



# **MOTION 34 SUMMARY REPORT BY THE MOTION 34 STEERING COMMITTEE**

**‘Regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65/2014 and the International Generic Indicators (IGI)’**

**This report is based on the national Motion 34 reports in  
Congo Basin**

**Russia**

**Brazil**

**Canada**



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# INTRODUCTION

Motion 34:2017 requires FSC to ‘enable the conducting of regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65:2014 and the International Generic Indicators (IGI)’.

FSC developed a protocol to assess the impacts and has prioritized the following countries in 2018:

- Russia / boreal
- Canada / boreal
- Brazilian Amazon / tropical
- Congo Basin / tropical

Assessment reports from [Russia](#), [Congo Basin](#), [Brazil \(incl. summary report\)](#) and [Canada](#) have been finalized and are available at the [FSC website](#).

The reports from the 4 regions are closely related to other processes in FSC, and to some national standard development processes:

1. Other Motions: as the reports discuss the impacts of implementation of FSC’s policy on Intact Forest Landscapes, the reports also relate to other motions submitted to be discussed at FSC’s General Assembly 2021-2022. As an example: one of these motions proposes to withdraw motion 65 and its forests protection measures.

Motions connected to IFLs are:

P18	<i>Withdrawal of motion 65_2014 and elaboration of effective forest protection measures</i>
P19	<i>Compliance with the law (legislative and regulatory framework) outlined in motion 65 in 2014</i>
P21	<i>Development of an holistic approach for HCV2 management</i>
P23	<i>Approach to address maintaining HCVs at the Landscape Level</i>
P46	<i>Incentives and benefits for the conservation of Intact Forest Landscapes</i>

2. National Standard Development Processes: based on the national Motion 34 reports, stakeholders in Brazil, the Republic of Congo, Gabon and Cameroon agreed in their national standard proposal on a threshold of 20% protection of IFLs inside Management Units, which is significantly lower than the minimum threshold of 50% as suggested in the IFL guidance, and thus currently not possible to be approved. While the Republic of Congo, Gabon and Cameroon moved to a 50% minimum threshold as an interim solution, the decision on the Brazilian national standard is still pending. The process in Canada is still ongoing.
3. Focus Forests project: this process intends to look at IFLs in a landscape perspective, developing landscape use dialogues between land users and governmental institutions and thus developing pre-certification agreements between landscape users on a specific landscape basis. If successful, this may be part of a solution for protecting IFLs, but the project is still in development.

# A. SYNTHESIS OF FINDINGS

## 1. General impacts

This summary is based on the assessment reports from Russia, Brazil, Congo Basin, and Canada. The results are based on GIS data and interviews with certificate holders, stakeholders and experts. It should be noted that the overall participation of companies in the assessment has been quite low. Most of them operate in concessions where the forest is owned by the government.

Table 1 provides an overview of the most relevant forest and IFL data in the researched countries.

Although all researched countries still have large amounts of IFLs, the overall overlap with certified management units is relatively small, ranging from 0.6% in Brazil to 7% in the selected provinces in Canada.

Large blocks of IFLs are located in protected areas outside of certified management units, such as in Canada with 40–70%, Brazil with 60%, Russia with 28%, and the Congo Basin with 25%. Governments actually don't recognize IFLs and even see FSC's IFL requirements as an unwarranted intrusion into land-use planning, leading to the reduction of overall economic development including royalties or tax payments. It is therefore essential that FSC engages with governmental authorities in charge of land-use planning and forest management in the IFL discussion.

**Table 1: General forest and IFL statistics in the researched countries**

IFL & forest data	Russia	Congo Basin	Brazil	Canada
Scope	Russia	Cameroon, DRC, Congo, Gabon	Brazilian Amazon	Ontario, Quebec, British Columbia
Total forest area	780 mio ha	351 mio ha	336 mio ha	221 mio ha
ILF area (of total forest area)	225 mio ha (29%)	84.4 mio ha (24%)	226 mio ha (67%)	142 mio ha (64%)
IFL in protected areas	28%	25%	60%	45–65%
Rate of IFL loss	1.36 mio ha/ a	(no data provided)	8.2 % (2000–2019)	7% (2000–2019)
Certified area (of total forest area)	55 mio ha (7%)	5.4 mio ha (1.5%)	1.6 mio ha (0.5%)	82.5 mio ha (37%)
IFL area in certified MUs (of total IFL area)	2.3%	1.4%	0.6%	7%

Also, at the level of individual management units, the situation is quite heterogenous. Some companies have no or only a few hectares of IFL within their concessions, while others have medium to large portions. For companies with large portions, IFLs are a constraint as the area would otherwise be available for commercial harvesting. Where the government is the landowner, the companies are even committed to harvest within the IFL area as they could otherwise lose their license for not fulfilling their contractual obligations. This risk is of course more severe at the 80% protection level than at a 20% protection level. It is therefore not surprising that all companies favour the lowest possible percentage for IFL protection, which in the case of Brazil and the Congo Basin lands at around 20%. The Russian National Forest Stewardship Standard, approved in 2020, offers a flexible protection threshold for certificate holders of 30/50/80% in relation to the protection status of the IFL. However, most of the interviewed companies in Russia also favour the lowest possible threshold that least conflicts with their economic interests. The discussions in Canada are still ongoing.

The majority of companies judge the current **economic impact** of an 80% or 50% threshold as manageable in the short-term (1-5 years), but are expecting a more pronounced impacts within a time horizon of 5 to 20 years. A strict protection level of 80% is estimated to lead to a reduction in harvestable area and thus revenue loss of 20-50%, making forest management economically unfeasible and unattractive. The companies see it as unrealistic to expect that markets will move to compensate such eventual losses through higher timber prices or other types of subsidies and compensations. In such a scenario, companies would therefore consider dropping certification or switching to a less demanding certification scheme. In tropical countries, strict Reduced Impact Logging, referred to as 'RIL-plus', has been suggested as an alternative to full protection of IFLs.

The reported **social impacts** of Motion 65 are directly linked to the economic impacts, since companies losing revenues or withdrawing certification would reduce local employment, leading to less local income. The decrease of local jobs in the forest sector is estimated to be up to 30%. Furthermore, a weaker economic situation leads to less investment from certified companies in social services for workers and communities and to a potential increase in illegal activity and rural conflicts.

On the positive side, a strict protection of IFLs in FSC-certified concessions is seen as a positive factor for Indigenous Peoples and traditional peoples where their wellbeing does not depend on commercial forest management. However, Indigenous Peoples in Canada consider that implementing IFLs without their consent is disfranchising them from their right to participate in land use planning in a large part of their lands and have therefore advocated for the recognition of an alternative landscape level approach (Indigenous Cultural Landscapes) that is more consistent with their values.

The reports provide little information on the **environmental impact** of IFL protection. Most of the feedback has been provided by representatives from environmental organizations. There was universal agreement among these groups that by retaining remoteness and intactness, biodiversity and ecological services are positively impacted. The Canadian report also highlights the importance of intactness for the boreal woodland caribou and carbon storage.

## 2. Remarks from the Motion 34 Steering Committee on the Economic Impact Analyses

An underlying aspect, common to all the reports, is that they focused mainly on surveying commercial organizations that have a vested interest in the economic value of timber harvesting. As such, it is perhaps to be expected that the findings were mostly negative, and at best neutral (Canada), with regard to the expected economic impact of high percentage IFL protection.

As also might be expected, the surveyed organizations showed limited awareness of alternative sources of value, beyond timber, that may arise from higher levels of IFL protection; for example, the value of intangible assets such as carbon and biodiversity and potential for increased FSC brand value due to its association with IFL protection.

The report writers generally did not explore potential alternative value sources, except for occasional mentions of opportunities like Ecosystem Services certification in a generalized sense. As such, very few options to mitigate the negative economic impacts were proposed.

Furthermore, the reports did not attempt to formulate future scenarios, considering potential macro-economic, political or social trends that might affect the long-term assessment of economic impact. For example, no consideration was given to a potential scenario where increased consumer rejection of 'unsustainable' forest materials may lead to higher demand for FSC material that could offset the negative economic consequences of implementing Motion 65. Although a forward-looking solutions perspective was perhaps not clearly required in the terms of reference, providing such a view would have been very helpful in the context of the otherwise mainly negative economic assessment.

Therefore, the report findings represent a base/worst case scenario that effectively defines the 'value gap' that would need to be filled for implementation of Motion 65 to be economically neutral or positive. In itself, this is a helpful analysis to define the scale of the challenge; however, it makes limited progress towards defining the activities required to mitigate the predicted negative economic consequences; hence this would need to be initiated as a subsequent exercise.

## B. FSC'S RECOMMENDATIONS FOR DISCUSSION

For the majority of companies in Brazil and the Congo Basin, an IFL protection level of 80% or 50% in the management unit will lead to negative economic impacts within the next years as it will significantly reduce the available harvestable area. Most of the companies in Russia and Canada, however, are expecting a lower negative economic impact in the current management cycle, but are foreseeing challenges in the medium and long term.

The reports also conclude that the 80% or 50% protection level will not lead to significant positive social and environmental impacts, mainly because the area of Intact Forest Landscapes in the researched management units is rather low (0.6 – 7%) as compared to the wider landscape. It is not expected that this relation will significantly change if the certified forest area growth targets as established in the Global Strategy are achieved, within the next decade.

Reports also mention other problems, including the contractual difficulties for forest managers with governmental bodies, loss of local jobs and issues around the inclusion of perspectives of Indigenous Peoples in developing and applying the IFL concept.

In the reports, the perspective of protection of values may not have always received the attention it deserves. The SC observes a gap in identifying additional values (beyond the economic value of timber) in the forests (such as ecosystem services), which may help in economic feasibility.

This leads to the following possible questions for reflection. Considering that the reports are rather aligned in stating that FSC's current policy on IFLs is considerably restricts a company's economic survival, and is not impactful for social and environmental values, what could be the scenario for next steps?

1. Dropping requirements on IFLs as proposed in Motion 18/2020 would not only significantly damage FSC's reputation, but also alternatives for forest protection would need time to be developed. Do we have this time? On the other hand, there is a perception that maintaining the current policy may have the unwanted effect of losing or not acquiring FSC certification.
2. The reports seem to (sometimes hesitantly) accept a much lower threshold for protection in the management unit, sometimes towards 20%. Is that acceptable as a general low percentage, or starting point for regional assessment?
3. Focus Forests proposes landscape approaches as a pre-requisite perhaps for new certifications in a specific forest landscape with exceptional social and environmental values, through a stakeholder approach. Could this project, together with the M34 reports, deliver a landscape approach in which motion 65 could be revisited?
4. If the main problem is that the market doesn't pay for forest protection, should we put more effort into identifying additional sources of value in a landscape or forest management unit that could help to deliver market benefits and make forest protection in IFLs economically beneficial? If so, what would these additional values be and how would they be realized?

# ANNEX

## IMPLEMENTATION OF MOTION 34 FSC-GA-2017

### **GUIDELINES FOR STANDARD DEVELOPMENT GROUPS (dd 02.11.2018)**

#### **PURPOSE**

Motion 34 (for text: see annex 1) requires FSC to 'enable the conducting of regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65/2014 and the International Generic Indicators (IGI)'. This document describes the framework in which these regional assessments will be developed.

FSC has prioritised the following countries for the development of the assessments in 2018:

- Russia / Boreal
- Canada / Boreal
- Brazil / Amazon
- Congo Basin

Other countries / SDGs may follow but will also be required to take this Framework / Guidelines into account when working on the assessments.

The Framework / Guidelines have 2 major fields of required compliance:

1. Process of assessments of impacts in the implementation associated with Motion 65/2014
2. Minimum content requirements in the assessment of impacts in the implementation associated with Motion 65/2014

Motion 34 can be applied at 2 moments in the standard setting processes:

1. To develop indicators: During the standards development process, before the SDG decides on a standard, to see what the implications would be of the different options for wording of the indicator that are discussed in the SDG; OR
2. To monitor developed and agreed indicators: When the standard has been approved, assessing what the implication of the indicators are for managing Intact Forest Landscapes.

The Standard Development Group agrees in the first stage of implementing Motion 34 which approach will be taken and communicates this with PSU and the Motion34 Steering Committee members.



# PROCESS OF ASSESSMENTS OF IMPACTS IN THE IMPLEMENTATION ASSOCIATED WITH MOTION 65/2014

## Summary illustration:

### FSC Motion 34 Steering Committee

checks ToR towards Framework, checks Quality of reports towards ToR / advises on global implementation of findings in the reports

#### Canada

1. appoints a chamber balanced Task Force
2. TF develops ToR
3. TF appoints an independant, external consultant
4. TF receives and checks report of consultant, formulating outcomes and actions

#### Russia

1. appoints a chamber balanced Task Force
2. TF develops ToR
3. TF appoints an independant, external consultant
4. TF receives and checks report of consultant, formulating outcomes and actions

#### Amazon/Brazil

1. appoints a chamber balanced Task Force
2. TF develops ToR
3. TF appoints an independant, external consultant
4. TF receives and checks report of consultant, formulating outcomes and actions

#### Congo Basin

1. appoints a chamber balanced Task Force
2. TF develops ToR
3. TF appoints an independant, external consultant
4. TF receives and checks report of consultant, formulating outcomes and actions

## 1. International level

- 1.1. FSC International appoints a Motion 34 Steering Committee of 3 FSC directors:
  - 1.1.1. Hans Joachim Droste (Chief Policy Officer)
  - 1.1.2. Jeremy Harrison (Chief Marketing Officer)
  - 1.1.3. Gemma Boetekees (FSC Stakeholder Solutions Director)
- 1.2. The role of the Motion 34 Steering Committee is to:
  - 1.2.1. Agree the ToR to be compliant with the Framework in this paper
  - 1.2.2. Agree the report of the external independent consultant appointed by the regions/countries to be compliant with the ToR and the expected quality.
  - 1.2.3. Develop a plan of outcomes, proposed actions and solutions for FSC International and the SDGs to address the identified solutions in the reports delivered.

## 2. National/Regional level

- 2.1. the (prioritised) SDG allocates a part of the FSC Activity Compensation Fee towards the development of the impact assessment. This figure is agreed between FSC International and the FSC National Office in the 2018 work plan.
- 2.2. The SDG appoints a 3-chamber based Task Force for the impact assessment research, with at least:
  - 2.2.1. One social chamber member of the SDG
  - 2.2.2. One economic chamber member of the SDG, and
  - 2.2.3. One environmental chamber member of the SDG.
- 2.3. The SDG Task Force for the impact study develops and approves Terms of Reference for the Impact Assessment Research, based on paragraph 3 of these Guidelines as mandatory elements of the research.
- 2.4. The SDG Task Force for the impact Study sends the ToR for a check on compliance with the Framework to the Motion 34 Committee. If needed, the SDG Task Force adjusts the ToR in agreement with the Global Motion 34 Committee.
- 2.5. The (Board of the) FSC National Office runs a selection process to appoint an independent consultant for the Impact Assessment, based on the approved Terms of Reference.
- 2.6. The Board of the FSC National Office selects an external and independent consultant to commit the Impact Assessment, in line with the approved Terms of Reference of the Task Force of the SDG.
- 2.7. The Task Force of the SDG for the Impact Assessment assesses the selected candidate for the impact assessment, for compliance with:
  - 2.7.1. The Terms of Reference
  - 2.7.2. The available budget
  - 2.7.3. The independence of the consultant from any specific environmental, economic or social interest in forests.
  - 2.7.4. If compliance is achieved, the consultant is appointed.
  - 2.7.5. If compliance is not achieved, the consultant cannot be appointed and a renewed call for candidates is needed.

- 2.8. The report of the consultant is presented to the SDG Task Force and the Board of the FSC office and compliance with Terms of Reference is assessed and ensured.
- 2.9. The report is sent to the Motion 34 Steering Committee, for a consistency check with these Global Guidelines. The report sent to the Motion 34 Steering Committee includes outcomes and actions and is solution oriented.

### **3. Minimum content requirements in the assessment of impacts in the implementation associated with Motion 65/2014**

The following elements shall be addressed in the Terms of Reference of the impact studies.

#### **3.1. General aspects**

- 3.1.1. What is the place of the (potentially interested) certificate holders' forest area in the Intact Forest Landscape (IFL) in the region/country?
  - 3.1.1.1. A small map of the IFL, with the boundaries of the certificate holders indicated
  - 3.1.1.2. An indication of protected area within the IFL
  - 3.1.1.3. An indication of known settlements, communities and indigenous area
  - 3.1.1.4. An indication of the extend (in ha) of IFLs in the region and its development since 2000?
  - 3.1.1.5. What is the overlap of FSC certified area with IFLs?

#### **3.2. Economic Impacts**

The economic impact assessment shall at least respond to the following questions:

##### **3.2.1. Is the implementation of Motion 65 economically viable, attractive and/or acceptable to all interested parties?**

- 3.2.1.1. How much of the total revenue and how much of the annual harvest of the company is coming from Intact Forest Landscapes?
- 3.2.1.2. What are the costs and benefits flow for (potentially interested) certificate holders?
- 3.2.1.3. How do IFL IGI and the Instructions for Standard Developers contribute to minimizing the economic burden and improving economic viability for (potentially interested) certificate holders / stakeholders (scenarios: no protection, 30% protection, 50% protection, 80% protection)?
- 3.2.1.4. What is the economic impact of protecting a percentage (see scenarios in 3.1.1.3) of a Management Unit for different stakeholders (e.g. Indigenous and Traditional Peoples and local communities) living in or adjacent to the Management Unit?
- 3.2.1.5. What do (potentially interested) certificate holders / stakeholders consider as an acceptable economic threshold of protecting IFL areas within the MU (i.e. % of MU)?

**3.2.2. What are the budget and financial sustainability implications of the implementation of Motion 65 for the certificate holder?**

- 3.2.2.1. What investments of the (potentially interested) certificate holders were / will be required which are specifically related to the implementation of M65/2014 on Intact Forest Landscapes? (e.g. funds needed to cover operating expenses)
- 3.2.2.2. What are the cash flow implications for the (potentially interested) certificate holder over time? How does this influence sustainable management of the forests?
- 3.2.2.3. How stable and predictable are the costs and benefits flows for the (potentially interested) certificate holder?

**3.2.3. Are subsidies, investments or other incentives received to make the implementation attractive?**

**3.2.4. How do affected stakeholders react to various economic impact scenarios? (e.g. continuing certification, dropping certification, moving to a less demanding certification scheme)**

**3.2.5. What indirect/intangible economic benefits may arise from the implementation of Motion 65? (e.g. protecting IFLs improves the image and value of the FSC brand) What risks may arise from the implementation of Motion 65?**

**3.3. Social impacts**

The social impact assessment shall at least respond to the following questions:

**3.3.1. How are the returns and costs of the implementation of Motion 65 benefitting or disadvantaging the different stakeholder groups?**

- 3.3.1.1. To which degree do they impact on
  - 3.3.1.1.1. Social services (access to health care, schools, security) of the rural municipalities and indigenous peoples
  - 3.3.1.1.2. Tax from the concessions
  - 3.3.1.1.3. Employment of forest workers
  - 3.3.1.1.4. Indigenous peoples access
  - 3.3.1.1.5. Recreation

**3.3.2. How are Indigenous Peoples, traditional peoples and/or forest dependent communities recognized and impacted (positively and/or negatively) by the Intact Forest Landscape, particularly within the certified concession?**

- 3.3.2.1. With respect to traditional knowledge?
- 3.3.2.2. With respect to land use priorities and intactness?

### **3.4. Environmental impacts**

The environmental impact assessment shall at least respond to the following questions:

#### **3.4.1. What is the historical background of the IFL in which the (potentially interested) certificate holders is operating?**

3.4.1.1. Is fragmentation happening in the IFL in which the (potentially interested) certificate holder has its operations? If so, what are the main reasons?

#### **3.4.2. What mechanisms or policies are in place to protect the IFLs in the region/country? How are they effective?**

The expectation of the report coming from this impact assessment is a report of maximum 10 pages.

### **4. Timeline**

The SDGs develop a timeline, in which:

- The moment in the standard setting process is identified to address Motion 34, and
- The 4 steps are planned as planned in the summary illustration on page 1.

This timeline is sent to the Motion 34 Steering Committee before 31 December 2018.

The process as described above is finalized by the Standard Development Committee, latest August 2020.

## ANNEX 1: TEXT OF THE AMENDED MOTION 34

34 / 2017	<b>Regional assessments of the impacts of the implementation of Motion 65/2014</b>		
	Policy Motion	Original language: English	
<b>Name:</b>	<b>PROPOSER:</b> Benoit Jobbe Duval	<b>1st SECONDER:</b> Dr Marie Mbolo	<b>2nd SECONDER:</b> Mr. Elie Olivier Ngoa
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**Policy Motion** (high-level action request):

**Enable the conducting of regional assessments of the short and long-term impacts – positive and negative – of the management and protection measures associated with the implementation of Motion 65/2014 and the International Generic Indicators (IGI) which are the starting point for developing National Standards. In accordance with item 5 of the Motion, these assessments should compare various scenarios of implementing Motion 65/2014 and the IGIs and consider the environmental, social, and economic dimensions. Particular effort will be made to ensure the inclusion of impacts on indigenous Peoples, traditional peoples and forest dependent communities in these assessments.**



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