Russia FM integrity pilot

Based on FM credibility project, phase 1 and 2 – 2013-2014
What is wrong with this guy?

Jacket shape?
Sleeve of jacket?
Buttons?
Shirt?
Why credibility project in Russia?

PSU accreditation procedures for the national standard
CB’s accreditation rules and internal checks
ASI surveillance
Stakeholder engagement
Dispute resolution system
Policy of non-association

Suppose to provide adequate level of quality assurance in the FSC

BUT...
### Situation in Russia

|---------------------------------------------|----------------------------------------|----------------------------------------------|
| • Preparation to FM certification – 1,5-2 years  
• Amount of Major non-conformities 10-20 per company (according preliminary audit data)  
• Active stakeholder engagement in every case  
• Active and efficient Dispute resolution  
• Active ASI (ABU) engagement in many cases | • Preparation to FM certification – 0,5-1 years  
• Amount of Major non-conformities 3-5 per company (according preliminary audit data)  
• High competition between CB’s  
• Stakeholder engagement in some cases only  
• Dispute resolution works only for professional stakeholders  
• ASI (ABU) engagement in selected cases, often not risk based | • The same as in previous phase  
• High level disputes in Russian Far East between CH’s and NGO’s without resolution from ASI  
• Stakeholder screenings of FM certification quality for several CH’s (WWF study for 9 FM CH’s in NW Russia; SPOK screening of CH’s in Karelia, Russia Forest agency screening of 50 CH’s on illegal logging and forest fee payment |

**Stakeholder satisfaction**

**Stakeholder concerns and anxiety**

**Stakeholder public complaints about quality of FSC FM certification (eg. Swedwood)**
Area of FSC certified forests in Russia

Russia – 40 Mln ha of FSC certified forests, incl. IFL’s, indigenous people, HCVF
Types of identified non-conformance to the Russian legislation by WWF-SPOK assessment in NW Russia (9 CH’s) 2011-12

1. Lack of info in planning logging sites
2. Felling outside the boundaries of logging sites
3. Waist and garbage in forests
4. Clear cuts in water protection forests (HCVF 4)
5. Use of rivers as roads
6. Problems with temporary roads on logging sites
7. Felling tress with Red Book species
8. Left of cut wood in the forest in spring and summer
### Types of identified non-conformance to the FSC Principles and Criteria

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Logging off the habitat of rare species</td>
</tr>
<tr>
<td>2.</td>
<td>Logging off key biotop area</td>
</tr>
<tr>
<td>3.</td>
<td>Key elements of forest not preserved on logging site</td>
</tr>
<tr>
<td>4.</td>
<td>Forest mosaics is not maintained</td>
</tr>
<tr>
<td>5.</td>
<td>Erosion and watering of logging sites</td>
</tr>
<tr>
<td>6.</td>
<td>Logging in protected area</td>
</tr>
</tbody>
</table>
Identified non-conformances during the field audit

<table>
<thead>
<tr>
<th>Certificate holder</th>
<th>Company #1</th>
<th>Company #2</th>
<th>Company #3</th>
<th>Company #4</th>
<th>Company #5</th>
<th>Company #6</th>
<th>Company #7</th>
<th>Company #8</th>
<th>Company #9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of inspected sites by ENGO</strong></td>
<td>11</td>
<td>20</td>
<td>16</td>
<td>17</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>16</td>
<td>10</td>
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<tr>
<td>Destruction of habitats of rare species</td>
<td>2</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logging of key biotops</td>
<td>4</td>
<td>15</td>
<td>9</td>
<td>7</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logging of key elements of forests stands</td>
<td>8</td>
<td>20</td>
<td>13</td>
<td>16</td>
<td>9</td>
<td>10</td>
<td>14</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Not maintaining the forest mosaics</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>10</td>
<td>13</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Soil destruction, resulted in erosion of watering</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>12</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Logging in protected areas</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>52</strong></td>
<td><strong>32</strong></td>
<td><strong>41</strong></td>
<td><strong>16</strong></td>
<td><strong>18</strong></td>
<td><strong>33</strong></td>
<td><strong>32</strong></td>
<td><strong>24</strong></td>
</tr>
<tr>
<td><strong>Non conformance with FSC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor planning of logging site</td>
<td>4</td>
<td>9</td>
<td>4</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Logging outside the designated boundaries (type of illegal logging)</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste and garbage in the forest</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clear cuts in water protection forests</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of river bed and streams as temporary roads</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor temporary forest roads</td>
<td>2</td>
<td>6</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Destruction of Red book listed species</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keeping cut trees in the forest in spring and summer time</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logging in protected areas, prohibited by PA status</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>21</strong></td>
<td><strong>12</strong></td>
<td><strong>39</strong></td>
<td><strong>13</strong></td>
<td><strong>21</strong></td>
<td><strong>9</strong></td>
<td><strong>3</strong></td>
<td><strong>12</strong></td>
</tr>
<tr>
<td><strong>Potential HCVF in the logging area according GAP analysis</strong></td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>16</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
Credibility crisis in Russia in 2010-2012

- All together about 60 FM CH’s from 100 FM CH’s were questioned by key stakeholders
- Different disputes appr. 10 CH’s, including some lasting for 6 years
- Terney Les complaint by WWF (120 pages). TL complaint that Russian FSC standard is contradicting law
- One CB direct involvement in organizing CH’s and Regional government authorities against FSC Russia

<table>
<thead>
<tr>
<th>Total CH’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debts = 9</td>
</tr>
<tr>
<td>Illegal logging = 33</td>
</tr>
<tr>
<td>Reforestation = 15</td>
</tr>
</tbody>
</table>

FSC NO and SH’s blames ASI in inadequate surveillance
SH’s blames Dispute Resolution system as non-working
ASI blames FSC Russia standard as vague (even ABU accredited it!!)
CB’s and CH’s blame NO/SDG in absence of methodic and data (Pr. 6, Pr. 9 et al)
Next steps

Stakeholder understanding that problems with credibility have a systematic character and **cannot be solved** by standard approaches

- Kim Carstensen visit to Russia, November 2012 and his meeting with stakeholders. Presentation of problems and solutions.
- Letter of Russian ENGO’s to Kim (February 2013): 25% of problems are due to FM standard unclariities; 75% - CB’s performance and ASI surveillance
Russian credibility pilot

Based on the ideas in the stakeholders letter to Kim. Prepared by QAU and FSC Russia in cooperation with ASI.

2 phases at the moment:
Phase 1 – To develop road map to credible FSC certification in Russia (2013-14)
Phase 2 – To start implementation of the road map (since 2015)

Main elements of project:
• Establish ASI national representative and adapt ASI scheme to the situation with the aim to increase the level of control and surveillance.
• Ensure unified interpretation of the FM standard by ASI, CB’s and national SDG. Improve standard if necessary.
• Engage CB’s in credibility processes
• Actively engage key stakeholders in the process
• To improve FSC and ASI accreditation standards and approaches
Increase the level of **surveillance** and **control** in the country

**Establishing ASI NR** (with experience in standard development)!!!
- Regular (2 weekly) communication between ASI and NO
- Regular (weekly based) informal exchange between ASI and CB’s on quality issues

**Changing the way ASI operates:**
- Selection of **critical** and **key** indicators as priority for control
- Selection of CH’s in the **risk** group (for critical and key indicators)
- Establishing of **National incident data base** and **control how** CB’s address these incidents
- From ASI surveillance audits to **compliance** audits (2 times more CAR’s)
- Active participation and engagement of CB’s in the **calibration** work
- ASI direct **engagement with stakeholders** (incl. NGO’s and Forest agency)
## Examples of ASI integrity work

<table>
<thead>
<tr>
<th>Category of incident</th>
<th>Number of incidents</th>
<th>Open</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities are carried out (by CB’s, ASI)</td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Activities planned</td>
<td></td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. Public conflicts, engaging FSC CH’s identified in the Internet screening in Russia</th>
<th>16</th>
<th>4</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Potential non-compliances identified in the analysis of database <a href="http://info.fsc.org">http://info.fsc.org</a>, Public Summary Reports of CHs</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3. Potential non-compliance identified by information of stakeholders, including:</td>
<td>48</td>
<td>26</td>
<td>20</td>
</tr>
<tr>
<td>3.1. Regarding IFL (high risk)</td>
<td>27</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>3.2. Regarding IFL (low risk)</td>
<td>19</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>3.3. Others</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>4. Potential non-compliance identified by information of FFA (the information was got through the FSC Russia)</td>
<td>35</td>
<td>3</td>
<td>32</td>
</tr>
</tbody>
</table>

**Examples of national incidents Data Base by ASI**

**Type of surveillance in Russia**

### Compliance audits V witness

![Graph showing compliance audits and witness]
ASI model of operation (as seen from FSC NO level)

Standard ASI model
• Own interpretation of standard, often not calibrated with SDG
• Random (not risk based) audits of CB’s
• Formal follow up on CAR’s and how they addressed (no time for that)

Enhanced ASI model
• Calibrated interpretation of standard with SDG and CB’s
• Priority indicators for control
• National incident data base
• Desk reviews for selected indicators, incl. use of Remote Sensing
• Regular contacts with CB’s on incidents, monitoring of CB actions to address incidents
• Risk group of CH’s by priority indicators
• Flexible type of audits (compliance, witness, surveillance) depends on risk
• Annual plan discussed with NO and stakeholders

More costly – better credibility
Critical indicators (5) selected on the basis of complaints by key stakeholders. Key indicators (8-10) selected based on number of the CARs (based on CAR’s statistics in FM public reports for 107 CH’s in Russia)

- Protection of rare and commercial species
- Maintaining the environmental functions of forests
- Management Plan
- Research and collection of information for monitoring
- Occupational Safety and Health of Workers

Number of criteria: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20

Criteria: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20

Date: 3-Jul-15 / 14
To ensure ASI, CB’s and SDG have ONE interpretation of the national standard

- Calibration workshops between ASI, CB’s and SDG on selected indicators.
- Clarification of some indicators by Russian SDG, in case of different interpretation
- National interpretation of some indicators and clarification from PSU

Analysis of the certification situations, collected by ASI National representative demonstrated (Principle 9 and 6)

75% situations – CB’s interpret standard in favor of a client, differently, than SDG intention – mostly simplifies, forget, drop some requirements, do partial assessment, use tricks et al.

15% of situations – need of PSU clarification

10% of situations – need national interpretation

Need of SDG written explanation how to address the situation using direct extracts from standard
Certification bodies

- CB’s participates in calibration workshops
- FSC NO redirects informal complaints of Forest agency to CB’s and monitor how CB’s address that.

Stakeholders and FSC Russia board

- FSC NO have once a year meeting with stakeholders and report on the progress of credibility project
- Stakeholders are engaged in preparation on concept of work in the project
- FSC Russia board assess the development of the project 1-2 time per year
Calibration workshops

Regular meetings between SDG rep’s (coordinator), ASI rep’s and CB’s rep’s aimed to agree and follow the interpretation of the key indicators of the standard.

- Selection of indicators and “certification cases” done in advance by SDG and ASI
- Prior field visits and calibration is the advantage, esp. in case of some indicators (Principle 6 et al)
- ASI present “the certification cases”, taken from ASI audits and ask CB’s their opinion: compliance with standard, non-compliance. If non-compliance – type of corrective action.
- ASI ask opinion of SDG on specific “certification case”.
- In case SDG, ASI and CB’s agree on interpretation ASI follow it in their audits and surveillance
- In case of disagreement SDG prepare a written explanation, national interpretation of indicator or ask PSU to clarify.
- All that is sent by SDG to ASI and CB’s after completion.
First results

- Recognition of correct road map and improved situation with credibility from some key stakeholders (ENGO’s)
- Opinion of several CH’s that the level of control increase and ASI became “tougher” than in the past
- More aligned interpretation of FM standard between SDG, ASI and CB’s, than in the past
- ASI enhanced model of control successfully tested.
- One CB terminated, most problematic CH’s suspended.
- Willingness of CH’s in some regions (Siberia) to work proactively to solve credibility issues (IFL’s) based on CB pressure (not stakeholders!).

BUT STILL WE HAVE...

- Significant problems remains in IFL’s and sustainability of harvesting
- Greenpeace criticize FSC publically and fiercely
- Continuation of challenging practices of some CH’s
- Overall credibility risk for FSC is still significant
Next steps

2015 – 2016 Implementation of credibility road map by ASI, SDG and CB’s. Solution of critical problems in IFL’s and some other indicators.

2016-2017 Assessment of results and identification of gaps. Expanding enhanced ASI model for other critical and key indicators and risk groups. Decision on ASI operational model in the country/region, incl. finances. Amendment of accreditation standard, quality assurance internal procedures both in ASI and FSC.

2017-2018 Dissemination of new models in other priority areas.