseline study for loss and damage prior to commencing the plan 7. Align with UN guiding principles 	<p>Based on Motion 7 TWG ToR, TWG will develop a compensation procedure and proposals for verification for:</p> <ul style="list-style-type: none"> a) Organizations that want to be associated with FSC (e.g. as member, certificate holder). b) Certification applicants to address their conversion. c) Members and certificate holders that have been suspended because of violation of conversion rules. <p>TWG will consider these recommendations related to the compensation procedure, and if needed, integrate in TWG output draft 1-0.</p>



	<p>8. compensation must be greater than negative impact (additionality)</p> <p>9. baseline for assessing all the terms, e.g. fair, proportionate, substantial, etc.</p> <p>10. a set time bound period prior to harvest</p> <p>11. include loss of ecosystem services and loss of intangible values</p> <p>12. monitoring system must be robust</p>	<p>The public consultation for draft 1-0 is scheduled for April and May 2020.</p>
	<p>Align with FSC GRM</p>	<p>WG has discussion with FSC colleagues leading GRM process to discuss the alignment between the two processes.</p>
	<p>How to consider the net gain of conversion (social, economic benefits)</p>	<p>This will be included in the compensation procedure which is to be developed by Motion 7 TWG.</p>
<p>Low priority</p>	<p>1. TWG will have to develop measures to implement the requirements and TWG must be qualified for this task.</p> <p>2. Adopt Proxies for compensation liability like RSPO</p> <p>3. provide objective metrics and requirements for levels and types of compensation and develop metrics for baseline "but for" conditions.</p>	<p>TWG will consider these recommendations related to the compensation procedure, and if needed, integrate in TWG output draft 1-0. The public consultation for draft 1-0 is scheduled for April and May 2020.</p>

h) Qualitative results – Question 9

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	<p>More clarity on social restitution and restoration methodology and how to fully achieve them</p>	<p>WG revised the requirements on compensation plan to provide further clarity on the expected social restitution plan development and implementation. WG agreed that principles around social restitution has to be based on FPIC principles where communities are involved. Please refer to Policy draft 2-0 principle 7 and 8 for more details.</p>
	<p>Peer/external review are important but should be independent (no conflict of interest)</p>	<p>WG considered this suggestion. Further details will be integrated in compensation procedure which is yet to be developed by TWG.</p>
	<p>FSC does not have knowledge and resources to accomplish these. CB should do it.</p>	<p>WG proposed for a competent authority to verify the compensation plan. Please refer to Policy draft 2-0, terms and definitions and principle 7 for further details.</p>
	<p>Key is compensation plan is proportionate to the damage done, produce clear and additional benefits and are developed in consultation with affected stakeholders.</p>	<p>WG addressed this concern by adding definition on proportionality.</p>
	<p>Monitoring of the implementation is key</p>	<p>As monitoring is a standard process in FSC system, no further Policy principle is added for draft 2-0.</p>



	Unclear information on "acceptable compensation plan", "external review", "approved by FSC (by who?)"	WG addressed this concern by adding Policy principle 6 on acceptable conversion. Please find further details in draft 2-0.
Medium priority	Further recommendations are provided: 1. FSC need to employ forest compensation science to develop generic robust, credible approach	TWG will develop FSC compensation procedure taking into account this suggestion.
	2. Rationale need to be given why current policy should change? (Impact analysis of current/proposed policies - 1. different forest and organization types (e.g. industrial vs community), 2. FSC system and resources	WG developed rationale for the development of Policy on Conversion. Please refer to further information under public consultation - Introduction section.
	3. further information on Social restitution science/methodologies not agreed.	WG Social chamber member recommended FSC to conduct social scoping study, to review parameters needed to assess social harm and restitution measures.
Low priority	1. where should compensation plan be available (company website? FSC platform?)	Based on the Policy principle, the compensation plan shall "Be made publicly available upon approval".

i) Qualitative results – Question 10

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	FM certificate should be required for audit of conservation and social benefits.	WG discussed that areas under the compensation plan will be verified and checked by the competent authority. The Policy indicates that FM certificate shall be required where appropriate, considering there are cases where FM certificate will not be possible or applicable. The area/s under the compensation plan need to be verified and monitored following the compensation procedure.
	Although it is easier to monitor areas within MUs, it is sometimes more beneficial to compensate conversion elsewhere. These options should be made available if it is justified, and the benefits are evidenced and superior to those lost in the conversion.	
	Alignment to the FSC-Pol-20-002 on partial certification of large ownership is recommended for system consistency.	FSC-POL-20-002 Partial certification of large ownerships is planned to be withdrawal.
Medium priority	Compensation must take place under a Management Plan. Impact can be greater in areas not included in the certificate. Options must exist.	The Policy indicates FM certificate shall be required where appropriate, considering there are cases where FM certificate will not be possible or applicable.
	Need to develop deeper understanding of issues. restitution requirements need new sets of measurable indicators, thresholds, which are holistic; impacts are ongoing the organization is now responsible for supporting communal efforts of "survival": - Act as deterrent	WG provided additional terms and definitions in the Policy draft 2-0, e.g. "longevity", "equivalence" and more. Measurable indicators will be included in compensation procedure which will be developed by Motion 7 TWG.



	- Long enough to allow restoration and restitution is to be effectively implemented (i.e. reach significant milestones)	
	Priority should be In the FMU and in same region and "define broader landscape"	

3.6 Policy on Conversion Principle 7

a) Questions posted during public consultation

Question 11. The Policy Working Group proposes the following threshold for the size of small-scale smallholder: "Threshold for the size of small-scale smallholders: Maximum single FMU size defined shall be defined by Standard Developers but not exceed 50ha. This may include alternative compensation possibilities." Do you support the proposed 50ha maximum threshold for the size of smallholders eligible for a compensation dispensation?

b) Qualitative result – Question 11

Quantitative results overview

In total, 96 out of 161 participants voted on question 4, and 80 participants are FSC members. General quantitative results are as below:

Support: 51
Oppose: 45

Quantitively results _ FSC membership

Response	Economic North	Economic South	Environmental North	Environmental South	Social North	Social South
No	13	13	4	4	2	2
Yes	6	13	9	7	1	6
(blank)	0	0	0	0	0	0

c) Qualitative results – Question11

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	It is important for each country to define what is a small holder according to local criteria and concepts, in accordance with local legislation, in national standards.	WG acknowledged these recommendations and will coordinate with FSC FPIC WG to discuss the definition of smallholders.
	Conversion without compensation should not be legitimized in the system. Other measures like joint compensatory measures, technical assistance, and more flexible measures could be part of the solution.	For the interim, WG propose to maintain the proposed size for small-scale smallholders for the dispensation mechanism, which will provide solution for allowing smallholder to aggregate compensation responsibilities and implement the compensation plan with jointed efforts.
	Maybe change accordingly with SLIMF definitions in national standards. It is important this value is fixed based in technical evidence.	
Medium priority	Additional feedback received on the proposed size of smallholders: 1. small holders should adhere to the conversion rule as well. In some countries/regions, small holders do drive deforestation. 2. The size of exemption should also be in relation with the productivity of their forests.	TWG will develop a set of dispensation criterion and measures for small-scale smallholders.



	<p>3. If they are part of Group Certificate Holders, some compensation should be defined.</p> <p>4. What if a group of small owners convert 50.000 has as a group, as it happened with the Vietnam Rubber Group.</p> <p>4. 50 ha too large</p> <p>5. need to differentiate smallholder types</p> <p>6. do not support exemption; might support an alternative compensation</p> <p>7. apply SLIMF</p>	
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3.7 Policy on Conversion Principle 8,9 and 10

a) Questions posted during public consultation
 Question 12. Do you have general comments for principle 8, 9 and 10?

b) Qualitative results – Question12

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	Clearly distinguish conservation and restoration.	These terms are already defined in FSC, with the WG proposing a specific definition in relation to restoration in terms of the Policy for Conversion.
	The term "natural ecosystem" should be substituted by "natural forest-related ecosystems".	Based on stakeholders and members' feedback, draft 2-0 specified the scope of conversion into natural forest and HCV.
	There is some confusion within the policy regarding the terms "association" and "certification".	WG revised the Policy draft 1-0 and separated the principles related to "organizations apply for association" and "organizations apply for certification". Detailed example can be found under section 3.3 Policy on Conversion principle 3.
Medium priority	1. Need to address aggregation for convenience (vs social benefit) and that damage must still be compensated to the same size as lost.	TWG will develop criterion for the aggregation of compensation implementation. TWG will consider this suggestion.
Low priority	1. Use CBs in Principle 9	WG provided further clarification on principle 9 via the following revision: FSC Dispute Resolution System shall be used to manage complaints associated with this policy. The Compensation Procedure may be used in resolving disputes regarding conversion of natural forests and High Conservation Values.

1) General comments on the Policy draft 1-0

a) Questions posted during public consultation



Generic comment on process: Do you have any comments or suggestions for the remaining development process for the FSC Policy on Conversion?

Generic comment: Do you have further comments on the first draft of FSC Policy on Conversion?

b) Qualitative results

Priority	Stakeholder/Membership feedback	PSU Comment
High priority	To evaluate whether this policy is relevant data must be provided on affected ownership and area sizes (SmHs, industrial forests etc.) in regard to a) past conversion after 1994 and b) potential future conversion; need to map Indigenous Peoples' territories that have been/likely to be impacted by conversion.	WG developed examples of critical aspects related to conversion root causes. WG aim is to further refine these examples into a database by adding information related to past conversion and potential future conversion. WG highly appreciates stakeholders and members input during this process.
	Positive & negative conversion shall be differentiated, and benefits of conversion shall be considered;	WG aim to address this concern by (1) refine policy principle on conversion threshold (including when degradation constitutes conversion), (2) add policy principle on acceptable conversion.
	Need to have an impact analysis of the proposed policies	Based on The Development and Revision of FSC Normative Documents <i>FSC-PRO-01-001 (V3-0) EN</i> , The Working Group and the Coordinator shall prepare a report for the FSC Board of Directors following the second public consultation, containing the evaluation of the likely impacts of the normative document. This document will be developed accordingly. Currently the WG is considering specific known cases to assist in analyzing potential impacts of the policy.
	Major improvements needed throughout the policy - needs policy rationales for why change needed and how final option solves the problem. Show how impacts can be minimized.	WG developed rationale for the development of Policy on Conversion. Please refer to details under public consultation materials – Introduction session. Further to this, the WG discussed communicating that this is a policy in the FSC normative framework and the TWG has started work on operationalizing this policy into FSC Standards.
	Policy is meaningless unless it is simultaneous with comprehensive guidance for compensation and restitution.	WG propose to add in the Policy final draft that “Policy will be effective once FSC compensation procedure becomes effective”
	Opening a window to allow compensation of past conversion under strict conditions is a desirable outcome, while future conversion is not aligning with FSC Mission and Values.	WG has chosen option 3 proposed in draft 1-0 in the draft 2-0, and option 3 does not allow future conversion after 2020.
	1st step is missing - identify loss and damage - this is basic especially for social	WG refined the requirements for calculating the liability for compensation in draft 2-0, details can be found under principle 7.
	Address “ownership loophole” and the issue of "subsistence conversion by communities".	WG included the definitions on direct involvement and indirect involvement in draft 2-0.



	<p>Not a policy, a standard. It needs an explanation of context, rationale, and analysis based on data</p>	<p>WG developed rationale for the development of Policy on Conversion. Please refer to details under public consultation materials – Introduction section. Moreover, WG developed examples related to conversion root causes. WG aim to further refine this in a database by adding information related to past conversion and potential future conversion. WG highly appreciate stakeholders and members input during this process.</p>
	<p>Climate change element</p>	<p>WG added climate change element under Policy objective. Please refer to further details in draft 2-0.</p>
<p>Medium priority</p>	<p>Further recommendations received as below: 1. Social elements of conversion impact survival- need to recognize multi-dimensions for both IP and local communities</p>	<p>WG revised definitions and compensation requirements to integrate/highlight social impacts/elements. Details can be found under section 3.1. and in other changes in the policy to reflect the intent that FPIC is used with communities and IP</p>
	<p>2. Need to consider (not allow?) certification of organizations of large-scale conversion/HCV, as scale too large to compensate - could place unacceptable pressure on FSC to reduce compensation.</p>	<p>WG reached agreement that only natural forest (and no other natural ecosystem) will be applied retrospectively to conversion occurred between 1994 and 2020. And for future conversions, WG revised the Policy scope to include natural forest and HCV instead of natural ecosystem.</p>
	<p>3. This policy allows previous converters to enter the system through compensation. By expanding the conversion of forest ecosystems to natural ecosystems, the possibility of developing new plantations is reduced and endangers the remaining natural forest for the extraction of wood and fuel.</p>	<p>TWG will develop a compensation procedure for address detailed requirements on calculating compensation liabilities and corresponding compensation requirements.</p>
	<p>4. Need Data about indigenous territories, those who have been affected and the degree of impact, is essential to decide whether the compensation mechanism is feasible or not, or to what extent.</p>	<p>WG Social chamber member recommended FSC to conduct social scoping study, to review parameters needed to assess social harm and restitution measures.</p>
<p>Low priority</p>	<p>Further comments received for the general policy and the further development process include the following: 1. Major improvements needed throughout the policy draft; 2. Training at all levels 3. facilitate better participation so people understand proposals 4. Need to develop methodology for determining loss and forms of compensation</p>	<p>Similar suggestions and comments were collected under other questions, and relevant feedback is provided in relevant sessions above.</p>

Thank you very much for contributing to the development of FSC Policy on Conversion Draft 2-0. We look forward to hearing further comments from you in the second round of public consultation.