



Forest Stewardship Council®



Methodology for conducting the CNRA for controlled wood category 3 – High Conservation Values

Practical implementation of FSC-PRO-60-002a FSC National Risk Assessment Framework

February 2016





What is the Centralized National Risk Assessment (CNRA)?

The FSC Centralized National Risk Assessment constitutes an FSC risk assessment to be used in the implementation of the CoC-controlled wood standard, FSC-STD-40-005. FSC risk assessments replace risk assessments conducted so far by certificate holders themselves. The CNRA may be replaced by the National Risk Assessment, which is the primary and preferred FSC risk assessment. The CNRA is conducted based on risk assessment requirements used for the NRA (FSC-PRO-60-002a V1-0).

While the NRA has existed in the FSC system since 2009 and has been regulated by FSC normative requirements, the CNRA was introduced in 2014 as a project by the FSC International Center to facilitate NRA delivery, as well as to serve as a safeguard for cases in which the NRA will not be delivered. During the course of the project, the importance of the CNRA has grown, due to continued challenges in the delivery of the NRA.

The CNRA is conducted by outsourcing the assessments according to particular controlled wood categories¹ to the external experts having a strong background and experience in areas relevant to the controlled wood categories.

	NRA	CNRA
Main entity	National working group (chamber balanced)	Consultant contracted by FSC IC
National stakeholder involvement	Stakeholder consultation of draft NRA (at least one round) conducted at national level	Depends on national involvement (consultation by FSC national partner or FSC IC)
Number of CW categories and assessment schedule	All CW categories to be assessed according to national schedule (approved by FSC IC)	CW categories assessed individually by consultants, according to contracted timelines (following national schedules)

Table 1: Main differences between two risk assessment processes conducted by FSC: the National and the Centralized National Risk Assessment.

¹



Methodology for conducting the CNRA for controlled wood category 3 – High Conservation Values

The methodology designed to conduct the Centralized National Risk Assessment (CNRA) follows the FSC National Risk Assessment Framework (FSC-PRO-60-002a V1-0). Best practices in HCV identification are based on the HCV Resource Network Common Guidance for the Identification of High Conservation Values (October 2013).

Based on experience from the implementation of FSC-PRO-60-002a, this document was developed to ensure uniform and practical interpretation of the requirements and the process. It provides a step-by-step practical guide for assessing and specifying risks (*low or specified*) of sourcing “unacceptable” material from forest sources at national or subnational level in accordance with the FSC Controlled Wood standard (FSC-STD-40-005) Category 3: Wood from forests in which High Conservation Values (HCVs) are threatened by management activities. This document shall be used when conducting the Centralized National Risk Assessment process.

The risk assessment process shall be based on current data and conditions, unless obvious and confirmed changes are expected within several months from the completion (e.g. specific laws will enter into force that influence risk assessment).

1) Risk

Following this risk assessment, a country's timber or non-timber forest products (NTFPs) sources will be designated as:

- i. Low risk, which is defined by negligible risk threshold that material from unacceptable sources can be sourced from.
- ii. Specified risk, which is defined as there is a certain risk that material from unacceptable sources may be sourced or enter the supply chain from.

Some specified risk sources may be categorized as prohibited, which is defined by areas and/or species where no legal harvest is allowed thus no sourcing of material according to controlled wood standard shall occur.

For material sources classified as specified risk, control measures designed to mitigate the risk from sourcing from unacceptable sources are to be recommended. A core question of any risk assessment is what constitutes a low risk. How much certainty is required, or put the other way around, how much uncertainty is tolerable? However, low risk is not the same as no risk – a certain acceptance of uncertainty is inherent in any



risk-based approach. When evaluating if there is low risk, the scale and the impact of potential non-compliances shall be considered. Nonconformance may e.g. be reflected by existing conflicts in the areas under assessment, e.g. those related to traditional rights or environmental protection. Accidental negative impacts of forest operations can be observed anywhere in the world, but does that justify a classification of a country or region as specified risk for HCV?

As a general rule, a country and a sub-national region can be considered low risk if the forest management activities threatening the HCV are:

- a) temporary lapses;
- b) unusual / non-systematic; or
- c) limited in their temporal and spatial impact.

Conversely, it cannot be considered as low if a potential non-compliance:

- a) continues over a long period of time;
- b) affects a wide area and / or causes significant damage
- c) indicates a the absence or break down of enforcement of the system;
- d) is not corrected or adequately responded when identified; or
- e) has a significant negative impact on the society, the production of forest products and other services, the forest ecosystem and the people directly and indirectly affected by forest operations.

These thresholds, although originating from auditing practice, are subjective to some extent, therefore it is of crucial importance to use local expertise and stakeholder feedback to verify findings. Still, the CNRA expert has the authority to decide on risk designation based on all evidence collected. Numerical thresholds (e.g. % of area covered by threatened HCV) may be used when agreed with national stakeholders. A clear and transparent description of the process followed and risk justification shall always be provided and supported by objective evidence. Calibration of the risk assessment results against outcomes of the risk assessment in other countries (where relevant) or through consultation with other CNRA experts / NRA working groups is recommended.

2) References and data sources

The sources for all data used in the risk analysis must be provided. These cover the sources suggested in FSC's National Risk Assessment Framework procedure (PRO-60-002a Section 5.3.5), which were verified



on the basis of consultations with national experts and additional research that takes place during the assessment. Each information and conclusion made shall be referenced by verifiable sources. Importantly, a justification shall be provided for why only chosen sources were used in the assessment.

What if there is no direct evidence for low risk and at the same time there is no evidence for specified risk, which would make risk specification impossible? The very strict interpretation of precautionary approach in such a situation could lead to the designation of specified risk where no actual risk occurs, without the possibility to establish adequate control measures due to a lack of risk specification. This is not the objective of the CNRA which aims to assess the actual risk. However, it must be noted that in case no direct evidence for low risk exists, analysis of information sources must remain highly diligent to ensure objective evaluation. Indirect evidence and stakeholder / expert consultation shall help to support conclusions. A selective approach towards sources of information in order to avoid the designation of specified risk is not acceptable.

3) Key experts consulted

Names of the key people that have been consulted, including a local expert, shall be provided, independently from the consultation conducted by the FSC Partner or FSC International.

4) Stakeholder engagement

Stakeholder engagement will differ depending on FSC presence and capacity within the country. A detailed description of possible engagement scenarios is provided in Box 1.

5) Other FSC processes

During the risk assessment process, other FSC processes shall not be ignored. This will most often include the development of National Forest Stewardship Standards in combination with HCV frameworks or national-specific concepts relevant for HCVs (such as Indigenous Cultural Landscapes in Canada). If outcomes of these processes are available, they shall be consulted.



6) Report format

FSC requires reporting of the risk assessment results in a uniform template, which is included in Annex C of FSC-PRO-60-002. However, for CNRA purposes, a separate template is provided. The information inserted in the template shall be provided in a user-friendly way, the same goes for any material summarizing the risk assessment process and its outcomes.

7) Risk assessment

The methodology used to assess risks constitutes a stepwise decision-making tree for the identification of areas where the risks posed to HCVs by forest management activities are low. Areas where this is not the case are classified as “specified risk” areas and, based on the evidence, risk specification provided. In order to ensure that the process is as efficient as possible, initial steps aim to identify and filter out low risk areas through simple measures, including consideration of Scale, Intensity and Risk (SIR). Areas that do not qualify as low risk on these grounds are subject to further, more in-depth assessment of risks, and the extent to which these risks can be mitigated. Figure 1 illustrates the risk assessment process.

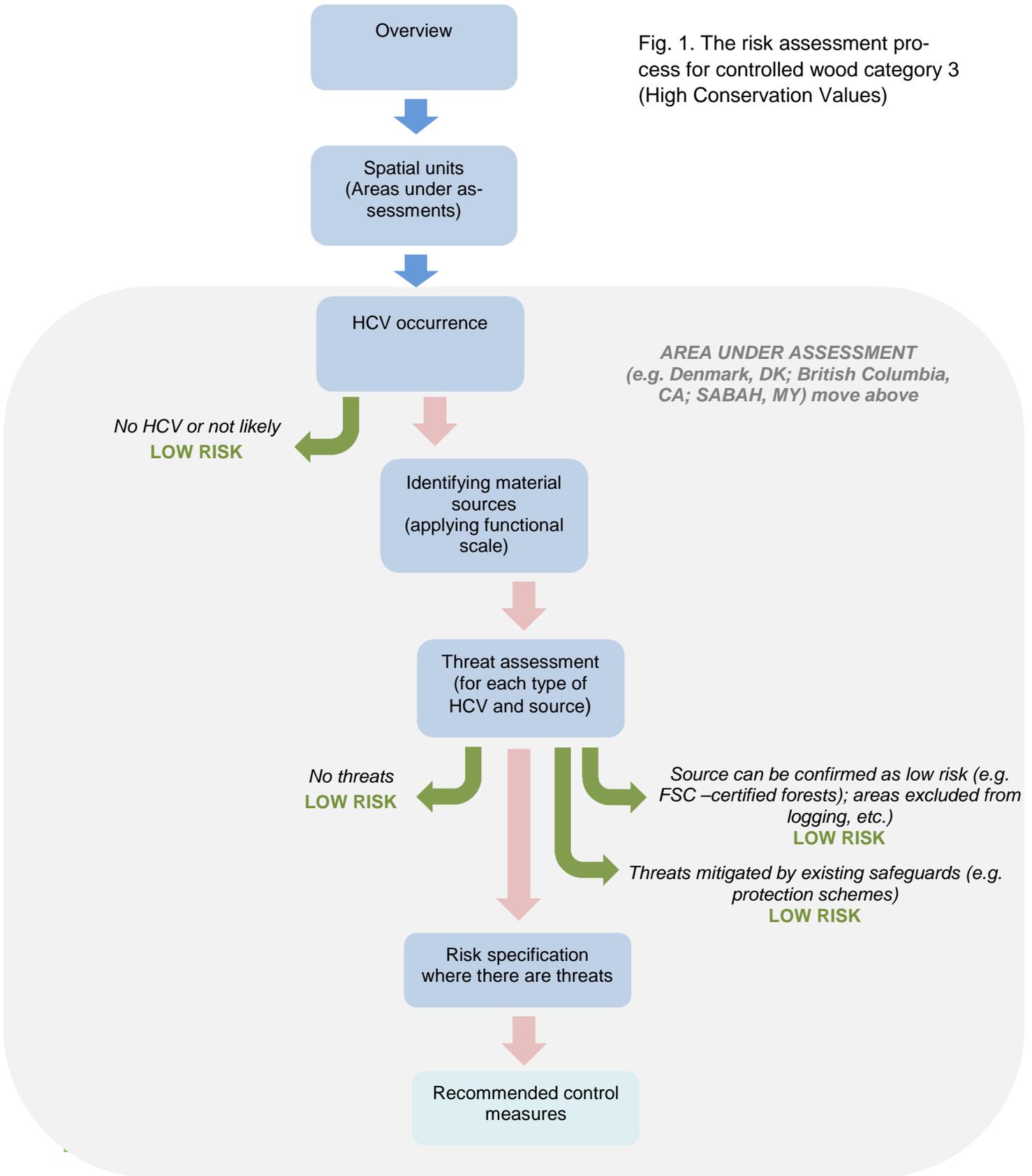


Fig. 1. The risk assessment process for controlled wood category 3 (High Conservation Values)



Step 1: Overview

Providing a general overview of the country's / region's forest classification and management types, potential HCV threats and safeguards, including how effective forest management and safeguards are implemented. This step may need review at the end of the assessment. The overview will allow to assess the critical elements of the assessment, such as variety of sources, data availability, cultural issues etc. It may also allow to immediately identify low risk sources to be confirmed through further assessment.

Example of an overview:

Historical land use and forestry practices led to a majority of present forests in Estonia being semi-natural ecosystems, with small insertions of close to natural forests stands. Surveys show that in the last centuries all Estonian forests were, depending on different management activities, varying from extensive to very intensive forestry with land use change. In the 1970s, forestry practices were suspended in other valuable forests thanks to the creation of protection areas that contain nature reserves.

Estonia ratified the Convention on Biological Diversity in 1994. In 2003, 10.7% of terrestrial lands were protected, which later increased to 16% with the creation of the European Natura 2000 Network, comprising 66 bird sites and 509 habitat sites, some with partial or complete overlap. In 2008, Estonia possessed 129 nature protection areas, 149 landscape protection areas, 117 areas with old and non-renewed protection rules, 343 limited conservation areas, 5 national parks, 548 forest stands and 3 local objects of natural conservation. In addition, 1,195 individual protected natural objects exist. Altogether, conservation areas cover 590,333 ha of the country's terrestrial land. Estonian Forests are surveyed, all known HCVs are identified and mapped and are available in the state-owned EELIS database. Data about biodiversity is updated regularly. There are areas of UNESCO world heritage, Ramsar convention and Baltic Sea protection areas according to HELCOM convention designated in Estonia. Other important areas for a large biodiversity landscape include valuable forests in national parks, regional parks and biosphere reserves. Currently, there is no evidence that the remaining important large scale HVC2 forests are impacted by forestry practices. There are two main forest management types in Estonia: state-managed forests and privately-owned and managed forests.

Step 2: Spatial scale - units under assessment

Determine an appropriate scale for homogenous risk designation, i.e. identify existing, geographical subnational units suitable for risk assessment. These may be further combined with the functional scale, where



division is based on non-geographical characteristics, such as ownership, type of forest (natural forest, plantation) etc. Countries of small and medium size (e.g. average for Europe) may be treated as areas under assessment as a whole, if the functional scale is applied to achieve the assessment on a sub-national level. These geographical units are henceforth referred to as “areas under assessment”. Note that scale determination may not always be finalized during this first step, and may also change depending on the scale of data sources collected during the following steps.

The area shall be divided into smaller units when assessed data indicate different levels of risk within that area that do not allow for homogeneous risk designation. It shall also be divided into smaller units when Control Measures (if provided in the CNRA) cannot be applied uniformly within the assessed area.

It is not required to conduct the risk assessment at the local scale and when determining areas under assessments one shall remember that certificate holders using the assessment may have limited opportunity to trace material back to the fine-scale units. At the same time, fine scale with maps and a detailed description of the unit of spatial analysis may allow to further filter down the specified risk and provide detailed risk specifications, which will help to determine adequate control measures. Therefore there is no golden rule for applying the best-possible scale. It will depend on the forest sources distribution, ownership structure, structure of the supply chains etc. In the CNRA process, it is NOT recommended to apply fine scale units, due to the project scope. Further analysis can be undertaken as part of the NRA process.

Whatever choice is made, boundaries of the area(s) under assessment and / or specification of the functional scale shall be clearly described, mappable or presented on maps, documenting areas of both low and specified risk. Maps are NOT required for the CNRA process but where provided should if possible be in GIS format to allow their publication on the FSC Global Forest Registry. Also, boundaries may be described as a reference to the existing administrative or environmental divisions.

When possible and practical, the CNRA may provide mapping of identified HCVs as well. This is, however, not required so long as the boundaries of areas where HCVs occur are clearly described and are mappable. Note that any maps provided as part of the CNRA process should display areas of homogeneous risk designation, not HCV locations. Any other supportive mapping (e.g. maps of areas where sourcing is prohibited) is recommended, but not required.



Step 3. HCV occurrence

High Conservation Values (HCV) are described in detail in FSC-STD-01-001 and in the Common guidance for the identification of High Conservation Values.

The step of assessing the HCV occurrence may be conducted in parallel to Step 4.

For each HCV: assess the likelihood for its occurrence in each area under assessment. The assessment should rely on the best-available information or proxies, with a preference for data on real HCV occurrence where such information exists.

- a) In some countries, national FSC standards have defined and / or mapped HCVs by direct reference to specific inventories, land classifications or designations that represent the complete distribution of the HCV (component). Where this is the case, and designations are well-aligned with the HCVRN Common Guidance, the assessment is relatively straightforward: areas under assessment where the value does not occur, or is unlikely to occur, are classified as LOW RISK.
- b) HCVs for which there are no agreed national interpretations and/or data inventories must be assessed through proxies, i.e. land designations, vegetation types or other identifiable areas / categories that overlap with the definitions of one or more of the six HCVs. These do not require mapping. Note that 'proxies' only means that national criteria used to identify areas of high environmental or social importance do not exactly match the definitions of HCVs. Generic proxies may be assessed without detailed mapping; examples include HCV5, which are unlikely to occur in areas under assessment where traditional subsistence practices play a very minor role in local economies, and the HCV4 component erosion mitigation which is unlikely to be an issue in areas under assessment with level topography and low precipitation. Areas under assessment where a certain value is unlikely to be present are classified as LOW RISK – others are subject to further analysis.
- c) Values that cannot be assessed by generic proxies must be evaluated through delineated / indirect proxy areas - areas (mapped or easy-to-map based on existing data) that serve as adequate and reliable indicators of HCV presence. All suggested proxy areas must be carefully chosen to fit with values. In order to be valid, proxy areas (these may be single proxies, sums of various proxies, or various combinations of single proxies) should overlap closely with areas likely to host a certain value. While precise fit may be rare, accurate risk assessments require a good match between proxy areas



and values. Proxy areas that only reflect a limited subset of the HCV tend to underestimate the risk and so exaggerate the extent of low risk areas, while proxy areas that go beyond the value to include larger areas where the HCV is unlikely to occur tend to exaggerate risks involved and underestimate the extent of low risk areas. In order to increase validity of a proxy, the data originating from a proxy may be filtered. Values represented by valid proxy areas are subject to further analysis.

An example of proxy validation may include using a list of endemic species and rare, threatened or endangered species / ecosystems as provided in the existing National Forest Stewardship Standards or other national sources. Such lists may be very extensive. Practical use of the lists in the risk assessment process may therefore be limited to e.g. umbrella species. Assessing the risk for these species should be sufficient enough to reflect both occurrence and threats towards other species.

Areas under assessment where no valid proxy areas for certain HCVs are found, are classified as areas of specified risk due to the lack of adequate data.

There is a considerable amount of accessible information generated² on HCVs. Make sure you check at least if there are:

- a) HCV national interpretations: <https://www.hcvnetwork.org/resources/global-hcv-toolkits>
- b) FSC approved national / regional standards, which often include an HCV national / regional definition: <https://ic.fsc.org/national-standards.247.htm>
- c) FSC certification bodies' (CBs) interim standards would vary in the level/quality of information provided. It is expected that in the near future (2016) there will be only 1 National Interim Standard for all CBs based on the IGIs (International Generic Indicators) including specific information on HCVs. NOTE: Please see above about using a list of species from the Forest National Stewardship Standards.
- d) Certification reports (see <http://info.fsc.org/>) may also help to understand what potential HCVs occur in the area and may lead you to other information sources. They may also be helpful in identifying most common nonconformities with HCV requirements at the forest level, which you may feed further in the threat analysis.
- e) Specific HCV assessments or HCV monitoring reports for an area or specific certified company (e.g. <http://www.westwindforest.ca/pdf/Westwind%20HCVF%20Report%202012Nov23%20v2%202.pdf>)

Additionally, HCV identification shall include:



1) Consultation with the local environmental / HCV experts for any relevant datasets, lists of information, or maps of potential HCVs from the FSC Network partner (where relevant).

2) Data audit as per FSC-PRO-60-002a to establish whether:

- data available are sufficient for determination of HCV presence and distribution within the area under assessment, according to the requirements of this document?
- data available are sufficient for assessment of the threats to HCVs from forest management activities according to the requirements of this document?

Data audit for different HCVs may be combined, if the same proxies are used. When assessing risk, in most cases there will be data available. Data audit therefore will often focus on whether data is sufficient to conduct a risk assessment.

Please note that all HCV (sub-) categories in the framework are generic and only applicable if they exist within the country. If no HCV exists for that (sub-) category, it is non-applicable (NA) and can be classified as low risk.

Step 4: Identifying sources of the material

In this step, different sources of material (wood, non-timber forest products) that are relevant for the area need to be identified. This is done in order to make the risk assessment results more practical for use by the certificate holders. Assessing the risk when taking into account source of the material also helps to filter the actual risk better. Such sources share the same functional characteristics with a homogenous risk designation, according to the concept of functional scale in FSC-PRO-60-002a.

Different source types may be differentiated by reference to criteria which are likely to be familiar to users of the risk assessment, such as:

- 1) Forest/Species type(s): e.g., natural forests, semi-natural forests, plantations, and exotic/natural species
- 2) Legal land classification and/or Management regime – e.g., Protected Area (identifying relevant IUCN 1-IV protection status categories if possible), production forest, plantations (species types, special use, etc.) agricultural land (e.g., farm, road side etc.)
- 3) Tenure or ownership management - (e.g. public, private, corporate, indigenous, individual, farmer, community forests etc.). Also include a descriptive regarding the Scale, Intensity, and Risk (SIR) of management operations - (i.e., small, medium & large management operations).
- 4) Other – this column is for other relevant geographical and/or functional characteristics that may further define a timber / NTFP source type (e.g., presence/absence of particular planning requirements).



Further in the process, source types may be further re-defined based on the different threats or risks they present to HCVs. If different material sources do not present different HCV threats/risks, they should be included in the same source.

Source examples:

Region/Area	Forest/Species Type	Legal Land Classification &/or Management Regime	Ownership/use	Source type
All Provinces	Natural forest	Natural Reserve	State	State-owned natural forest under protection –production prohibited
		Forest Park		
Province A	Natural forest	Production	State	State-owned natural forest – temporary harvesting ban
		Production	Provincial or city Government	State-owned natural forest – production permitted
		Production	Private, farm-managed	Private, farm-managed natural forest - production permitted
Province A	Plantation	Production	State	State-owned plantation - production permitted

Table 2: Example of a source type identification

Types of sources may be established based on scale, intensity and risk of forest operations within the area under assessment. It will often further help in identifying threats to HCVs from these operations, considering their overall potential impact. For example, small private forests rarely occurring within the area will likely not pose a threat on the HCV within the whole area (unless data shows that highly-sensitive species are present for which no safeguards exist). A similar approach could not be taken, however, when there is a large number of small private owners, since cumulative impact of their operations would likely be higher and increase threats to the HCV.



Step 5. HCV threat assessment

For areas under assessment and sources not classified as low risk in steps 1-3: assess threats of loss or degradation from common forest management activities. The National Risk Assessment Framework (PRO-60-002a) contains a minimum list of threats to be considered (Table 3), additional threats may also be considered if relevant. Each threat to each HCV shall be carefully analyzed. Threats not originating from forest management activities are outside of the scope of this assessment.

Where evaluating threats under HCV1, where impacts on single species are not documented, then the use of indicator species or proxies is recommended (refer to umbrella species under HCV occurrence).

An ideal assessment of threats, scale, intensity and risk should include:

- a) Any FSC approved national High Conservation Value advice where present, or Common Guidance for High Conservation Value Identification;
- b) Information from field surveys;
- c) Information from databases relevant to the environmental values;
- d) Information obtained through consultation with local and regional experts;
- e) Information obtained through engagement with indigenous peoples, local communities, affected stakeholders and interested stakeholders.

Also, certification reports (see <http://info.fsc.org/>) may be helpful in identifying the most common nonconformities with HCV requirements at the forest level, which may feed further in the threat analysis.

Some particular values may be under no threat, e.g. because they occur on areas where forest management is very low intensity, or the value is not present on a significant scale. Note that in certain areas where HCV value occurs in very small amounts, its conservation value may be higher and therefore it may be under threat as well.

Areas under assessment where a particular value may be considered under no significant threat are classified as low risk areas for that particular value.

Where a threat is considered potentially present, the existence of safeguards for that threat is assessed as follows:

- a) Are proxy areas effectively safeguarded in legally protected areas?

To be considered effectively safeguarded:

- i) the majority proxy must be located within protected areas, and



- ii) the protection must be effective in terms of management, law enforcement and respect for the law (see governance evaluation below). Areas under assessment where proxy areas are considered effectively protected are classified as low risk areas for that particular value.

b) Are proxy areas effectively safeguarded by other measures?

To be valid, measures must be widely implemented across the whole geographical unit. Potential mechanisms include legal requirements and regulations, private reserves, and functional “best practices” like standard operating procedures, voluntary sector certification standards and civil society agreements. To be considered effectively safeguarded, the proxy areas outside legally protected areas must be subject to these measures. Areas under assessment where this is considered to be the case, are classified as low risk areas.

Scale, intensity and risk (SIR) of forest operations may be an important factor in filtering threats to HCVs (compare SIR considerations in identifying source types). When analysing threats, the supply chain structure that may be involved and may support further filtering of the real threats. For example, in areas where forests are mainly state owned, and private forests are rare and are scattered, likely the scale, intensity and risk of private operations will be low and they will not pose threat to HCVs.

Note on the assessment of HCV5 and 6: It is often difficult to find a suitable proxy to assess the occurrence of these HCVs, as well as threats to them, given that the CNRA process does not require consultation on local scale. In assessing the risk for HCV 5, distribution of HCVs across the landscape and their seasonal use by local communities or traditional peoples shall be taken into account. No mapping of HCV5 and 6 is required, and when collecting evidence, analysis of existing conflicts, existing safeguards (e.g. enforced requirements for having a management plan that deals with right holders), consultation with experts, as well as representatives of local communities or indigenous peoples will often be a suitable way of investigating threats. Cross-references with controlled wood category 2 shall be made.

Governance considerations:

The following issues are relevant to consider when taking governance issues into account during the evaluation of risk and effectiveness of HCV protection and safeguards.

- Administrative capacity to oversee effective implementation of laws and regulations pertaining to this category should be assessed.
- Governance and the effective implementation of laws and regulations often directly influence threats to HCVs.
- Countries or districts with poor governance and/or a high level of corruption in the sector would not usually be able to secure effective implementation of protected areas and regulations.

For governance assessments, the assessment of consistency between risk assessment for controlled wood category 1 (legality) and 3 (HCV) is particularly important. This consistency is also relevant for other aspects evaluated under category 3.



Category 1 (in relation to environmental laws and laws on traditional rights) shall be consulted during the assessment for category 3. Consistency between them will differ depending on the content of the law and must be assessed on a case-by-case basis. Low risk for legality does not mean that the assessment for category 3 may be omitted, however in some cases existing (and enforced) legislation will reduce effort in assessing risk for HCV, e.g. where there are bans for logging which eliminates the threat assessment. Instances of illegal logging occurring in prohibited areas discovered during the assessment for HCV shall be brought up in order to feed back into a category 1 assessment.

Specified risk for category 1, on the other hand, will decrease efficiency of existing safeguards (if any) and therefore increase threats to HCV assessed under category 3.

HCV	Specific threat categories
HCV1	<ul style="list-style-type: none"> Habitat removal Habitat fragmentation Introduction of alien / invasive species
HCV2	<ul style="list-style-type: none"> Fragmentation, including access (roading), Logging (applies to IFL)
HCV3	<ul style="list-style-type: none"> Lack of effective protection of HCV 3
HCV4	<ul style="list-style-type: none"> Reduction of water quality / quantity Negative impact on humans health (e.g. poisoning water etc. – see HCVCG)
HCV5	<ul style="list-style-type: none"> Compromising (impacting) fundamental needs of local communities by management activities
HCV6	<ul style="list-style-type: none"> Destruction and / or disturbance of rights/ values determining HCV 6 presence

Table 3: Specific categories of threat to assess for each HCV in the analysis of risk to HCV areas from Controlled Wood, according to the National Risk Assessment Framework (PRO-60-002a).

Step 6: Specified risk areas

Areas under assessment where component values not classified as low risk areas remain, should be classified as areas of specified risk for the whole of the HCV (1-6) to which the HCV component belongs. Taking

HCV 4 as an example, in areas under assessment where topography, soils and precipitation combine to make landslides an issue of concern, areas where riparian zones are effectively safeguarded, but without effective protection of slopes, must be considered as specified risk for all of HCV 4.

8) Establishing control measures and verifiers (risk mitigation) – optional guidance for CNRA experts and certificate holders

In order to support the mitigation and management of the risks, the risk assessment process should include development of verifiers to evaluate the presence of specified risks, as well as guidance on how specified risks can be mitigated and controlled.

Although the CNRA process will likely not be sufficient to determine all the adequate control measures, their indication will help in stakeholder engagement by increasing the understanding of applicability of the CNRA.

Figure 1 illustrates the process and use of verifiers and mitigation measures. Where the risk assessment has specified risk, the following process is to be initiated by the certificate holders to ensure that material does not enter the supply chain, if it originates from areas where HCVs are negatively impacted by forest management activities:

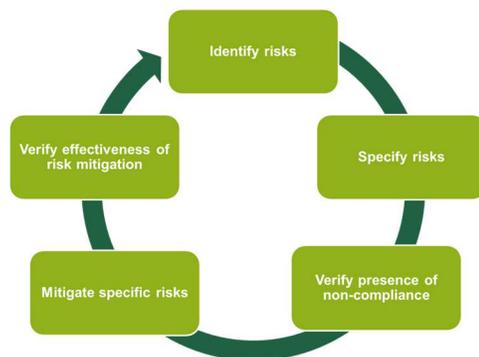


Figure 1: The risk specification, mitigation and verification process for a supply chain

For each HCV grouping, category or sub-category where a specified risk has been designated, verifiers may be used to verify whether or not the specified risk is present within the actual supply source or if risk control measures have been effective.



1. If the verification outcome is negative, i.e. non-compliances are found to be present, then risk mitigation actions need to be undertaken in order to assure compliance.
2. Once risk mitigating actions have been implemented, the verifiers may be used once again to evaluate the effectiveness of risk mitigating actions. Only when risk is mitigated may the supply be sourced.

A number of different tools to conduct verification should be considered, including:

- a) Stakeholder consultation
- b) Document verification
- c) Expert evaluation
- d) Field verification / audits
- e) Third party verification

Verification and mitigation of the risk by the certificate holder shall take into account the supply chain structure. When verifying or mitigating the risk, scale, intensity and risk of forest operations where the material comes from may be taken into account. Rare operations with low impact may likely be verified as being low risk. The controlled wood standards for certificate holders (FSC-STD-40-005 V3-0) provide a comprehensive list of control measures for risk mitigation, when the risk has been verified.

Other examples of potential control measures to be applicable at the forest level can also be found in FSC International Generic Indicators FS-STD-60-004 V1-0 EN Principle 9 Annex H and the HCV Resource Network's Common Guidance for HCV Management and Monitoring (English). Indicators and verifiers in the National Forest Stewardship Standards may also be used.

It should be underlined that the process of mitigating and verifying the presence of potential risk may be carried out as a combined effort, depending on the specified risk in question. In some cases the verifiers identified for a specific sub-category will also be useful in order to implement risk mitigation actions.

The appropriate verification measures depend on the type of potential impact in question. Some types of impact can be verified by a field visit to the harvesting sites, while others can be verified based on document control. In some cases a combination of different verification measures may be required. When the control measures are recommended in the CNRA, they need to be established according to the requirements in FSC-STD-40-005.



Box 1 - Engagement scenarios

Stakeholder engagement that will differ depending on FSC presence and capacity within the country.

It will start from initial information gathering on HCV occurrence and threats to HCVs. At this stage, environmental and social experts and stakeholders shall be asked to suggest possible data sources and give input that could be used to define HCV occurrence and threats. This was not a formal consultation process, but part of the data gathering.

The FSC Partner at the initial stage provides the Consultant with any existing, available materials developed or gathered in relation to the development of the NRA. Further engagement of FSC partner will depend on their presence or not within the country, or capacity. There are 3 main engagement scenarios determining further steps of the CNRA, described below.

Scenario 1 – CNRA developed as part of the National Risk Assessment process

- a) The respective FSC Partner in the assessed country together with FSC International is to introduce the project and the methodology, including basic introduction to the CW system, as well as establish relationship with the CNRA expert. Stakeholders are invited to provide input to the CNRA.
- b) The CNRA expert develops the initial draft CNRA in English.
- c) FSC Partner shares the draft CNRA with the NRA working group and/or national stakeholders to present the methodology and identify aspects that require adaptation to national conditions. The methodology shall be followed, but its application will likely differ from country to country, depending on national conditions. Additionally, the stakeholders discuss the critical elements of the assessment, data used, scale, etc. before the expert continues work on the CNRA.

NOTE: This step may be organized as a workshop and combined with other CW categories.

- d) The Consultant develops the final CNRA report in English. The Consultant shall provide answer for each comment submitted with the information and justification on if/how feedback was incorporated. This concludes the preparation of the CNRA.
- e) The FSC Partner (i.e., NRA-working group) incorporates the CNRA in the NRA. The NRA-WG reviews the CNRA and amends it according to national expertise/conditions as part of a formal NRA process. From now on, the CNRA will not exist separately, but will be merged with remaining CW categories and will be a part of the NRA process.
- f) The Consultant reviews the amendments made to the NRA by the FSC Partner.
- g) The FSC Partner continues with the NRA process until the final NRA is developed, according to FSC rules. During this time one or more extensive consultation round is conducted. This process must follow



FSC requirements for the NRA. Before submitting the final NRA draft to PSU for approval, the FSC Partner must submit the final draft NRA in English to a CNRA expert(s) for a review of changes that were incorporated through the NRA process, including those made based on stakeholder consultation.

- h) The CNRA expert conducts a final review of the NRA and the FSC Partner incorporates the outcomes of the review and submits the final draft of the NRA to PSU.
- i) PSU evaluates the NRA and either proceed with the approval or sends back for further work.

Scenario 2: Direct engagement

This scenario applies for countries where there is no formal NRA process in place, the FSC Partner may decide to directly participate in the CNRA process. This participation is not mandatory. In case there is no direct participation in the CNRA, the FSC Partner must be aware that CNRA outcomes may not reflect stakeholder expectations due to, e.g., general sources of information used, broad geographical scale of the assessment, etc. There will be limited opportunity to adapt timelines for the CNRA to accommodate direct involvement. This means that if NPs do not meet timelines, the experts' own risk designations will be used.

- a) The respective FSC Partner in the assessed country together with FSC International is to introduce the project and the methodology, including basic introduction to the CW system, as well as establish relationship with the CNRA expert. Stakeholders are invited to provide input to the CNRA.
- b) The CNRA expert develops the initial draft CNRA in English.
- c) FSC Partner and FSC International organize a workshop for national stakeholders to present the methodology and identify aspects that require adaptation to national conditions. The methodology shall be followed, but its application will likely differ from country to country, depending on national conditions. Additionally, the stakeholders discuss the critical elements of the assessment, data used, scale, etc. before the expert continues work on the CNRA.
- d) The Consultant develops the final CNRA report in English. The Consultant shall provide answer for each comment submitted with the information and justification on if/how feedback was incorporated. This concludes the preparation of the CNRA.
- e) The FSC Partner conducts a national consultation on the draft CNRA for a minimum of 30 days (chamber-balanced feedback is required). At minimum this shall involve consultation with existing chamber-balanced working groups active in the country/region.
- f) The FSC Partner analyzes, summarizes and provides collated stakeholder feedback to the CNRA expert in English.
- g) The CNRA consultant reviews and if necessary amends the draft CNRA based on feedback from the FSC Partner, and then submits the CNRA to FSC. The CNRA Expert shall provide answer for each comment submitted with the information and justification on how feedback was incorporated.



Scenario 3: No FSC Partner or FSC Partner is not involved.

For all countries where there is no FSC Partner or FSC Partner does not confirm direct participation, the CNRA consultant will conduct the risk assessments on their own. Countries for which direct participation was not successful (e.g., no feedback has been provided by the FSC Partner) may also be included in the international consultation).

- a) The CNRA consultant develops the initial draft CNRA in English. During this step the CNRA expert shall consult local experts/stakeholders to ensure relevance of the results. No public consultation is required.
- b) FSC International publically consults the draft CNRA (30 days) and provides the CNRA expert with comments obtained.
- c) The Consultant develops the final CNRA report in English. The Consultant shall provide answer for each comment submitted with the information and justification on if/how feedback was incorporated. This concludes the development of the CNRA.

NOTE FOR ALL SCENARIOS: Indicating the changes made to the last exchanged file is required when any amendments are made to risk assessment in the above steps. Using MS word and track change mode is recommended.

Box 2 - The Six Categories of High Conservation Values

HCV 1 - Species diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species that are significant at global, regional or national levels.

'Significant concentrations of biodiversity values' are defined as areas of natural forest containing one or more of the sub categories identified are deemed to meet the threshold for significant concentrations of biodiversity values. Note that in some circumstances this can include a single species. Plantations are generally unlikely to meet this test other than where significant species are present in remnant natural forest areas or transiting plantations.

This HCV has the following sub-categories:

- a) *Areas that contain species that are listed as rare, threatened or endangered by IUCN and or Official National and/or regional lists;*
- b) *Centers of endemism where concentrations of endemic species occur;*
- c) *Areas that contain species that are listed as depleted or poorly reserved at national or regional scale;*
- d) *Areas with mapped significant seasonal concentrations of species (e.g. migratory staging areas);*
- e) *Areas of high species/communities diversity*



f) *Areas that are identified in the literature as refugia.*

HCV 2 - Landscape-level ecosystems and mosaics. Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

'Large landscape-level forests' are defined as relatively contiguous areas of forest (which may be crossed by land management roads or public roads). At the minimum these forests are likely to be thousands or tens of thousands of hectares in size. However, "large" is relative to regional landscape context (particularly the size of forested blocks in the region) and might be smaller or larger than this figure as indicated by consultation with regional experts.

'Significant' is defined as follows: the forest is significant in the region due to its size, condition, and/or importance to biodiversity conservation. Factors to consider include: Rarity of forests of this size and quality within the region; less affected by anthropogenic factors than similar areas in the region.

This HCV has the following sub-categories:

- a) *Intact Forest Landscapes (IFL map uses the most recent coverage)*
- b) *Landscape-scale natural forests that have experienced lesser levels of past human disturbance (e.g., minimal timber harvesting) or other management (e.g. fire suppression), or areas within such forests.*
- c) *Forests recognized as being regionally significant at the bioregion or larger scale by conservation organizations (in formally recognized reports or peer reviewed journals) due to the unusual landscape-scale biodiversity values provided by size and condition of the forest relative to regional forest land cover and land use trends.*
- d) *Forests that provide regionally significant habitat connectivity between larger forest areas or between refugia and mosaics.*
- e) *Significant Roadless areas.*
- f) *Significant Forests that haven't been affected by forest management activities.*

FSC pays special attention to IFLs and the controlled wood systems requires using the mapping as of 2013, available at: <http://intactforests.org> or

<http://www.globalforestwatch.org/map/3/15.00/27.00/ALL/grayscale/none/607>.

HCV 3 - Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.

Old-growth forest is defined as an ecologically mature forest where the effects of disturbances are now negligible. Old-growth and late successional stands and forests include: A) Type 1 Old Growth: stands that have never been logged and that display late successional/old-growth characteristics. B) Type 2 Old Growth: stands that have been logged, but which retain significant late-successional/old-growth structure and functions.

This HCV has the following sub-categories:

- a) *Existing forests in forest landscapes where these ecotypes are rare;*
- b) *Areas of important genes or genetically distinct populations;*



- c) *Ecosystems that are depleted or poorly reserved at the regional or national scale;*
- d) *Old growth forests, outside of forest biomes where the concept is redundant;*
- e) *Remnant natural forest vegetation in heavily cleared landscapes.*

HCV 4 - Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.

HCV 4 is focused on basic ecosystem services in critical situations. Substantial alteration of these forests is likely to result in an unacceptable impact on the delivery of ecosystem services. These services include: consolidation of highly erodible soils including on steep slopes, forests that protect against flooding or forests that provide barriers to fire.

Guidance on 'critical situations': An ecosystem service is considered to be 'critical' where a disruption of that service is likely to cause, or poses a threat of, severe negative impacts on the welfare, health or survival of local communities, on the environment, on High Conservation Values, or on the functioning of significant infrastructure (roads, dams, buildings, etc.). The notion of criticality here refers to the importance and risk for natural resources and environmental and socio- economic values. (Source: FSC-STD-01-001 V5-0 D4-9 p115)

Guidance on 'critical situation' thresholds: It is difficult to provide clear thresholds on when an area provides critical protection. An operable question to help address this question may be, "What is the impact of removing the forest cover?"

Guidance on 'critical situations' – watershed protection: A forest that is part of a local drinking water catchment, irrigation supply system, or is a critical source for a remote location (i.e., water is pumped to a remote location) may be considered a 'critical situation, particularly when people are dependent on the guarantee of water, where the regulation of water flow guarantees the existence of fishing grounds or agricultural land or protects downstream communities from flooding. Forests which provide critical protection of water supplies for rare, threatened, or endangered aquatic species and/or ecosystems are also 'critical situations'.

Critical Situations encompass

- Areas with highly erodible soil;
- Areas with steep slope.

This HCV has the following sub-categories:

- a) protection from flooding;*
- b) protection from erosion;*
- c) barriers from destructive fire;*
- d) clean water catchments.*



HCV 5 - Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (e. g.: for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.

Basic human needs' are defined as conditions where local people and or indigenous people use the area to obtain resources on which they are critically dependent. This may be the case if local people harvest food products from the forest, or collect building materials or medicinal plants. "Potential fundamental basic needs include, but are not limited to: unique sources of water for drinking and other daily uses; food, medicine, fuel, building and craft resources; the production of food crops and subsistence cash crops; protection of "agricultural" plots against adverse microclimate (e.g., wind) and traditional farming practices. Forest uses such as recreational hunting or commercial timber harvesting (i.e., that is not critical for local building materials) are not basic human needs.

'Fundamental' is defined as loss of the resources from this area would have a significant impact in the supply of the resource and decrease local community and or indigenous people's well-being.

This HCV has the following sub-categories:

- a) Unique/main sources of water for drinking and other daily uses;*
- b) Unique/main sources of water for the irrigation of food crops;*
- c) Food, medicines or fuel etc. for local consumption.*

HCV 6 - Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.

'Cultural significance' - Where there is a nationally specific definition of cultural significance it should be used. The following has been taken from the approved FSC Australia HCV Assessment Framework². In the absence of a suitable national definition this should be used. "Cultural significance means aesthetic, historic, scientific, social or spiritual value for past, present or future generations. Cultural significance is embodied in the place itself, its fabric setting, use, associations, meanings, records, related places and related objects. Places may have a range of values for different individuals or groups."³

'Cultural identity'⁴: Certain communities are so closely bound to some areas that it is highly likely that these are critical to their traditional cultural identity and heritage. Cultural identity is dynamic and is not just tied to traditions that occurred hundreds or thousands of years ago. In some cases, where Indigenous people were dispossessed from their lands by colonization, knowledge about traditional places may have been lost for several generations, but has been revived in a way that suits the modern context. Significant places may not

² <https://au.fsc.org/download-box.513.htm>

³ The Burra Charter: The Australia ICOMOS Charter of Places of Cultural Significance 1999.

⁴ Note: While the focus on 'traditional cultural identity' highlights the importance of traditional owners and areas critical to their cultural identity, HCV6 also recognizes places critical to non- Indigenous culture and heritage.



just relate to 'traditional' identity, but to how people see themselves today, which is a combination of traditions and intercultural history (for settler societies) and modernity. Examples: Areas may include religious/sacred sites, burial grounds or sites at which regular traditional ceremonies take place. They may also include outstanding natural landscapes that have evolved as a result of social, economic, administrative, and/or religious imperative (i.e., fossils, artifacts, areas representing a traditional way of life). "They may also include areas that by virtue of their natural properties possess significant religious, artistic, aesthetic or cultural association (such as traditional hunting/gathering) that have been used/recognized over the years.

This HCV has the following sub-categories:

- a) Aesthetic values;*
- b) Historic values;*
- c) Scientific values;*
- d) Social (including economic) values;*
- e) Spiritual values*