



Forest Stewardship Council®



Conversion Remedy Procedure

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Draft 1-0

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The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

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Introduction

FSC believes that the remedy of harm caused from historical conversion, can encourage organizations to take responsibility for their actions. Meanwhile, it will promote responsible forest management practices in organizations that would have previously not been able to associate with or apply for certification to FSC standards. Further to this, to incentivize global commitments towards restoration of degraded forests, FSC believes that, by providing this procedure, it will enable responsible forest managers to enter global markets upon demonstration of remedy actions.

FSC recognises that regardless of timing, harm caused through *conversion** may be considered the same in similar forest types and in similar social contexts. Since the global awakening that occurred in the early 1990's, that lead to the establishment of FSC and the increasing urgency of preventing further forest, biodiversity and critical ecosystem losses, FSC has taken a strong position of discouraging further conversion.

Considering this and acknowledging the difficulties of assessing historical harm caused prior to 1994, FSC does not require any remedy action for conversion that happened prior to November 1994.

Acknowledging that any historical conversion after 1994 has already caused harm and with the intention of ensuring that since FSC's establishment this harm can be effectively remedied, FSC has developed this conversion remedy procedure. The procedure provides remedy requirements in line with international best practices and enables organizations to demonstrate responsible forest management through remedy of harm caused through conversion.

In terms of past conversion, FSC applies the requirements of standards that were in place at that time. Therefore, for past conversion between November 1994 and October 2020, FSC requires that harm caused from conversion of natural forests shall be remedied prior to association with FSC or applying for certification to the FSC standards.

FSC strongly encourages the conservation of all natural ecosystems. As the mission of the FSC is to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests, the focus of this procedure is primarily to remedy harm caused to natural forests.

A Objective

The objective of this procedure is to define permanent, equitable and effective measures for remediation of social and environmental harm caused by conversion.

B Scope

This procedure applies to organizations that seek to remedy harm caused by conversion. In FSC this would be for organizations that were directly or indirectly involved in conversion that occurred after November 1994 and before October 2020.

This procedure specifies requirements applicable at *Management Unit** level, for organizations to demonstrate that remedy activities are implemented, and conservation, ecological restoration and social restitution outcomes are delivered.

Compliance with this procedure provides a pathway for organizations that seek FSC certification against *National Forest Stewardship Standard*, *Interim National Standard*, or FSC-STD-30-010 *Controlled Wood Standard for FM enterprises*, or association

against FSC-POL-01-004 *Policy for Association*, to remedy for environmental and social harm caused by conversion.

C Effective and validity dates

Approval date	xx
Publication date	xx
Effective date	xx

Valid until replaced or withdrawn.

D References

The following referenced documents are relevant for the application of this document. For undated references, the latest edition of the referenced document (including any amendments) applies.

FSC-STD-01-001 *FSC Principles and Criteria*

FSC-STD-01-002 *FSC Glossary of Terms*

FSC-STD-60-004 *International Generic Indicators (IGI)*

FSC-STD-20-007 *Forest Management Evaluation*

FSC-POL-01-007 *FSC Policy on Conversion*

FSC-GUI-30-003 *FSC Guidelines for the Implementation of the Right to Free, Prior, and Informed Consent (FPIC)*

E Version History

Draft 0-0 was developed by FSC Motion 7 Technical Working Group (TWG) technical coordinator on 15 Jan 2020.

Draft 0-1 was developed considering input from the Technical Working Group (TWG) during their first Face to Face meeting.

Draft 0-2 was developed considering revisions made by the Technical Working Group (TWG) to draft 0-1 to reflect the views of the Group Members and to refine definitions based on common definitions used in remedy actions, include Policy requirements for amalgamation and small-scale smallholders. Adding in initial requirements for chain of custody / controlled wood and Policy for Association.

Draft 0-3 was developed to considering revisions made by the Technical Working Group, including changes to the *conversion threshold** to consider HCV and changes to the remedy action. Other changes where primarily grammar and formatting changes.

Draft 0-4 was developed considering revisions made by the Technical Working Group to develop draft 1-0, finalizing outstanding questions on the draft. This also included formatting and terminology changes to align with FSC standard practices.

Draft 1-0 was developed considering final input from the Technical Working Group and includes updates to the definitions and moving sections to enable the remedy procedure to focus on actual remedy of harm.

Verbal forms for the expression of provisions

[Adapted from ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards]

“shall”: indicates requirements strictly to be followed in order to conform to the document.

“should”: indicates that among several possibilities one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required.

“may”: indicates a course of action permissible within the limits of the document.

“can”: is used for statements of possibility and capability, whether material, physical or causal.

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Part 1: Criteria for Applying the Remedy Procedure

Part 1 introduces the application criteria for the remedy procedure under different scenarios within the FSC system.

1. Basic criteria for applying the remedy procedure

- 1.1 Organizations¹ that were *directly or indirectly involved** in *conversion** on a *Management Unit** after November 1994 and before October 2020 applying for FSC forest management certification of that *Management Unit** shall conform with this remedy procedure (refer to section 1 of Annex 1 for further guidance).
- 1.2 Organizations that were *directly or indirectly involved** in *conversion** after November 1994 applying to associate with FSC shall conform with this remedy procedure (refer to section 2 of Annex 1 for further guidance).

2. Dispensation criteria for small-scale small holders

- 2.1 *Small-scale small holders** are not required to conform with this remedy procedure where they have land-use rights on a *Management Unit** of less than 50 hectares (these 50 hectares may be defined to a smaller area by Standard Developers), and they can demonstrate:
 - a) that they depend on the land for most of their livelihood, and / or;
 - b) employ labour mostly from family or neighbouring communities.

Part 2: Social and Environmental Baseline Assessment

Part 2 introduces the requirements of a baseline assessment to identify, in consultation with *affected stakeholders** and experts, the social and environmental harm caused by *conversion**, and to determine site and mitigation measures needed to remedy the environmental and social harm.

3. Baseline assessment

- 3.1 Organizations shall carry out a baseline assessment, using *best available information** and experts, of the area before *conversion** and at the present time to determine social and environmental aspects associated with the project².
- 3.2 The baseline assessment shall include:
 - a) Identification and mapping of the converted area, giving the size of the *conversion**;

¹ For the purpose of this procedure the term organization is used to cover the FSC defined term of *The Organization** as well as any other legal entity.

² For the purpose of this procedure the term project is referred to the planned actions to remedy the environmental and social harm caused by conversion.

- b) Identification of *affected stakeholders** associated with the converted area;
- c) The historical state at the time of *conversion**, including:
 - Forest type according to national forest classifications or as a minimum according to Annex 2 of this procedure;
 - Forest condition status, biodiversity, *environmental values**, successional phase, level of degradation;
 - Landscape context, including fragmentation of habitat;
 - Social and cultural aspects, including:
 - *Tenure** and *use rights**
 - *Community needs**
 - Cultural values.
 - Status of *ecosystem services**, including those that have been lost or damaged.
- d) The current state of the converted area and *Management Unit**, covering the following:
 - Land use by area and management classification;
 - Forest condition status, biodiversity, *environmental values**, successional phase, level of degradation and degradation drivers;
 - Landscape context, fragmentation of habitat;
 - Social and cultural aspects, including:
 - *Tenure** and *use rights**
 - *Community needs**
 - Cultural values.
 - Status of *ecosystem services**, including those that have been lost or damaged.

NOTE: The aforementioned requirements may be taken from the Forest Management Plan.

3.3 During consultations with *affected stakeholders**, the organization shall ensure *affected stakeholders** are made aware of their rights and where their rights were violated.

3.4 Where *affected stakeholders** do not understand that they may have rights (these right may be either legal or traditional rights), or understand that their rights may have been violated, as part of the *Free, Prior and Informed Consent** process, these *affected stakeholders** shall be made aware of their rights. Best practice Guideline: UN guiding principles on business and human rights – Implementing the United Nations “Protect, Respect and Remedy” Framework (Ruggie 2008).

4. Analysis of the baseline assessment result

4.1 The baseline assessment and its analysis shall be undertaken in full consultation with *affected stakeholders** and experts and shall be based on best practice guidelines.

4.2 The minimum requirements that the analysis shall include are listed in Clause 4.3 and 4.4, below.

4.3 Environmental harm caused by the *conversion**, considering scale and intensity, and agreed with *affected stakeholders** and experts, specific to:

- a) The size of the converted area,
 - b) The quality, including levels of degradation of the converted area, and
 - c) *Environmental values** lost, including in the broader landscape,
- 4.4 Social harm caused by the conversion*, considering scale and intensity as determined through a *Free, Prior and Informed Consent** process in consultation with *affected stakeholders**, specific to:
- a) Social and cultural values,
 - b) Land tenure,
 - c) Livelihoods,
 - d) Violation of human rights, and
 - e) *Ecosystem services**.

5. Site selection and determination of remedy action

- 5.1 Based on the analysis of harm caused as identified during the analysis of environmental and social data in section 4 above, and in agreement with local stakeholders including *affected stakeholders** and experts, the organization shall determine the mitigation and sites that would be required to remedy the harm caused by the *conversion**.
- 5.2 Remedy action shall consist of restorative activities, reforestation, enhancement, preservation, conservation, substitution, including any or all of them.
- 5.3 Remedy action shall demonstrate that the sites selected are *proportionate** to the scale and harm caused by the *conversion**.
- 5.4 Remedy action shall, as a minimum, be *equivalent** to the harm caused.
- 5.5 Demonstrating the *equivalence** requires organizations to:
- a) identify and document the forest type/s and size of the area per forest type that were removed during the *conversion**; and
 - b) document best practice methodologies for remedial action that will be used to restore similar forest type/s and *proportionate** areas to those that were removed.
- 5.6 Site selection for remedy action shall be based on producing maximal conservation outcomes and social benefits, considering *affected stakeholder** input, conservation outcome, social benefits, the pre-*conversion** forest types (*Reference model**), and proximity to converted area.
- 5.7 Site selection shall be prioritized in consecutive order: (1) in the converted area, (2) within the *Management Unit**, (3) adjacent to the *Management Unit**, (4) within the landscape where the *Management Unit** is located, (5) within the province or country where the *Management Unit** is located.
- 5.8 Where there is potential to maximize ecological outcomes and / or social benefits, organizations may aggregate remedy actions on the condition that each organization is able to demonstrate that its harm caused by

*conversion** is being remedied. Therefore, aggregated sites shall be able to demonstrate separate remedy for each individual organization's harm.

- 5.9 Types of remedy action shall be selected based on *affected stakeholder** and experts input related to conservation outcomes and social benefits.
- 5.10 When determining remedy actions to be undertaken, the organization shall identify, in consultation with *affected stakeholders** and experts, activities that may be considered as *priority activities**.
- 5.11 The organization shall respect the following principles of best practice for identifying *priority conflicts**:
 - a) Conflict resolution processes shall be established and agreed together with the rights holders;
 - b) Conflict resolution solutions shall go beyond the legal obligation of Corporate Social Responsibility or general community development interventions and address the root cause of the conflict or the harm identified.
- 5.12 In considering who carries out the assessment and analysis, the determining factor shall be that these assessments and analysis meet the required outcomes of this procedure.

6. Baseline assessment report

- 6.1 The organization shall develop a baseline assessment report containing the following information:
 - a) Assessment of environmental and social conditions of the area before *conversion** and at the present time;
 - b) Analysis of environmental and social harm caused by *conversion**;
 - c) Site selection result and remedy action required;
 - d) Methodologies used, *affected stakeholders** consulted and, the credentials of experts consulted for the implementation of Clauses 3, 4, and 5 in the procedure.

Part 3: Concept Note for the Remedy Plan

Part 3 describes the requirements of the Concept Note for the Remedy Plan. The Concept Note shall briefly introduce the proposed action for remedy the determined environmental and social harm following Part 2 and shall be submitted to the *Competent Authority** for review and approval, prior to developing the Remedy Plan as defined under Part 4 of the procedure.

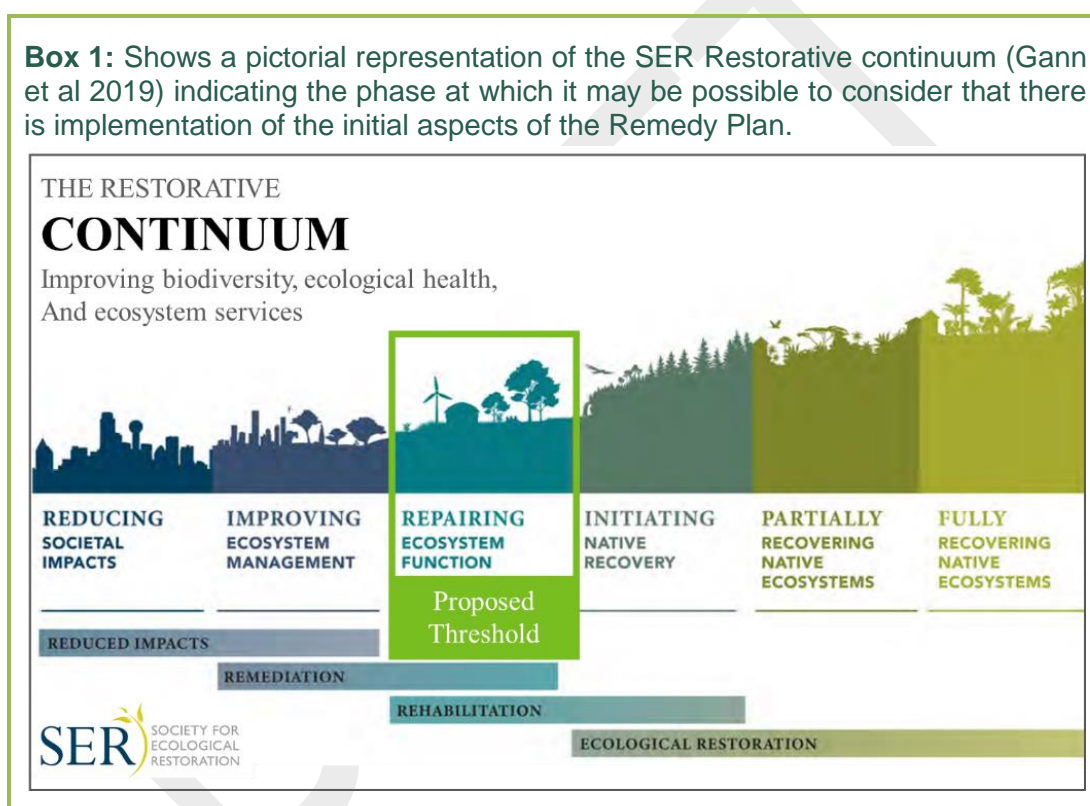
7. Development and approval of Concept Note

- 7.1 Based on the baseline assessment report, the organization shall develop a Concept Note (using an FSC approved template) that briefly describes the proposed action to be taken to remedy the identified harm caused by *conversion** on the *Management Unit**.

7.2 The Concept Note shall include:

- a) An evaluation of resources (financial, ecological and human) to ensure feasibility of options (Remedy Plan).
- b) Recommendations for the most effective options based on the outcome of Section 5 above. The value (ecological and social) of recommended options must demonstrate equal or greater remedy value when considered against the harm caused.
- c) Proposed timelines to achieve:
 - The initial implementation phase of the Remedy Plan at which time it may be possible to request verification of the implementation to facilitate certification to FSC standards or association with FSC. (See Box 1 below).
 - Progress against key objectives in the Remedy Plan.
 - Estimated full implementation of remedial action.

Box 1: Shows a pictorial representation of the SER Restorative continuum (Gann et al 2019) indicating the phase at which it may be possible to consider that there is implementation of the initial aspects of the Remedy Plan.



- 7.3 The organization shall submit this Concept Note and the associated baseline assessment reports to the *Competent Authority** for review.
- 7.4 The *Competent Authority** shall review the Concept Note and assess the qualitative information provided. Where it verifies that the Concept Note meets the requirements of this procedure, the *Competent Authority** shall approve that the organization can continue to develop the Remedy Plan.
- 7.5 Where the *Competent Authority** deems that there are deficits in the Concept Note, it shall request that the Concept Note is revised to provide the required information prior to permitting the development of the full Remedy Plan.

- 7.6 An entity implementing remedy action shall be selected by the organization based on *affected stakeholders** input, conservation outcomes and social benefits.

Part 4: The Remedy Plan

Part 4 describes the requirements for the Remedy Plan. The Remedy Plan shall be developed upon approval of the Concept Note by the *Competent Authority**.

8. Development of the Remedy Plan

- 8.1 Based on the accepted Concept Note and baseline assessment, the organization shall develop the Remedy Plan that demonstrates that the harm caused by the historical *conversion** will be mitigated (remedied) by the organizations planned actions.
- 8.2 The Remedy Plan shall detail how each required action identified in consultation with *affected stakeholders** and experts during the analysis of the baseline assessment will be addressed, including:
- a) *Priority activities** that shall, at a minimum, reduce ongoing social harm and demonstrate ecosystem management and protection.
 - b) Timeframes and benchmarks for *priority activities**, Initial Implementation achievement and completion of mitigation or remedy actions.
 - c) An evaluation of resources (financial, ecological and social) to ensure feasibility of options selected to achieve completion of the Remedy Plan.
 - d) Identification of restoration *reference models** and ecosystem attributes (ecosystems or habitat that was lost and should be restored or conserved), which will be used to determine progress and completion of the Remedy Plan.
 - e) Parameters (area and properties of ecosystem or social values that should be restored) for monitoring according to the expected recovery trajectory indicating that the Remedy Plan is achievable within the timelines. This shall include benchmarks for annual monitoring.
 - f) Referenced and justified Best Practice Guidelines that were used in establishing the Remedy Plan.
- 8.3 The Remedy Plan shall be approved by local stakeholders, including *affected stakeholders** and experts to demonstrate their agreement of both the remedy proposed and the harm caused and their support of the Remedy Plan prior to submission.
- 8.4 The organization shall demonstrate its commitment to having stopped converting by waiting for a period of five years after the last *conversion** before it engages FSC with its Remedy Plan.
- 8.5 The organization may carry out the baseline assessment, analysis and develop the Concept Note during the period as defined in Clause 8.4.

- 8.6 On completion of the Remedy Plan, the organization shall submit the Remedy Plan to the *Competent Authority** for assessment.

9. Review and approval of the Remedy Plan

- 9.1 FSC will define the skills needed of the *Competent Authority** to assess qualitative and process content for social and environmental aspects based on the content of the Remedy Plan.
- 9.2 The review of the Remedy Plan by the *Competent Authority** shall include both a quantitative and qualitative assessment of the Remedy Plan to determine the Remedy Plan's potential to achieve the desired outcomes.
- 9.3 The *Competent Authority** shall submit the Remedy Plan for peer review by environmental and / or social experts.
- 9.4 Where the *Competent Authority** determines that the Remedy Plan or elements of the Remedy Plan are not able to demonstrate the achievement of the desired outcomes, the *Competent Authority** shall request the organization to revise the Remedy Plan or the specific elements before it can be re-submitted for further assessment.
- 9.5 Where the *Competent Authority** determines the Remedy Plan demonstrates that intended outcomes are likely to be achieved they shall approve the Remedy Plan.
- 9.6 Once the Remedy Plan has been approved by the *Competent Authority**, the organization shall make a summary of the Remedy Plan publicly available.

Part 5: Implementation of the Remedy Plan

Part 5 describes the process from when the Remedy Plan is approved by the *Competent Authority** and the organization commenced with the implementation of the Remedy Plan. Part 5 introduces the requirements for its implementation, the initial implementation threshold as required for application of FM certification or association with FSC.

10. Implementation of the Remedy Plan and the initial implementation threshold

- 10.1 During the initial implementation phase of the Remedy Plan, the organization shall continue the engagement with *affected stakeholders** and experts to ensure that the implementation of the Remedy Plan will achieve the desired outcomes.
- 10.2 When the organization has achieved the outcomes in the Remedy Plan to demonstrate that it has met the *initial implementation threshold**, the organization shall inform the *Competent Authority**.
- 10.3 The *Competent Authority** shall conduct a verification audit to assess whether the planned initial implementation outcomes have been achieved.

- 10.4 Where the verification audit determines that the organization has achieved the planned initial implementation outcomes, it may apply to associate with FSC, and where the organization intends to apply for certification of a *Management Unit** to one of FSC certification standards it may apply for certification.
- 10.5 Where the verification audit determines that the organization has not achieved the planned initial implementation outcomes, the *Competent Authority** shall determine where non-conformance exists and raise Corrective Action Requests with the organization.
- 10.6 The FSC Dispute Resolution System shall be used when the organization disagrees with the findings or decisions of the *Competent Authority**.
- 10.7 Where there is a necessity for major changes to the Remedy Plan during the implementation, changes shall be submitted to the *Competent Authority** for review and approval prior to implementing these changes.

Part 6: Ongoing Monitoring of the Remedy Plan implementation

Part 6 describes the monitoring mechanism for the Remedy Plan, and the consequences of stopping the ongoing monitoring of the implementation of the Remedy Plan, or when major non-conformances are detected.

11. Monitoring mechanism for the Remedy Plan

- 11.1 Where the organization has achieved Forest Management certification, ongoing implementation of the Remedy Plan shall be assessed as part of the annual certification surveillance audits by the responsible certification body.
- 11.2 Where the organization has either not yet achieved Forest Management certification or is not a certificate holder, but associated with FSC, the *Competent Authority** shall conduct annual verification audits to verify ongoing compliance with the remedy procedure until *affected stakeholders** and experts agree that the harm caused by the *conversion** has been sufficiently remediated as defined in the Remedy Plan.
- 11.3 Where the organization stops or terminates the implementation of the Remedy Plan, and later applies to resume the process, they shall re-start the process at the stage of re-submitting the Concept Note (Part 3 of this procedure).
- 11.4 Where major non-conformities with regards to the implementation of the Remedy Plan are detected during a certification surveillance audit by the certification body or in a verification audit by the *Competent Authority**, they shall be addressed according to FSC-STD-20-007 V3-0 Clauses 8.10 and 8.11.

- 11.5 The organization's eligibility for certification or association may continue until such time as there is an agreement to terminate the contractual relationship between FSC and the organization.

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Annex 1: Guidance on Criteria for Applying the Remedy Procedure

1. Where a organization intend to apply for certification to the FSC Standards, it shall demonstrate it complies with the relevant requirements of the applicable standard.

- 1.1. The organization applying for FSC Forest Management certification of a *Management Unit** shall determine whether it was directly or indirectly involved in *conversion**, on the *Management Unit**, which occurred after November 1994 and prior to October 2020.
- 1.2. Where the organization acquires new land that has been degraded prior to it acquiring tenure rights on the land, it shall use the *Conversion Threshold** or an FSC approved nationally adapted threshold to determine whether changing the land use would constitute *conversion**.
- 1.3. The organization shall determine where there has been establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log landings, fire protection, etc.).
- 1.4. Where there was *conversion**, the organization shall determine whether this meets the FSC criterion for affecting a *very limited portion** of the *Management Unit**.
- 1.5. Where the organization's development results in a vegetation cover change that is above the *conversion threshold** and affects more than a *very limited portion**, the organization shall determine if this *conversion** occurred prior to October 2020.
 - 1.5.1. Where there is no *conversion**:
 - a. That occurred after November 1994 and prior to October 2020, or
 - b. that exceeds the *conversion threshold**, or
 - c. that exceeds a *very limited portion** of the *Management Unit**,then the organization may submit *Management Units** for certification or apply for association with FSC.
 - 1.5.2. Where the *conversion** occurred:
 - a. after November 1994 and prior to October 2020, and
 - b. exceeds the *conversion threshold**, and
 - c. exceeds a *very limited portion** of the *Management Unit**,then the organization is required to prove that it has ceased further or ongoing *conversion** and to remedy harm caused by the *conversion** through the implementation of the remainder of this procedure.
 - 1.5.3. Where the *conversion** occurred after October 2020, the organization is not eligible to submit the *Management Unit** where the *conversion** occurred that exceeded the *conversion threshold**, for certification to FSC Forest Management Standards.

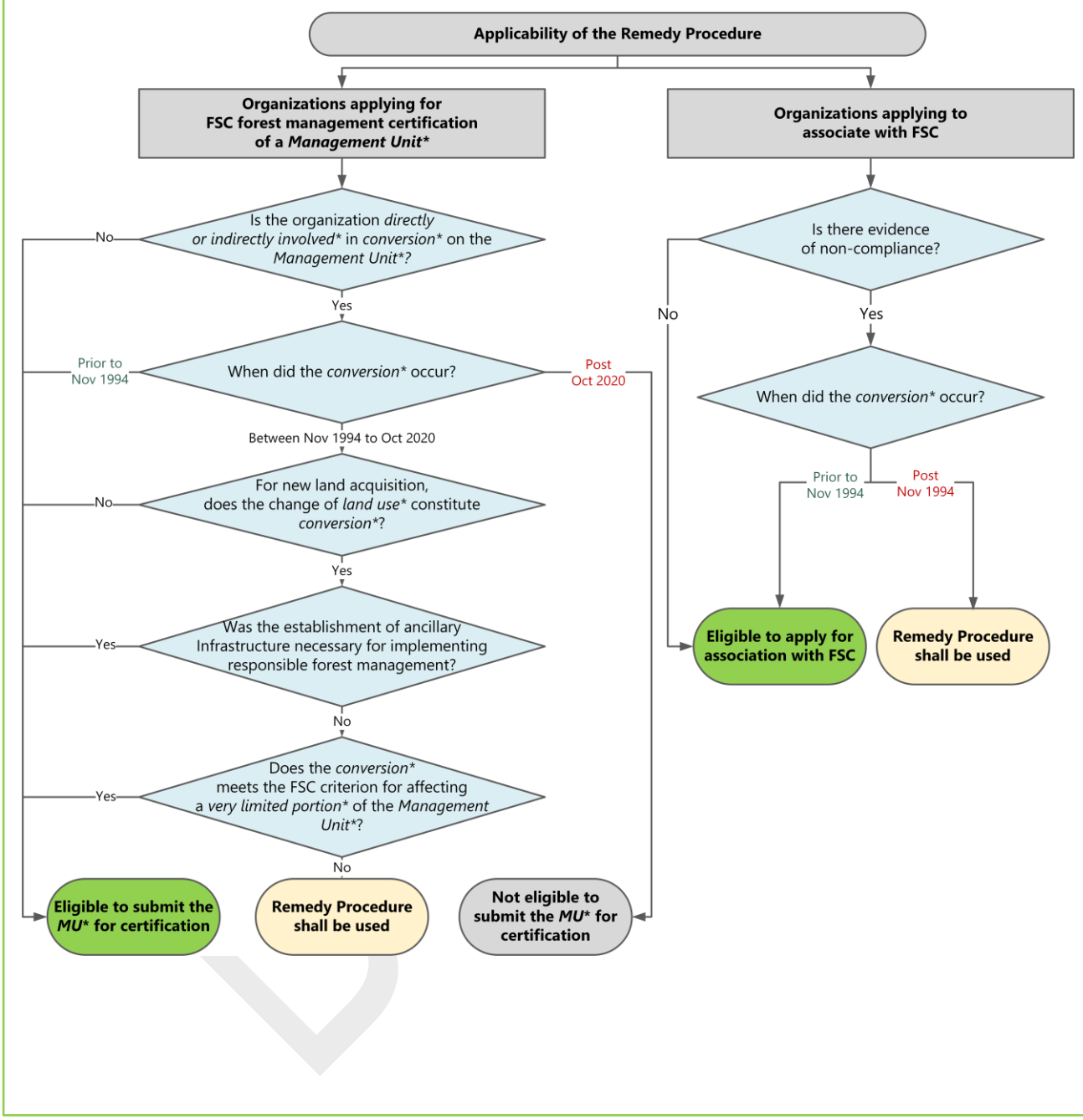
2. Where organizations were *directly or indirectly involved in *conversion** after November 1994 and want to apply to be associated with FSC, the following shall apply:**

2.1. Where there is evidence of a non-compliance with the FSC normative framework documents regarding *conversion**, this procedure shall be used as part of the Grievance Resolution process to resolve grievances related to *conversion** of *natural forests** and *High Conservation Value Areas**.

Note: there may be a short window where the concept of *High Conservation Values** had not been introduced into FSC, then between 1999 and 2012 this was High Conservation Value Forests. FSC would apply the definition appropriate to the time period the *conversion** occurred.

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Box 2: Decision tree for the applicability of the Remedy Procedure



Annex 2: Forest Type Classes³

Note: the forest type classes exclude native and exotic plantation forest types and disturbed forest types.

Temperate and Boreal Forest Types	
1) Evergreen needleleaf forest	Natural forest with > 30% canopy cover, in which the canopy is predominantly (> 75%) needleleaf and evergreen.
2) Deciduous needleleaf forest	Natural forests with > 30% canopy cover, in which the canopy is predominantly (> 75%) needleleaf and deciduous.
3) Mixed broadleaf/needleleaf forest	Natural forest with > 30% canopy cover, in which the canopy is composed of a more or less even mixture of needleleaf and broadleaf crowns (between 50:50% and 25:75%).
4) Broadleaf evergreen forest	Natural forests with > 30% canopy cover, the canopy being > 75% evergreen and broadleaf.
5) Deciduous broadleaf forest	Natural forests with > 30% canopy cover, in which > 75% of the canopy is deciduous and broadleaves predominate (> 75% of canopy cover).
6) Freshwater swamp forest	Natural forests with > 30% canopy cover, composed of trees with any mixture of leaf type and seasonality, but in which the predominant environmental characteristic is a waterlogged soil.
7) Sclerophyllous dry forest	Natural forest with > 30% canopy cover, in which the canopy is mainly composed of sclerophyllous broadleaves and is > 75% evergreen.
8) Disturbed natural forest	Any forest type above that has in its interior significant areas of disturbance by people, including clearing, felling for wood extraction, anthropogenic fires, road construction, etc.
9) Sparse trees and parkland	Natural forests in which the tree canopy cover is between 10-30%, such as in the steppe regions of the world. Trees of any type (e.g., needleleaf, broadleaf, palms).

³ Adapted from UNEP-WCMC 2000. *Global Distribution of Current Forests*, United Nations Environment Programme - World Conservation Monitoring Centre (UNEP-WCMC).
http://www.unepwcmc.org/forest/global_map.htm or http://www1.biologie.uni-hamburg.de/online///afrika/africa_forest/www.unep_wcmc.org/forest/global_map.htm

Tropical/Subtropical Forest Types	
1) Lowland evergreen broadleaf rain forest	Natural forests with > 30% canopy cover, below 1200m altitude that display little or no seasonality, the canopy being >75% evergreen broadleaf. Includes other types of ecosystems like salt marshes, spit forests, bamboo forests, palm tree forests.
2) Lower montane forest	Natural forests with > 30% canopy cover, between 1200-1800m altitude, with any seasonality regime and leaf type mixture.
3) Upper montane forest	Natural forests with > 30% canopy cover, above 1800m altitude, with any seasonality regime and leaf type mixture.
4) Freshwater swamp forest	Natural forests with > 30% canopy cover, below 1200m altitude, composed of trees with any mixture of leaf type and seasonality, but in which the predominant environmental characteristic is a waterlogged soil. [including peat]
5) Semi-evergreen moist broadleaf forest	Natural forests with > 30% canopy cover, in which between 50-75% of the canopy is evergreen, > 75% are broadleaves, and the trees display seasonality of flowering and fruiting.
6) Mixed broadleaf/needleleaf forest	Natural forests with > 30% canopy cover, in which the canopy is composed of a more or less even mixture of needleleaf and broadleaf crowns (between 50:50% and 25:75%).
7) Needleleaf forest	Natural forest with > 30% canopy cover, in which the canopy is predominantly (> 75%) needleleaf.
8) Mangroves	Natural forests with > 30% canopy cover, composed of species of mangrove tree, generally along coasts in or near brackish or saltwater.
9) Deciduous/semi-deciduous broadleaf forest	Natural forests with > 30% canopy cover, in which between 50-100% of the canopy is deciduous and broadleaves predominate (> 75% of canopy cover).
10) Sclerophyllous dry forest	Natural forests with > 30% canopy cover, in which the canopy is mainly composed of sclerophyllous broadleaves and is > 75% evergreen.
11) Thorn forest	Natural forests with > 30% canopy cover, in which the canopy is mainly composed of deciduous trees with thorns and succulent phanerophytes with thorns may be frequent.

Tropical/Subtropical Forest Types

12) Sparse trees and parkland

Natural forests in which the tree canopy cover is between 10-30%, such as in the savannah regions of the world. Trees of any type (e.g., needleleaf, broadleaf, palms). The two major zones in which these ecosystems occur are in the boreal region and in the seasonally dry tropics.

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Annex 3: Terms and Definitions

For the purposes of this Policy, the terms and definitions provided in FSC-STD-01-002 *FSC Glossary of Terms*, FSC-STD-01-001 *FSC Principles and Criteria*, FSC-STD-60-004 *FSC International Generic Indicators*, FSC-POL-01-007 *FSC Policy on Conversion Version 1-0 Draft 2-0* and the following apply:

Additionality: Additionality outside the *Management Unit**: conservation and/or restoration outcomes over and above those already achieved or planned to be achieved, and that would not have been achieved without the support and/or intervention of The *Organization**.

Projects must either be new (i.e. not already being implemented or planned), amended or extended so that conservation and/or restoration outcomes are enhanced beyond what would have been achieved, or planned or funded to be achieved without The *Organization** planning to compensate for historical conversion.

Additionality inside the *Management Unit**: conservation and/or restoration outcomes above and beyond those required by the FSC Standards. (*Source: FSC-POL-01-007 FSC Policy on Conversion Version 1-0 Draft 2-0*)

Competent Authority: An independent, third party company or organization appointed by FSC to assess the Concept Notes of Remedy Plans, approve Remedy Plans, facilitate peer review of plans, monitor implementation, verify initial implementation of the Remedy Plan and report on ongoing implementation of the Remedy Plan. This third party may vary depending on whether the organization implementing the remedy actions intends to acquire FSC standards certification or simply associate with FSC and based upon internal decisions as to whether they need to change based upon scope of review.

Conversion: A *lasting change of natural forest cover** or *High Conservation Value** areas, *induced by human activity** and characterized by *significant loss of species diversity**, habitat diversity, structural complexity, ecosystem functionality or livelihoods and cultural values. The definition of *conversion** covers gradual forest degradation as well as rapid forest transformation.

- **Induced by human activity:** In contrast to drastic changes caused by natural calamities like hurricanes or volcanic eruptions. It also applies in cases of naturally ignited fires where human activities (e.g. draining of peatlands) have significantly increased the risk of fire.
- **Lasting change of natural forest cover:** Permanent or *long-term** change of natural forest cover, precluded from reverting back towards pre-conversion conditions. Temporary changes of forest cover or structure (e.g. harvesting followed by regeneration in accordance with the FSC normative framework) is not considered conversion.
- **Significant loss of species diversity:** Loss of species is considered significant where rare, threatened and endangered or other locally important, keystone and/or flagship species are lost, whether in terms of numbers of individuals or in terms of number of species. This refers to both displacement and extinction.

NOTE: For the purposes of this Policy, the establishment of ancillary infrastructure necessary to implement the objectives of responsible forest management (e.g. forest roads, skid trails, log landings, fire protection, etc.) is not considered conversion. (*Source: FSC-POL-01-007 FSC Policy on Conversion Version 1-0 Draft 2-0*)

Conversion Threshold: Where the *land use** has changed from the FSC definition of a *natural forest** and / or the *ecosystem function** have been degraded to the point where *natural recovery potential** to *natural forest** is unable to be achieved without direct intervention. *This Conversion Threshold may be adapted by Standards Development Groups to reflect the varying forest types found within their countries.*

Implementation Threshold: Where the *ecosystem function** has been restored to the point where *native recovery potential** to *natural forest** is ecologically viable (as per ecosystem attributes) or where a selected *natural forest** area is conserved at a level higher than the converted area condition at the time of *conversion**. Additionally, *priority activities** have been implemented.

Equivalent: For ecological equivalence - The same specific type of *natural forest** or *High Conservation Value** is restored or conserved as was destroyed. For social restitution, equivalence should be based on an assessment through Free, Prior, Informed Consent (FPIC) of the nature, quality and quantity of all losses as well as the on-going future benefits these would have provided. Equivalence should entail provision of the best means possible to ensure future community success. (Source: FSC-POL-01-007 FSC Policy on Conversion Version 1-0 Draft 2-0)

Management Unit: A spatial area or areas submitted for FSC certification with clearly defined boundaries managed to a set of explicit long-term management objectives which are expressed in a management plan. This area or areas include(s):

- all facilities and area(s) within or adjacent to this spatial area or areas under legal title or management control of, or operated by or on behalf of The Organization, for the purpose of contributing to the management objectives; and
- all facilities and area(s) outside, and not adjacent to this spatial area or areas and operated by or on behalf of The Organization, solely for the purpose of contributing to the management objectives.

Proportional: A 1:1 ratio: The area to be restored or conserved is the same as the area of *natural forest** and/or *High Conservation Value** destroyed. (Source: FSC-POL-01-007 FSC Policy on Conversion Version 1-0 Draft 2-0)

Restoration / Ecological Restoration: process of assisting the recovery of an ecosystem, and its associated conservation values, that have been degraded, damaged, or destroyed. (Source: *adapted from International principles and standards for the practice of ecological restoration. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]*) (Restoration doesn't necessarily aim at returning the natural/historic functions, but instead encompasses a broad range of activities with different goals).

Restoration includes a broad range of activities; with one or more targets that identify the native ecosystem to be restored (as informed by an appropriate reference model), and project goals that establish the level of recovery sought. Level of recovery can be from rehabilitation to full recovery:

- **Rehabilitation:** is the repairing of *ecosystem function** and some native biota recovery (but not necessarily). The goal of rehabilitation projects is not native ecosystem recovery, but rather reinstating a level of ecosystem functioning for renewed and ongoing provision of *ecosystem services** potentially derived from non-native ecosystems as well.
- **Full recovery:** is defined as the state or condition whereby, following restoration, all key ecosystem attributes closely resemble those of the reference model, and the ecosystem demonstrates self-organization. Where lower levels of recovery are

planned or occur due to resource, technical, environmental, or social constraints, recovery is referred to as partial recovery.

- **Substitution:** defines the state or actions where the reconstructed ecosystem is completely different to the historical ecosystem that existed prior to *conversion**, and deemed to be more suitable for restoration, due to impaired environmental changes. The substituted ecosystem or forest type must also produce clear, substantial, additional, secure, and long-lasting conservation outcomes in comparison to other options.
- **Ecosystem Attributes:** Key ecosystem attributes contribute to overall ecosystem integrity, which arises from properties of diversity, complexity, and resilience inherent in functional native ecosystems. Attributes include: Absence of threats; Physical and chemical conditions; Species composition; Structural diversity; *ecosystem function**; and External exchanges. Key ecosystem attributes are used to describe the reference model (*Source: adapted from International principles and standards for the practice of ecological restoration. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]*)
- **Enhancement:** means the manipulation of the physical, chemical, or biological characteristics of ecosystems to heighten, intensify, or improve specific resource function(s). Enhancement results in the gain of selected resource function(s) but may also lead to a decline in other resource function(s). Enhancement does not result in a gain in resource area.
- **Reference Model:** The reference model aims to characterize the condition of the ecosystem as it would be had it not been converted, adjusted as necessary to accommodate changed or predicted change in biotic or environmental conditions (e.g. climate change). Reference models should be based on specific real-world ecosystems that are the targets of conservation and restoration activities. Optimally the reference model describes the approximate condition the site would be in had conversion not occurred. This condition is not necessarily the same as the historic state, as it accounts for the inherent capacity of ecosystems to change in response to changing conditions. Reference models are developed based on information on specific ecosystem attributes obtained from reference sites, which are environmentally and ecologically similar to the site to be restored, but optimally have experienced little or minimal degradation. (*Source: adapted from International principles and standards for the practice of ecological restoration. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]*)
- **Protection:** means the removal of a threat to, or preventing the decline of, resources by an action in or near those resources. This term includes activities commonly associated with the protection and maintenance of resources through the implementation of appropriate legal and physical mechanisms.

Natural recovery potential: Capacity of ecosystem attributes to return through natural regeneration to a site that has been degraded. Degree of this potential in a degraded ecosystem will depend on the extent and duration of the impact and whether the impact resembles those to which the ecosystem's species have adapted over evolutionary time frames. Natural recovery potential needs to be present for application of natural regeneration or assisted regeneration approaches to ecological restoration. (*Source: adapted from International principles and standards for the practice of ecological restoration. Gann et al 2019. Second edition. Society for Ecological Restoration [SER]*)

Natural Forest: A forest area with many of the principal characteristics and key elements of native ecosystems, such as complexity, structure and biological diversity, including soil characteristics, flora and fauna, in which all or almost all the trees are native species, not classified as plantations.

'Natural forest' includes the following categories:

- Forest affected by harvesting or other disturbances, in which trees are being or have been regenerated by a combination of natural and artificial regeneration with species typical of natural forests in that site, and where many of the above-ground and below-ground characteristics of the natural forest are still present. In boreal and north temperate forests which are naturally composed of only one or few tree species, a combination of natural and artificial regeneration to regenerate forest of the same native species, with most of the principal characteristics and key elements of native ecosystems of that site, is not by itself considered as conversion to plantations.
- Natural forests which are maintained by traditional silvicultural practices including natural or assisted natural regeneration.
- Well-developed secondary or colonizing forest of native species which has regenerated in non-forest areas.
- The definition of 'natural forest' may include areas described as wooded ecosystems, woodland and savanna.

Natural forest does not include land that is not dominated by trees, was previously not forest, and that does not yet contain many of the characteristics and elements of native ecosystems. Young regeneration may be considered as natural forest after some years of ecological progression. (*Source: FSC-STD-01-001 V5-2 (shortened)*)

Priority activities: Activities that should be undertaken as a priority in the early phases of implementing the Remedy Plan prior to being able to demonstrate that the initial implementation threshold has been achieved. Examples of these activities may include:

- *Restitution** of High Conservation Value attributes for HCV 4, 5 and 6;
- Remedy of *priority conflicts** associated with *conversion**;
- *Restoration** of ecological attributes deemed to be highly significant by *affected stakeholders** and experts;
- *Restoration** of watersheds damaged during the *conversion**;
- *Restoration** of areas that have been assessed as High Carbon Stock Forest;
- Priority for peat restoration areas should be given to peat domes and their buffer areas, peatlands close to drainage-limit, peatlands at risk of severe degradation (which are peatlands close to drainage-base and burnt peatlands), and areas in proximity to natural forests, critical habitats and protected areas.

Priority conflict: *Conflicts** to be identified and prioritized for resolution against best practice criteria, some of which are included in UNGP implementation guidelines 2011 including: High severity (not risk); Direct role of company; Difficulty of remedy; High risk; Well-established recognition of rights; Urgency.

- **Conflict:** A situation in which one actor or group is impairing the activities of another because of different perceptions, emotions and interests. A conflict situation is one in which the impairing behavior from one actor is experienced by another, while factors or conditions that drive such are considered the sources of impairment.

Small-scale smallholder: Any person that is depending on the land for most of their livelihood; and/or employs labor mostly from family or neighboring communities and has land-use rights on a *Management Unit** of less than 50 hectares. Standards Developers may define this to less than 50 hectares. (*Source: FSC-POL-01-007 FSC Policy on Conversion Version 1-0 Draft 2-0*)

Very limited portion:

Forest management standards: The affected area *shall** not exceed 5% of the *Management Unit**.

Policy for Association: The affected area *shall** not exceed 5% of the total forest area under direct or indirect involvement of the organization in the past five years.

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