



FSC PROCEDURE

FSC CONTROLLED WOOD RISK ASSESSMENTS BY FSC ACCREDITED NATIONAL INITIATIVES, NATIONAL AND REGIONAL OFFICES FSC-PRO-60-002 (VERSION 1-0)

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Foreword

The FSC Controlled Wood standards were designed to help manufacturers and traders to avoid buying wood from the most controversial sources.

There are different ways for a company to achieve this:

1. Purchase wood from forest enterprises that have been verified by an FSC accredited Certification Body (CB) to meet the requirements of FSC-STD-30-010 FSC Controlled Wood standard for forest management enterprises.
2. Purchase FSC Controlled Wood from suppliers holding a valid FSC Chain of Custody certificate which includes FSC Controlled Wood in its scope; and
3. Internally verify its wood sources according to the requirements of FSC-STD-40-005 Company evaluation of FSC Controlled Wood. Compliance with this standard needs to be audited by an FSC accredited certification body and the company will then receive an exclusive FSC Controlled Wood registration code. This is only an option for companies who can trace their wood supply back to its origins and will generally, therefore, be more easily applicable to primary processors of wood and wood fiber.



For case 3 above, it is required that the company implements a risk assessment of its suppliers.

FSC-STD-40-005 states that it is the obligation of the certificate holder to conduct the risk assessment to determine the risk of its supplies.. It is the role of the FSC accredited CB to evaluate and verify the technical adequacy and consistency of the company's risk assessment.

FSC accredited National Initiatives (NIs) and FSC National and Regional Offices can provide guidance to help companies identify credible sources of information to arrive at a sound risk assessment decision. This is highlighted in FSC-STD-40-005 Annex 2 'General requirements', where it states that:

'Companies can also seek assistance from the FSC accredited National Initiative in their country or FSC Regional Offices to establish whether a district of origin is low risk. ...2. Where national or regional interpretation or guidance relating to Annex 2 has been provided by an FSC accredited National Initiative [or National or Regional Office], this interpretation shall prevail.'

In other words, the FSC-accredited National Initiative, National or Regional Office may coordinate a risk assessment for any number of districts against one, several or all of the five FSC Controlled Wood categories.

This procedure (FSC-STD-60-002) provides the basis by which the development of an FSC Controlled Wood Risk Assessment may be carried out and evaluated for compliance with FSC requirements. The requirements specified in this procedure are applicable to FSC accredited National Initiatives and FSC National and Regional Offices.

When the Risk Assessment is evaluated by FSC to comply with the requirements of this procedure, the Risk Assessment becomes mandatory for the district in question and shall be used by companies when assessing the risk of their supplies. The advantage of this approach



is that all companies sourcing from the district shall be using the same approved Controlled Wood Risk Assessment and they will not individually have to repeat the process, thus saving time and resources for all those sourcing Controlled Wood from that particular district and ensuring consistency between them.

This document replaces the guidance document: FSC-GUI-60-002 FSC Controlled Wood Risk Assessment by FSC National Initiatives and includes content and process requirements for any National Initiative that voluntarily decides to develop a Risk Assessment for a country/district.



Contents

- A Scope
 - B Standard effective date
 - C References
 - D Terms and definitions
 - 1. Proposal to develop an FSC Controlled Wood Risk Assessment
 - 2. Official announcement of a Risk Assessment under development
 - 3. Facilitation of the process
 - 4. Terms of Reference and Work plan
 - 5. Preparatory drafting and consultation
 - 6. Content
 - 7. Draft FSC Controlled Wood Risk Assessment submitted for decision making
 - 8. Approval as an FSC Controlled Wood Risk Assessment
 - 9. Review and revision of an FSC Controlled Wood Risk Assessment
 - 10. New evidence, complaints and disputes
 - 11. Record keeping
- Annex 1: Formal identification of categories of stakeholder interests
- Annex 2: Risk Assessment template



A Scope

This document specifies the content and process requirements to be followed by FSC accredited National Initiatives and FSC National and Regional Offices for the development and revision of FSC Controlled Wood Risk Assessments for any number of districts within their respective country, or the country as a whole, and against one, several or all of the five FSC Controlled Wood categories.

B Effective date

This procedure shall have immediate effect from the date of approval by the FSC Executive Director.

C References

FSC-GUI-60-002 FSC Controlled Wood Risk Assessment by FSC National Initiatives (replaced by this procedure)

FSC-STD-40-005 (Version 2-1) Company evaluation of FSC Controlled Wood

FSC-ADV-40-016 (Version 1-1) Implementation of FSC Controlled Wood requirements in FSC-STD-40-005 V 2-1 and FSC-STD-20-011 V1-1

D Terms and definitions

Terms and definitions are provided in FSC-STD-40-005 (Version 2-1) Company evaluation of FSC Controlled Wood.

1. Proposal to develop an FSC Controlled Wood Risk Assessment



1.1 A written proposal shall be submitted by the FSC national or regional entity in English to the FSC Policy and Standards Program, with the following information:

- a) aims and objectives of the proposal (e.g. assessing risk for harvesting wood from all FSC Controlled Wood Categories in...), including the geographic scope i.e. the district(s) covered by the proposed Risk Assessment;

NOTE: For a definition of 'district' see FSC-STD-40-005.

- b) key stakeholder groups that will be affected by the Risk Assessment as listed in Annex 1;
- c) indication of whether funding is available, and/or of potential sources of funding, in order for the proposed FSC Controlled Wood Risk Assessment process to be completed;
- d) Terms of Reference and a Work Plan as described at section 4.

1.2 Development of the proposed FSC Controlled Wood Risk Assessment should not proceed prior to formal authorization from the Supervisor of the FSC Policy and Standards Program.

NOTE: The formal decision to authorize development of an FSC Controlled Wood Risk Assessment shall be taken by the Supervisor of the FSC Policy and Standards



Program.

Once the proposal has been approved, the FSC Policy and Standards Program shall appoint a staff member to support the FSC Controlled Wood Risk Assessment development process.

2. Official announcement of a Risk Assessment under development

2.1 The announcement shall be sent to all key stakeholder groups identified under 1.1(c) by the Facilitator(s).

2.2 The announcement shall include:

- a) a brief, clear description of the scope and objectives of the proposed FSC Controlled Wood Risk Assessment;
- b) the contact details of the Facilitator(s) for further information;
- c) the estimated timeline for completion of the proposed FSC Controlled Wood Risk Assessment;
- d) statement that the development process will follow the requirements of this procedure.



3. Facilitation of the process

- 3.1 The FSC National or Regional entity shall identify the person(s) and resources necessary for the facilitation of the process.

4. Terms of Reference and Work plan

- 4.1 The Facilitator(s) shall draft terms of reference, a work plan and budget for the development of the FSC Controlled Wood Risk Assessment.

- 4.2 The terms of reference shall include at least the following:

- a) the approved version of the proposal;
- b) the procedures to be followed, including those required by this procedure;
- c) the working language(s) for the development of the FSC Controlled Wood Risk Assessment;



- d) all documents related to the process of the development of FSC Controlled Wood Risk Assessment;
- e) any additional specific requirements to complete the work.

4.3 The work plan shall include at least the following:

- a) drafting, consulting on, and redrafting FSC Controlled Wood Risk Assessment in compliance with section 5 of this standard;
- b) detailed timetable for the FSC Controlled Wood Risk Assessment process, including an estimated date on which the FSC Controlled Wood Risk Assessment will be submitted to the FSC Policy and Standards Program.

5. Preparatory drafting and consultation

- 5.1 The Facilitator(s) is responsible for drafting the FSC Controlled Wood Risk Assessment, which includes the review of comments submitted by stakeholders and suggesting wording on specific aspects that may achieve the consensus of all stakeholder groups.



5.2 The following drafts shall be prepared:

- a) a first draft, which shall be widely distributed to stakeholders for comment;
- b) a second draft, which takes account of stakeholders comments.

5.3 Additional drafts may be required, at the discretion of the Facilitator(s).

5.4 The versions and their drafts shall be numbered as "(Version #-# Draft #-#)" where the first number is the number of the applicable version and draft for public consultation, and the second number is the applicable revision number of the version and draft for technical consultation.

NOTE: For example, Draft 1-0 would be the first draft released for public consultation. Draft 1-1 would be a revision of this draft, for technical consultation only. Draft 2-0 would be the next draft for public consultation.

5.5 The period to submit comments on drafts for public consultation shall be a minimum of 30 days from the date of publication.

5.6 For consideration as formal comments, comments shall be submitted:



- a) in the working language(s) established for the Risk Assessment(s).
- b) to the email address on the header of the draft standard;
- c) prior to the closing of the period for submitting comments, stated on the header of the draft standard; and
- d) with information about the commenter (see example stakeholder questionnaire, Annex 2).

5.8. The Facilitator(s) shall prepare a report on the formal comments which includes:

- a) a summary of the issues raised;
- b) an analysis of the range of stakeholder groups who have submitted comments;
- c) a general response to the comments;
- d) an indication of how they have been taken into account in subsequent public drafts; and



e) a copy of all the formal comments as an Annex.

5.9 The Facilitator(s) shall analyze the sources of the comments to ensure that formal comments have been received from representatives of all the key stakeholder groups identified as being impacted by the implementation of the proposed FSC Controlled Wood Risk Assessment.

6. Content

6.1 The content of the drafts developed shall follow the requirements of FSC-STD-40-005 Annex 2 and include the FSC Controlled Wood Risk Assessment title, version and draft number, date, status, time-limit for comments, FSC document registration code, and the contact details of the Facilitator(s). For the Risk Assessment template please see Annex 3.

NOTE: The document registration code shall be in the form FSC-CWR-xxx-yyy, where xxx is the national or regional code and yyy is the number code assigned by FSC to the Risk Assessment on approval of the application for the national or regional Risk Assessment process.

7. Draft FSC Controlled Wood Risk Assessment submitted for decision making



7.1 When the National or Regional FSC entity considers that the draft FSC Controlled Wood Risk Assessment is ready for approval by FSC, the Facilitator(s) shall put a formal motion to the Supervisor of the FSC Policy and Standards Program that the draft FSC Controlled Wood Risk Assessment:

- a) has undergone sufficient consultation;
- b) meets the aims and objectives specified in the terms of reference;
- c) merits the approval by the Supervisor of the FSC Policy and Standards Program;
- d) has been approved by consensus and within a chamber balanced decision making process.

7.2 The finalized FSC Controlled Wood Risk Assessment shall be sent in English language to the FSC Policy and Standards Program for review and submission to the Supervisor of the FSC Policy and Standards Program.

NOTE: The Supervisor of the FSC Policy and Standards Program shall either:

- a) give the FSC Controlled Wood Risk Assessment approval; or
- b) give the FSC Controlled Wood Risk Assessment approval, with minor amendments; or



- c) reject the FSC Controlled Wood Risk Assessment.

NOTE: If the Supervisor of the FSC Policy and Standards Program rejects the FSC Controlled Wood Risk Assessment, within 30 days of its decision he/she shall state the reasons for the rejection, and suggest what steps are considered necessary in order to address any concerns. The Facilitator(s) shall consider these reasons and decide what further actions should be taken in consultation with the Supervisor of the FSC Policy and Standards Program.

8. Approval as a FSC Controlled Wood Risk Assessment

- 8.1 If the FSC Controlled Wood Risk Assessment receives the approval of the Supervisor of the FSC Policy and Standards Program, the FSC Controlled Wood Risk Assessment shall be published on the FSC Controlled Wood Risk Register and this shall be publicly announced.

9. Review and revision of a FSC Controlled Wood Risk Assessment

- 9.1 After approval typographical errors and minor inconsistencies may be corrected with the approval of the FSC Policy & Standards Program.



- 9.2 In the case of changes resulting from corrections or amendments as described in 9.1 , the updated FSC Controlled Wood Risk Assessment will be given a new version number, V1-1, V1-2, etc, together with the date of the update. The most recent version will be published on the FSC Controlled Wood Risk Register and this shall be publicly announced.
- 9.3 The Facilitator(s) shall keep records of and assess all comments on the FSC Controlled Wood Risk Assessment that are submitted after the approval.
- 9.4 Should new evidence be presented that may confer a 'Low Risk' Assessment on any categories of Controlled Wood which have been assessed as 'Unspecified Risk' or vice versa within the approved FSC Controlled Wood Risk Assessment, the Facilitator(s) shall prepare a new draft for this category and steps 5-8 shall be repeated for this category of Controlled Wood.
- 9.5 No later than three years after the approval date of the most recently approved version of Risk Assessment, the Facilitator shall collate and review all the comments on the Risk Assessment, as well as take into account external circumstances and its continued relevance, and prepare a report proposing what if any steps should be taken to revise the Risk Assessment.
- 9.6 If substantive changes to the Risk Assessment are perceived as necessary as a result of the analysis, the Risk Assessment shall be revised according to the requirements specified in this procedure.
- 9.7 If only minor changes to the Risk Assessment are perceived as necessary as a result of the analysis, the Facilitator shall specify the procedure to be followed.



10. New evidence, complaints and disputes

10.1 New evidence, complaints or disputes related to the content of the approved FSC Controlled Wood Risk Assessment shall be responded to by the Facilitator(s), by providing an explanation of why a particular point of view was not incorporated into the final FSC Controlled Wood Risk Assessment submitted for approval. Should the Facilitator(s) consider that the complaint/dispute may substantively effect the Controlled Wood Risk Assessment, then it shall be considered under 9.4 of this standard.

10.2 Complaints/disputes related to procedural issues shall be responded to initially by the Facilitator(s). If the complainant is not satisfied with the explanation provided by the Facilitator(s), the complaint/dispute shall be sent to the FSC Policy and Standards Program.

11. Record keeping

11.1 The Facilitator(s) shall keep the following records for the FSC Controlled Wood Risk Assessment:

- a) written proposal to develop the FSC Controlled Wood Risk Assessment;



- b) copies of public drafts circulated for comment;
- c) copies of all comments received on public drafts;
- d) summary of comments received on each public draft, together with a general response to those comments;
- e) the decisions of the Supervisor of the FSC Policy and Standards Program and FSC Policy and Standards Program in relation to the requirements of this procedure



Annex 1: Formal identification of categories of stakeholder interests

- 1.1 The Facilitator(s) shall identify all stakeholder interests (such as those listed in paragraph 1.2, below) that should be represented in the development of the Controlled Wood Risk Assessment, and subsequently identify and maintain a list of the names and contact details of organizations or individuals (e.g. environmental and social NGOs, forest workers' unions, business organizations and Indigenous Peoples' political representatives and government forest services) that are known to represent such interests within the geographic scope of the Risk Assessment.

- 1.2 The Facilitator(s) shall ensure that stakeholders (i.e. organizations and/or individuals) are identified who are able to represent at least the following interests:
 - a) Economic interests of:
 - i) Owners/managers of large and medium sized forests
 - ii) Owners/managers of small forests
 - iii) Owners/managers of operations where there is a low intensity of timber harvesting
 - iv) Forest contractors
 - v) Timber producers associations
 - vi) Primary processors of timber within the district



b) Social interests of:

- i) Forest workers
- ii) Indigenous Peoples
- iii) Local communities
- iv) Forest recreation

c) Environmental interests relating to:

- i) Biological diversity
- ii) Water
- iii) Soils
- iv) Ecosystems and Landscapes

NOTES: i) If it appears that the interests of a category of forest stakeholders are not directly represented then the Facilitator(s) shall document the reasons for this lack of representation and explain how the interests of this category of stakeholders are adequately represented in the Risk Assessment process.

ii) Government interests may be represented in one or more of the above categories.



Annex 2 - Risk assessment template

The steps below constitute a simple approach to ensure consistency of risk assessments developed by FSC accredited NIs.

1. Identify the geographic scope
Geographic scope can be at the country, eco region or district level.
2. Identify FSC Controlled Wood categories
The FSC NI shall identify the FSC Controlled Wood categories that will be included in the scope of the risk assessment.

Example: Risk assessment for illegally harvested wood from the Czech Republic

3. Identify sources of information for each indicator in Annex 2 B of FSC-40-005 for the selected FSC Controlled Wood categories

Annex 2 B of standard FSC-STD-40-005 includes a list of indicators for each of the Controlled Wood risk categories. Linked to each of these criteria are sources of information on risk.

Example 1:

Illegally harvested wood



Indicator 1.3 There is little or no evidence of reporting of illegal harvesting in the district of origin

Data on this indicator can be found in:

Official information of the Czech Republic Ministry of Agriculture : (www.mze.cz or http://www.uhul.cz/selenazprava/2005/ZZ_2005.pdf)

Example 2:

Indicator 1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.

Data of this indicator can be found in:

Transparency international corruption perception index:

http://www.transparency.org/policy_research/surveys_indices/cpi/2006

4. Provide a table summarizing the key information. This information can be qualitative or quantitative to identify low/unspecified risk for each of the indicators of Annex 2 B.

Example¹:

Illegally harvested wood

¹ The examples provided in this guidance are only for illustrative purposes. They do not constitute a real assessment of the indicators referenced in Annex 2 of FSC-STD-40-005



Indicator 1.3 There is little or no evidence of reporting of illegal harvesting in the district of origin

Key information:

For 2005 the report states that there were 118 cases of illegal harvesting in the Czech Republic. The number includes also harvestings that exceeded permitted area of clear cut, harvesting during which stand density decreased below given degree, planned main felling on stands younger than 80 years, etc. Total sum of these fellings amounted to 36.7 thousand m³. Compared with the Czech Republic's total felling (15.5 million m³) this illegal harvesting represents a negligible amount (0.2).

Indicator 1.4 There is a low perception of corruption related to the granting or issuing of harvesting permits and other areas of law enforcement related to harvesting and wood trade.

Key information:

In the corruption perception index of Transparency International: www.transparency.org the Czech Republic is in the 46th position with a score of 4.8. This means that the Czech Republic cannot be considered a low risk source in relation to indicator 1.4, unless additional documented information is presented on forest governance contradicting the corruption perception index.

Risk assessment decision

For the risk assessment, if **ALL** the indicators for each of the FSC Controlled Wood categories listed in Annex 2B of FSC-STD-40-005 are complied with, then the country/district can be considered as 'low risk'.



If any indicators of the five FSC Controlled Wood categories are not met, the country/district shall be considered as 'unspecified' risk for that specific category.

When buying wood from areas that the company has classified as ²'unspecified' risk, it shall include the forest management unit of origin in its own verification program following the requirements of Annex 3 FSC-STD-40-005.

Conclusion

In the above example the following conclusions could be taken by the NI:

- For indicator 1.3 it can be concluded that illegal harvesting represents a small percentage in comparison with total felling. Therefore, Czech Republic can be considered a low risk area for this indicator.
- For indicator 1.4 Czech Republic has an index for corruption perception of 4.8. Considering the scale table developed by Transparency International it can be concluded that Czech Republic has an 'unspecified' risk for illegally harvested wood. However, there is a possibility to provide specific documented evidence (for example at a district level) to justify a different risk conclusion

² 'Unspecified' risk means 'non low risk'