At a Crossroads: Strengthening the Controlled Wood System

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Controlled Wood is....

The non-certified part of an FSC-certified Mix product must be “Controlled”, meaning avoidance of wood sourced from the unacceptable sources:

• Illegally harvested wood
• Wood harvested in violation of traditional and civil rights
• Wood harvested from forests where HCVs are threatened
• Wood harvested from forests being converted to plantation or non-forest use
• Wood from forests in which genetically modified trees are planted

• FSC-STD-40-005: Company evaluation of CW
• FSC-STD-30-010: CW standard for FMEs
Why Controlled Wood?

- To facilitate the manufacturing of FSC Mix products
- A tool to avoid unacceptable sources
- Not a stand-alone marketing tool
The Controlled Wood Standard: FSC-STD-40-005

**INPUT**
- Company verification program
- Check district of origin

**VERIFICATION PROCESS**
- Risk assessment: 
  - Company (Annex 2)
  - National Risk Assessment

**OUTPUT**
- Low risk
  - Check docs are authentic
  - If compliance
- Unspecified risk
  - Annex 3
  - Field audit
  - If non-compliance
- CONTROLLED
- NOT CONTROLLED
The FSC Mix label has “led to phenomenal growth for FSC in the marketplace, and has enabled FSC to move to global leadership in forest certification.”

FSC Mix effectively achieves the mission of the FSC, as “the more FSC mix products are in the marketplace, the more demand there is for FSC Pure wood to be mixed with Controlled.”

The CW standard has changed sourcing behavior away from controversial sources, as “when a Risk Assessment comes out as “unspecified risk”, we either change suppliers or buy FSC-certified material from that region.”

The intent of the CW system is not clear: Avoid? Eliminate? Phase-out? Eco-regionally significant HCV? Humph!

As currently applied, there are some weaknesses in the Controlled Wood system, particularly “a low level of confidence in company-developed risk assessments.”
General Assembly Motion #51

Phase out company-developed risk assessments and replace with FSC-approved National Risk Assessments

- Revised procedural document (FSC-PRO-60-002) to encourage countries to look at different scales and to provide information for areas of “unspecified risk” to support the Annex 3 process.

- Development of Guidance document to support assessment process and risk determinations;
  - Alignment with legality legislation
  - Clarity around HCVs and social assessments

- CW Technical Committee discussions on ‘what’ is an unacceptable source...
  - CW as an ‘investment in forest stewardship’
General Assembly Motion #51

Strengthen the Standard (FSC-STD-40-005), particularly the “Annex 3” process (sourcing from areas designated as “unspecified risk”)

- Use of data in the National Risk Assessment (“assessment framework”) and the Global Forest Registry

- Requirements related to:
  - Stakeholder consultation
  - Field audits and sampling (and what is an “FMU”)
  - Complaints mechanism

- CB accreditation standard

- Situations where FSC-STD-40-005 is not available and sourcing Controlled Wood can only happen through FSC-STD-30-010
Our Guiding Principles

The CW standard shall:

1. Have system integrity: CW is controlled; truth in claims
2. Be clear
3. Ensure consistent application and interpretation
4. Be transparent (e.g. access to certificate information etc)
5. Apply the precautionary principle: erring on the side of caution
6. Not stop/dis-incentivise growth in FM certification
7. Not lower the bar; be consistent with other policies and standards of the FSC
8. Be a robust system (cannot be manipulated)
9. Be applicable to all scales of operation
What does this mean for Australia...

- Clarity in the requirements (FMU, complaints, consultation)
- Level playing field (companies and countries)
- Greater emphasis on National Risk Assessment (and an opportunity to revise it?)
  - Risk Designations at different scales
  - HCV Assessment Framework for Annex 3
  - National-level discussions and consensus
- Opportunity to input into the revision process of FSC-STD-40-005 so that it works for Australia!
Putting the P&C into practice

- Developing International Generic Indicators (IGIs)
- Transferring IGIs to regional, national and interim standards
The new, revised P&C

- To clarify language and definitions
- To incorporate new definitions
- To avoid ambiguous, undefined and unauditable terms
- To split criteria covering multiple issues
- To comply with decisions of the General Assembly, the Board of Directors, and others since 1993 (see: [http://vote.fsc.org/tpacr-1.htm](http://vote.fsc.org/tpacr-1.htm))
- To strengthen requirements, where there was clear agreement among FSC members
International Generic Indicators

Once approved by the FSC Board, the ‘IGIs’ will serve as baseline requirements for developing Forest Stewardship Standards and CB interim standards.

- IGIs WILL: Facilitate the development of national standards and ensure consistency in the application of the P&C.

- IGIS WILL NOT: replace national-level discussions and Indicators development.

- The procedures for transferring standards to the new P&C are designed to allow for flexibility based on country needs, resources and capacities.
The IGI “Team”

- **IGI Working Group**: 6 members, one from each sub-chamber
- **Technical Expert Group**: 1 Regional Representative per FSC global region; 2 CBs
- **Committees and Task Forces for core issues**: Risk, SLIMF, plantations, etc.
- **Consultative Forum**
- **Regional and national stakeholders**
- **FSC**: Policy & Standards Unit (PSU), Asia Pacific Regional Director, FSC Australia National Office
Developing the International Generic Indicators

- **Current P&C**
- **FSC-PRO-01-001**
- **Generic Standard for CBs**
- **FSC-GUI-60-004 Suggested Indicators**
- **Gap Analysis Draft Zero**
- **IGI Process**
- **Explanatory Notes**
- **Revised P&C**
- **Additional inputs:** Members workshop Motion results Existing Nat. Standards 3rd party standards
- **CBs SDGs**
- **National Forest Stewardship Standards**
### Key dates

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<tr>
<th>Date</th>
<th>Event Description</th>
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<tr>
<td>May 2012</td>
<td>Formation of IGI Working Group (WG) and Technical Expert Group (TEG)</td>
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<td>Week of 11 June 2012</td>
<td>First meeting of the IGI WG and TEG, including Member Workshop</td>
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<td>Oct/Dec 2012</td>
<td>First Draft of IGI released for 60-day stakeholder consultation</td>
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<td>First Regional Workshops planned to take place at the beginning of the consultation phase and for each of the FSC global regions in order to solicit regional input into the IGIs and to support regional/national transfer processes</td>
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<td>Feb/March 2013</td>
<td>Second meeting of the IGI WG and TEG</td>
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<td>May/June 2013</td>
<td>Second Draft of the IGI released for 60-day stakeholder consultation</td>
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<td>Second Regional Workshops planned to take place at the beginning of the consultation phase</td>
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<td>Sept/Nov 2013</td>
<td>Third meeting of the IGI WG and TEG, including Member Workshop</td>
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<td>Jan/Feb 2014</td>
<td>Pre-approval IGI Draft submitted to FSC Board of Directors for approval</td>
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<tr>
<td>June/Aug 2014</td>
<td>Transfer of IGIs to national and interim standards; must be completed by Dec 2014</td>
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The Transfer Process

• Three options are being explored for the transfer:
  
  a) a ‘Basic Transfer’ of existing standards to the revised P&C;

  b) a ‘Transfer + Revision’ which also allows for a revision of specific indicators identified as needing additional work;

  c) a ‘Transfer + Development’ to be applied only in countries where approved standards do not exist or partially exist.

National Offices and Standards Development Groups are highly encouraged to begin the transfer process as soon as possible, but the transfer cannot be complete (i.e., standards based on the revised P&C cannot be approved) until the IGIs are approved by the FSC Board.