

EVALUATION OF FSC CONTROLLED WOOD RISK ASSESSMENTS IN CANADA

5th February 2017

1. SCOPE

In 2016 ASI carried out desk review assessments of all Conformity Assessment Bodies (CABs) with approved FSC Controlled Wood Risk Assessments (CWRA) for Canada. CWRA in Canada had been identified as a potential area of variable application of certification requirements on the part of Certificate Holders (CH). Particular attention was given to how CABs evaluated conformity with clause 11 in the main text of FSC-STD-40-005 v2.1 in relation to category 3, as well as ADVICE-40-005-14 and INT-STD-40-005_15. The latter are copied below.

ADVICE-40-005-14 (April 2009)

Q: How can low risk be confirmed for Category 'C' of FSC-STD-40-005 V2-1 Clause 1.1?

1: Compliance with Indicator 3.1 may be demonstrated as follows:

- a) The district of origin of the timber **is not located in any of the mapped areas of high conservation values** (as listed in 3.1) in a certain country, *or*
- b) **There are no ecoregionally significant high conservation values** in the district of origin according to independent verifiable information at the district/ FMU level (NGO reports, environmental impact assessments, etc).

2 Compliance with Indicator 3.2 shall be demonstrated as follows:

- a) A strong system of protection of high conservation values is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating ($\geq 75\%$) in the World Bank "rule of law" index (www.govindicators.org), *and*
- b) Significant support by relevant national / regional stakeholders from the assessed district, *or*
- c) The company has agreed to an approach of HC VF protection at the forest management unit level with national / regional environmental stakeholders from the assessed district.

3 Compliance with Indicator 3.2 cannot be demonstrated if there is substantial objection from relevant national / regional stakeholders against a 'low risk' designation for the HC VF category.

INT-STD-40-005_15 (9 July 2014)

Q: How should companies treat ecoregions that are not within the WWF Global 200 but are listed as 'critical/endangered' or 'threatened' by WWF? Should this information always be included in risk assessments, under 3.1?

A: The standard requires consideration of 'ecoregionally significant HCVs' and does not limit the recognition of ecoregions to Global 200 ecoregions. General references provided in the standard direct to WWF sources without limitation to Global 200 ecoregions (...). Therefore, **information about threatened ecoregions** other than the examples provided in FSC-STD-40-005 and FSC-DIR-40-005 **should be taken into account**. The company **shall not ignore** known and available sources of information in addition to the ones listed in normative documents.



2. RESULTS

ASI reviewed CWRAs, associated CAB audit reports, and CAB procedures for auditing such CHs. A total of 18 CAB audit reports and CWRA were reviewed, and nine CABs assessed. Eight Non-Conformities (NCs) were identified, of which seven against FSC-STD-20-011-V2-0 requirement 5.1, which has remained the same in the latest version of this standard.

The findings show that most of the CABs covered by the study are not evaluating conformity with requirement 11 of FSC STD 40 005v2.1 in relation to category 3 adequately, and raises questions-regarding future CAB evaluation of CHs simplified risk assessments against FSC-STD-40-005 v3.0.

Application of the certification standards was generally consistent across all CABs covered by this study. Generally, CHs presented similar justifications for “low risk” classification, and most auditors accepted them despite the country being identified as “unspecified risk” for category 3 in the Global Forest Registry website. The findings recorded by auditors in reports or checklists were also similar, in the sense that they usually did not present reasoning for acceptance of low risk classification, nor referred to the discrepancy with the Global Forest Registry classification.

Although this study focused on only nine CABs and one country, there is no reason to suppose that the problem does not spread to other countries. Some of the CABs involved have a large number of FSC CoC clients worldwide.

The finding raised by ASI will still be relevant against FSC-STD-20-011 v3.0. It will also be relevant when the simplified CWRAs of CHs are audited against FSC-STD-40-005 v3.0. ASI does not expect that these two revised accreditation and certification standards will necessarily improve CH and CAB performance related to CWRAs. Given the delay in the centralized NRAs in relation to the initial target dates, this will constitute an area for both FSC and CABs to work on over the next two years.

3. RELEVANT ISSUES

3.1 Justifying absence of High Conservation Values

The Global Forest Registry indicates “unspecified risk” for category 3 in Canada, and “low risk” for the other categories; it was last updated in December 2011. For indicator 3.1 the justification is that there are areas of endangered High Conservation Value (HCVs), including Global200 ecoregions, regions identified by the World Resources Institute as a Frontier Forest (FF) and/or as Intact Forests Landscapes (IFL) by Greenpeace. For indicator 3.2 the justification is that it is not confirmed that a system is in place to ensure effective protection of the high conservation value forest areas described under 3.1.

As INT-STD-40-005_15 points out, additional sources of information about threatened ecoregions other than the examples provided in FSC normative documents must also be considered. The WWF Wildfinder is a publicly available source of information and it classifies various ecoregions present in Canada as ‘critical/endangered’ and threatened by forest management activities. Therefore, ecoregions classified by WWF Wildfinder as ‘critical/endangered’, FF and/or IFL would contain ecoregionally significant HCVs.



area shaded red on
map (most of US)

In all CWRA reviewed as part of this study, Canada was classified as low risk for all categories. For category 3, most CHs used indicator 3.1 to arrive at this classification, but a few classified their district as unspecified risk according to 3.1, and then used indicator 3.2 to arrive at a low risk classification.

Various CWRAs covered by this study contained ecoregions classified by WWF Wildfinder as 'critical/endangered' but did not mention this classification.

Additionally, many of the CWRAs covered by this study considered IFL as not present based on the method described in a 2007 document written by FSC Canada. This document establishes three different thresholds for determining intact forests:

- Globally significant intact forests are intact forests larger than 500,000 ha,
- Nationally significant intact forests are intact forests larger than 200,000 ha,
- Provincially significant intact forests are intact forests larger than 50,000 ha.

FSC Canada goes on to propose a method to determine when an intact forest is threatened by forest management activities, based on the three scales of "intactness" indicated above and on two general assumptions:

- a) forests outside forest tenure zones are not at risk of impact from forest management activities; and
- b) forests within forest tenure zones are potentially at risk of impact from forest management activities.

Based on FSC Canada's method, many CH conclude that "while most of the ecoregions within the district contain significant intact forests, these forests are only potentially threatened by forest management activities where the forest area within the ecoregion is above the 'significance' threshold (i.e., significant intact forest present) AND the area of intact forest outside of forest tenures is below the same threshold (...). Most ecoregions with significant intact forests also contain significant intact forest outside of forest tenure and are therefore low risk/ not threatened."

This argument does not constitute independent verifiable information at the district/ FMU level that there are no ecoregionally significant HCVs in the district, as required by 1b) of Advice note 40-005-14. Of course ASI is not implying FSC Canada should not be used as a source of information. But firstly, according to ADV-40-005-09 any guidance issued by FSC National Offices must be approved by FSC IC to be mandatory. And secondly, IFL are specifically mentioned in the Global Forest Registry dated 2011 as occurring in Canada, and there are other reputable stakeholders whose publicly available maps of IFL (Global Forest Watch) or FF (World Resources Institute) cover a significant part of the country. Thus, limiting sources of information to a 2007 document produced by one organization, when there are other more recent and contradictory sources of information, is not acceptable.

3.2 Justifying significant support by relevant stakeholders

Given the above, in many cases indicator 3.1 could not have been used to arrive at a low risk classification. Some of the CH did acknowledge this, and proceeded to apply indicator 3.2 - specifically 2a) and 2b) of Advice note 40-005-14.



As “significant support by relevant national/ regional stakeholders from the assessed district” (needed to comply with 2b) of Advice note 40-005-14), these CH cited generic conservation or government websites. These websites described past consultation processes led by government authorities for management planning or caribou conservation planning. Yet consultation carried out as part of conservation planning is not evidence of significant stakeholders support SPECIFICALLY for the low risk designation for FSC category 3. In order to justify arriving at a low risk designation for a district that has been classified as unspecified risk in the Global Forest Registry, a considerable amount of effort must be invested in obtaining stakeholder support – specifically for this designation, and not based on consultation carried out for other purposes. ASI considers this is necessary in order to comply with ADVICE-40-005-14.

3.3 Documenting findings

Frequently CAB auditors did not even acknowledge that the Global Forest Registry indicates unspecified risk for category 3 in Canada. **Auditors should check**, at a minimum, if the CWRA is aligned with the Global Forest Registry. **They should also justify their findings**, which in these cases should include why they concluded that the low risk classification was acceptable when the Global Forest Registry indicates unspecified risk.

