

FSC Plantation Review Questionnaire



New Zealand Forest Owners Association Response

15 March 2006

KEY POINTS

1. GENERAL

- In general NZFOA endorses the moves to review the FSC plantations Principles and Criteria (P&C) but on the basis that such a review will achieve a more integrated and cohesive set of evaluation criteria that focus on an **effects based** view of what differentiates good forest management from bad. The past approach that plantations be an afterthought tacked on to a set of P&C derived principally for the purpose of evaluating tropical/natural rainforest ecosystems has and will not serve either FSC, or the international forestry community well.
- There must be a clear recognition arising from this review that good forest management of all forest types can be defined under the same general P&C, and that plantations can and will provide significant benefits to the international community in environmental, economic and social terms provided that management is undertaken both sustainably and legally. Such benefits accrue not only within the forestry sector but also across sector boundaries where the total impacts of forestry are accounted and internalised relative to other modern land use practises.

2. EFFECTS BASED APPROACH

- It is essential that the level of impact should be evaluated not by the intensity of the activity, but by the effect of the activity on the FMU and the landscape – the **effects based approach**.
- This is consistent with good environmental and social management where certification may not be appropriate if adverse effects are significant and cannot be avoided, remedied, or mitigated.
- **An effects based approach must be the key element of certifying good forest management.**
- The word effect should replace all reference to impact.

- The premise that plantations should be mimicking nature and if not undertaking restoration is flawed. Plantations cannot mimic nature, but can contribute to biodiversity in a variety of ways (see submission for detail). Well managed plantations perform many other advantageous functions (i.e. water quality, soil protection, recreation, carbon sequestration sustainable fibre supply, improved economic returns to indigenous (Maori) landowners, etc), which should be considered as a whole and in perspective of the “avoid, remedy and mitigate verifiers” of an effects based system.

3. OTHER

- **Sphere of influence** should be adopted as a term to better reflect the concept of the landscape in which a FMU is managed. This term reflects the notion that while a forest operation is influenced by and influences the holistic environment around it, those influences are variable and any particular FMU manager’s capacity to influence the greater environmental, social or economic landscape is limited in practice, in most cases to the FMU.
- **Remove Principle 10** and include plantation advice notes or verifiers for Principle 6.
- FSC could provide a **register of countries with legislation and welfare systems that meet FSC standards**. Where the certificate holder (plantation and other forest types) complies with these systems and legislation they should not have any additional requirements for certification to be granted.
- Much of the review has focused on issues that are **not plantation specific** and should be considered as a wider review incorporating all forest types and/or management regimes. In particular questions 2 (Local sustainable development and poverty reduction), 3 Consultations and 4 Pesticides discuss issues (and in a manner) that are relevant to all forms of forest management.
- Without qualification much of the criticism of plantation certification appears to be levelled at **inconsistent assessors**. Much improvement could be gained from FSC ensuring that assessors are correctly applying the Principles and Criteria. Following an effects based approach will provide greater clarity to assessors.
- FSC needs to produce more **guidelines** to better help assessors interpret the P & Cs more consistently.
- **Except for special circumstances plantations converted from natural forest since 1994 should not be certified**. This includes the total destruction of natural forests for plantation establishment, and the less definable and slower process of “managing” a natural forest intensively until it no longer resembles the original forest.

NEW ZEALAND FOREST OWNERS ASSOCIATION

The New Zealand Forest Owners Association (NZFOA) was set up in 1926 as an advocacy group for commercial plantation forest owners. Its members' forests comprise more than 80 per cent of the country's plantation forests. With annual export earnings of \$3.6 billion, the industry is New Zealand's fourth largest export earner. The Association adds value to its members' businesses by undertaking activities that are better handled collectively than by individual growers working alone, for example, fire prevention and control, forest health surveillance, training and safety.

To deal effectively with the complex range of issues concerning plantation forestry, NZFOA has eight specialist committees. They are:

- Promotions and membership
- Education, training and safety
- Fire
- Forest health
- Forest resource and environment
- Research, science and technology
- Forestry business
- Transport and logistics

Since 1990, half a million hectares of planted forest have been established in New Zealand — most of it in *Pinus radiata*, which makes up 1,827,000 million hectares or 90 per cent of NZ's total plantings. One-third of the world's *Pinus radiata* forests are grown in New Zealand, (other major producers are Australia and Chile.) In addition, about 109,000 hectares of Douglas-fir is grown in New Zealand — mostly in the South Island.

Many of these NZ's plantation forests were planted for soil and water conservation reasons on erosion-prone hill country which was formerly in sheep and cattle pasture. Once plantations become established, they rapidly stabilise steep hillsides, protecting the soil and regulating the rate at which water is able to run off the land reducing flood peaks.

Third party certification of sustainable management practices plays an increasingly important role in NZ plantation forest management about half of the country's plantations and one-third of the annual harvest is already certified in the Forest Stewardship Council (FSC) system.

The New Zealand forest products industry employs about 26,500 people directly and about 100,000 indirectly.

Many of the country's plantations forests are located in areas, such as Northland and Tairāwhiti (East Coast), where unemployment has traditionally

been high. The need for a highly-trained workforce is recognised by all sectors of the industry. In 2004 there were 7160 trainees involved in on-the-job study in the forest production sector and 3406 in the wood processing sector. There were also 330 Modern Apprentices. A well-trained workforce is efficient, effective and safe. The industry has successfully built a culture of safety that has resulted in a steady reduction in the incidence of accidents.

Australia is the biggest export market (NZ\$1 billion), with other key markets being the United States, Japan and Korea, with developing markets like China and India playing an increasingly important role. The total harvest is approximately 21.5 million m³, of which 13 million m³ is further processed in New Zealand into lumber, panel products, joinery, furniture and pulp & paper products. The balance is exported as logs and poles (2004 figures).

RESPONSE TO QUESTIONNAIRE E-MAIL QUESTIONS OF CONVERSIONS

NZFOA support FSC not permitting conversions of natural forest to plantations. This includes the total destruction of natural forests for plantation establishment, and the less definable and slower process of “managing a natural forest intensively until it no longer resembles the original forest. This could be achieved under the following terms:

- NZFOA suggest, the NZ Forest Accord as a reasonable guide on forest conversion. We also agree that other significant natural systems should not be converted as these may not be covered by the term forest.
- Some conversion for social reasons could be acceptable. For example where the forest is not HCVF, but the beneficial social effects are significant. A clear example of this occurs in New Zealand where Maori tribes have converted regenerating farmland into plantation forest as it was the only means of generating an income and their sustainability as a people.
- Plantation forests converted since 1994 should not be eligible for certification except under the following circumstances:
 - The forest manager and owner have taken over management since 1994 and have no previous links to the forest.
 - Restoration (relative to the “effects” of the conversion) is undertaken.
 - It is permitted through a national initiative.

QUESTIONNAIRE RESPONSE

Please note we have answered the questionnaire through a general statement to each of the 1 to 5 points and then more specifically to each question under these points. The reader will need to refer directly to each question to gain context.

1. Ecosystem Structure and Function at the Landscape Level

Landscape should be retained as a loose concept defined as “a framework to identify the extent to which a FMU is related to its surrounding socio-economic and ecological environment in terms of its capacity to significantly influence or be significantly influenced by those elements”. The landscape of influence better described as the “Sphere of Influence” will in practical terms be infinitely variable according to the social and economic structures present in a country, the local geography of an area, its past history and the “nature and scale” of the forest management.

The concept of a Sphere of Influence is useful for assisting the determination of such matters as;

- What are affected communities,
- What ecological/ environmental features within an FMU are of particular significance / rarity etc.
- The national/ regional legal or economic framework under which management must operate.

The concept of landscape is inappropriately used when applied to try and enforce behaviours that relate to an historic landscape status (assuming it is a desirable status) that cannot be achieved in isolation of the concurrent similar behaviours from other social & economic components of the “landscape”. In this context there is no direct relationship between the intensity of management and the impacts at the landscape level and attempting to define rigorous thresholds is contrary to the basis of landscape network interactions and leads to misdirected effort and cost.

In relation to the specific questions;

1. Landscape should be limited to the FMU which is the area the certificate holder has control, i.e. the Sphere of Influence. A certificate holder can not be expected to influence activities outside the FMU. From a temporal perspective the state of the FMU or activities undertaken on it should be assessed as at the conception of FSC (1994 seems to be an appropriate date). This should be the benchmark year used to determine the effects of the forest management. For example plantations that have been converted from natural forests after this should have restoration requirements before certification is granted. Plantations existing (particularly those certified prior to this review) should not have restoration requirements provided they can meet some or all of the criteria provided under 6, below.
2. Intensity of management and landscape impacts should be measured by environmental and social effects. Where these are significant and cannot be remedied, mitigated or avoided certification may not be appropriate.

3. An effects based approach will be reflected in good management practices and provide suitable conservation or (where required) restoration mechanisms to avoid, remedy or mitigate adverse effects, and/or provide for beneficial effects.
4. Thresholds should not be used and must be replaced by an effects based approach. This will provide a local and regional balance and is able to be addressed through a specific component of the Management Plan which defines the “sphere of influence” between and around an FMU. Arising from this is the identification of specific social, economic and ecological landscape issues and the approach to addressing any adverse effects. These aspects are all subject to public scrutiny and comment and any special management actions required to address specific issues can be specified and monitored within the current structures available to FSC processes.
5. Use the management planning process under an effects based approach to identify problem areas and define objectives and targets to “avoid remedy or mitigate the adverse effects. Totalitarian thresholds often cannot not reflect the “impact” of an activity and in many instances risk completely contrary or bizarre outcomes.
6. Conservation of natural values existing within the FMU should be a requirement. Where ecosystems are largely intact the concept of a requirement for restoration is inappropriate (what is being restored and to what level and who defines it). In essence the obligations for protection of indigenous ecosystems should follow a hierarchy based on the following tenets;
 - Avoid, remedy or substantially mitigate, adverse modification or damage to the current status and function of the ecosystem as present within the sphere of influence of the land under the FMU.
 - Provide mechanisms for improvement to the structure and function of the ecosystems with in the sphere of influence of the land under the FMU when such actions can be effective and durable – achieving demonstrable “net conservation gain” without threatening the social and economic sustainability of the FMU.
 - Expansion of the quality and performance of ecological systems (ie restoration) to near natural undisturbed status, should be an activity reserved only for especially identified, high ecological value (i.e. HCVF) situations where tightly focussed efforts have a high probability of success. Concepts of general restoration particularly beyond the sphere of influence of the FMU should be a very low priority as they will generally be unsuccessful and lead to serious mis-direction of management effort.
7. As above concepts of general restoration, particularly beyond the sphere of influence of the FMU should be a very low priority as they will generally be unsuccessful and lead to serious mis-direction of management effort and the available “conservation dollar”. New Zealand provides a very strong argument where restoration of reserve area requirements are not appropriate, as:

- Plantations while not mimicking nature are significant contributors to natural biodiversity and in many cases provide habitat for rare species (e.g. NZ falcon, frogs, bats, invertebrates) at better than nearby natural areas. For certification purposes there may be a need to show that these values are being managed.
 - The availability of plantation wood has enabled the New Zealand Government to cease harvesting in State owned natural forests which are now managed for pure conservation purposes. This has contributed to over 30% of New Zealand's land area (including alpine areas) under management by the Government for conservation purposes. This is the reason FSC gave for inclusion of plantations in the first place.
 - NZ Plantations are recognised as providing many other significant environmental benefits – i.e. their positive effects (i.e. clean water, carbon sequestration, soil stability and biodiversity, low relative chemical usage) outweigh any negative effects.
 - The alternative commercial (and realistic) land use has a high environmental impact – i.e. intensive farming. A failure to recognise the practical capacity of certified forestry to perform environmental service functions will simply devalue forestry in the face of alternative land uses. In New Zealand as in most other developed world nations, intensive agriculture is far less environmentally benign.
 - The majority of New Zealand's Plantations existed before the inception of FSC – i.e. existing well managed plantation shouldn't be converted to natural forest for the sake of mimicking nature through a restoration paradigm. Particularly if the reserve areas associated with that forest have been rightfully transferred to an accepted conservation authority and are permanently protected as in the case of New Zealand's ex-State owned forests.
8. Where some or all the circumstances listed in 6 above do not exist further responsibility should be placed on the FMU management to provide for biodiversity at the landscape level. However, care needs to be taken on what degraded means. In New Zealand intensive farmland that makes up most of the landscape is highly degraded compared to natural forest. Plantation forests generally sit between, but usually closer to the natural values provided by natural forests. It would be unfair to expect plantations to make up for intensive farmland, particularly if resulting escalating costs could tip the balance and plantations are converted to farms. This is a very real possibility in New Zealand.

2. Local Sustainable Development and Poverty Reduction

Plantations should not have any greater expectation on local sustainable development and poverty reduction than any other (certified) forest type. Expectations should reflect local conditions and effects of management. For example all workers in certified forests should be provided with healthy and safe conditions or equipment. Where legislation and welfare systems provide for the welfare of the community there should not be any heightened expectations of the certificate holder, providing the certificate holder complies with these systems. Where this exists the certificate holder would already be contributing through legislative compliance and tax.

It is inequitable to expect a higher standard in one country from the other (from expecting higher standards in countries with good welfare systems), particularly where they are competitors in the market. FSC could provide a register of countries with welfare systems where compliance would meet FSC standards. This would mean FSC set minimum standards that would be assessed against each country's systems. Alternatively meeting the criteria under 2.1 below could suffice.

2.1 A social management system integrated into an EMS is supported for all forest types.

1. The bullet points indicating the contents of a SMS are generally supported in the context of this submission. Social management problems should be visible in FMUs at the management planning stage if consultation for certification had been undertaken properly. These could then have been addressed by structure of key elements such as below. For example forestry employees should be able to expect:

- Remuneration comparable with like work classes in that Country or region.
- Conditions of employment that are safe, healthy and defined in a transparent and good faith basis between the parties.
- That forest manager actions are not directly responsible for disintegration of the social structure of communities
- As per FSC Criteria 4.3 on ILO measures and 4.5 grievance management.
- The workforce is provided with appropriate training to achieve the task required of it.

2. The main issue missing is a defined set of elements that expected to be visible in any appropriate SMS. These will require incorporation through an effects based approach.

3. Economic viability – if the certificate holder is not economically viable, then social benefits will not be realised. If a CB found evidence of coercion and/or corruption FSC should have provisions for immediate suspension of certification depending on the magnitude. The onus would be on the certificate owner to co-operate and prove compliance before re-instatement of certification.

4. The compliance with legislation that meets the FSC standards should be further defined. FSC could compile a register of countries where this legislation is adequate. Participatory should be further defined to reflect an effects based approach. FSC should develop a template of what an auditor should expect to see in terms of the key elements forming an adequate SMS – as per the bullets under 1 above.

5. Social landscape planning would depend on the situation, in particular legal and welfare systems already in place. It should be an effects based system and also incorporate the sphere of influence concept. Refer to explanation for landscape definition, in particular the concept of “sphere of influence” under question 1.

2.2 Depending on the context the certificate holder may have some responsibility for social welfare.

1. Yes the concept of supporting local communities where Government welfare provision is absent or inadequate is supported. This is particularly applicable where the certificate holder directly creates a distortion in local communities in terms of their location, interaction with the land and other communities or a substantial deviation from the past status quo of social economic structures within the sphere of influence.
2. The certificate holder needs to remain economically viable and competitive, else the social benefits will be lost. International inequities should also be addressed to ensure competitive advantage is not gained through more relaxed standards that exploit workers or the community. A set of established elements that form a good SMS can then be followed. If the basic elements cannot be met without being economic then the certificate holder is unlikely to be sustainable.
3. Yes providing recognition is given to countries with adequate welfare and legal systems. Forest managers operating in such companies will be contributing to these systems through compliance and tax.
4. Both
5. Forest managers in countries with adequate welfare and legal systems should be exempt from some of the Criteria. FSC could develop a register of such countries. See above comments.
6. See our submission on 2.1. CB’s should take into account the local circumstances and effects of the forest management.

2.3 NZFOA agree that land tenure criteria and implementation should be better defined and audited.

1. Illegal or invalid occupation or acquisition of land should be prohibited. Documentation proving legal tenure and/or occupation must be held by the certificate holder. The basic elements should include (particularly for leased land):
 - a. An accurate description of the land.
 - b. Description and legal status of each party.
 - c. A defined term of the agreement.

- d. Conditions of use.
- e. Transparent obligations of each party's to one another.
- f. Terms and periodicity of remuneration.

2. Both

3. Clear criteria on tenure and legality should be in place such as above. Countries with robust rules on land tenure should be identified and the forest manager must comply with these. Where these do not exist stringent FSC criteria should be applied to avoid unlawful occupation or displacement of people.

4. As per 3.

2.4 Worker's rights are adequately addressed in the FSC system. This is generic to all forest types, not just plantations. Workers rights and social welfare should be incorporated as one set of criteria in an SMS as per our comments under 2.1. CB's could be tighter on workers rights where they are not protected by robust legislation.

2.5 Water issues are not adequately dealt with, in particular water quality.

1. No

2. Water should be dealt with using the effects based approach. In the case of water the certificate holder should avoid, remedy or substantially mitigate any change in the current status of the water. Thus the benchmark is the quality and quantity of the water at the time of application for certification (or 1994). The principles do not recognise the beneficial effects of well managed plantations on water. For example well managed plantations are well recognised for their positive contribution to water quality in New Zealand, particularly compared to alternative pastoral land uses. For quantity it is often an issue of the most appropriate allocation. Allowing allocation to pastoral and/or horticultural uses at the expense of forestry is not an equitable approach. People, however, should have access to clean and plentiful water for their basic survival and health.

3. The effects based approach will adequately deal with water quality and quantity issues. Beneficial effects should also be considered.

4. See 3.

3. Consultations

1. In general, yes. In a true effects based system consultation would be relevant to potential or actual effects.
2. For effects based systems the onus will be on the certificate holder to identify and consult with affected parties, and for CB's due process is followed and that significant adverse effects are avoided, remedied or mitigated. Beyond the initial certification period (i.e. pre-assessment) the consultation requirement should only be on effected parties as noted in the questionnaire (Paragraph 3a second part).
3. Issues appear to be with the implementation, but an effects based change to the Principles will help determine the appropriate level of consultation.
4. See 3.
5. Yes, when in context of effects.
6. Yes consultation with affected parties is consistent with an effects based approach. Interested parties should only require consultation on matters of either significance or where regional or national consultation is being undertaken, such as in the National Initiative process.
7. Consultation requirements should be the same for all types of forest and dependant on the scale of potential or actual effects.
 - a) Stakeholders who are directly and significantly affected by forest management activities should be consulted during the planning phase. This should be participatory to the extent that significant effects are avoided, remedied or mitigated. In some countries this may be legally required – i.e. New Zealand's Resource Management Act.
 - b) The status quo where stakeholders associated with the forest are consulted during the certification phase. If the CB finds through such consultation that significant effects cannot be avoided, remedied or mitigated, then a corrective action should be issued.
 - c) The status quo of full but, orderly participation is adequate. Participation needs to be disciplined by the rules of FSC such that parties that actively seek to block the development of standards through failure to adhere to the rules of engagement and the Principles should have their participation reviewed. It is a view that this is the reason for failed national initiatives throughout the world.
8. In most cases FSC should not become involved, except where there is serious disagreement between parties and/or lack of following FSC rules of engagement and due process. Particularly in the national initiative process. It is important that FSC remain impartial. FSC could develop training for CBs to recognise and deal with conflicts and disputes.

4. Pesticides

Chemical use has already been covered by the recent FSC review and consequent Highly Hazardous lists. Whilst we are not comfortable with this process and outcomes it should not be repeated under the plantations review.

The principle of reduction reliance on chemical and the constant review of best formulations and methods to reduce usage (or more benign formulations) is supported. However FSC Principles are flawed by presuming that chemical non use is achievable. This needs to be addressed through re-focussing on the principle of reduction and more benign formulations, not zero use – i.e the effects based approach.

By attempting to create their own thresholds for unacceptable chemical types FSC have placed themselves in an invidious and indefensible position acting as international arbiter for chemical registration when they have neither the financial nor scientific resources to comprehensively evaluate chemicals and their use. FSC should seek to address this problem in part by aligning more of FSC's classification process with WHO lists and rankings.

The health and safety of the applicator (worker) should be better covered (irrespective of forest type) with a minimum standard set for protective clothing essential. Where countries have robust chemical use regulations (such as New Zealand) this should be acceptable as the standard. FSC could develop a register of such countries, and/or fundamental criteria for dealing with chemicals.

There needs to be recognition in the FSC standards between forestry and other productive land uses to avoid distortion between forestry and other less environmentally sustainable land uses.

5. Principle 10

Principle 10 is not necessary and often adds confusion and duplication (particularly with Principle 6) in the certification process. Principle 10 should be removed and advice notes or verifiers for plantations provided for Principle 6. There does not appear to be any need for plantation advice notes or verifiers for Principles 1 – 5 and 7 – 9, as these are generic Principles equally relevant to all forest management or forest types. Variations can be covered by regional or national (or interim) standards and through an effects based approach.

Attached are recommended amendments to the P&C that support our submission and the effects based approach in general. The recommended changes show in track change the incorporation primarily of Principle 10 into Principle 6.

Submitted by the New Zealand Forest Owners Association and with the support of the following FSC certified NZFOA members:

FOREST MANAGER	FSC Code	Certified Area (ha)
Blakely Pacific Ltd	SGS-FM/COC-1493	28,323
City Forests Ltd	SGS-FM/COC-0549	18,457
Craigpine Timber Ltd	SGS-FM/COC-0096	3,593
Ernslaw One Ltd - North Island	SW-FM/COC-1038	38,874
Ernslaw One Ltd South Island	SGS-FM/COC-1037	29,919
Hancock Forest Management (NZ) Ltd	SCS-FM/COC-00066P	52,225
Hikurangi Forest Farms	SW-FM/COC-1605	35009
Kaingaroa Timberlands Management Limited	SCS-FM/COC00059P	189,560
NZ Forest Managers Ltd	SGS-FM/COC-1016	42,958
Pan Pac Forest Products Ltd Group Scheme	SW-FM/COC-1197	306
Pan Pac Forest Products Ltd	SGS-FM/COC-0850	42,958
PF Olsen and Company Ltd	SW-FM/COC-190	73,982
Selwyn Plantation Board Ltd	SW-FM/COC-273	13,448
Timberlands West Coast Ltd	SGS-FM/COC-0763	51,025
Wenita Forest Products Ltd	SGS-FM/COC-0831	29,720
Winstone Pulp International Ltd - Forestry Division	SGS-FM/COC-0905	24,947
	Total Certified Area (ha)	680,304