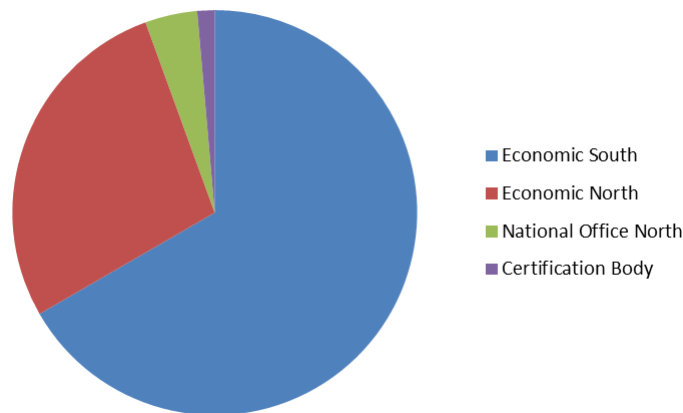




**SYNOPSIS AND GENERAL RESPONSE TO COMMENTS RECEIVED DURING THE CONSULTATION OF  
FSC-PRO-30-001V1-0 DRAFT 2-0 EN FSC PESTICIDES DEROGATION PROCEDURE**

| Document type | Code           | Version No. | Draft No. | Circulated                           | Manager        | Consultation | Deadline for comment | Compilation date |
|---------------|----------------|-------------|-----------|--------------------------------------|----------------|--------------|----------------------|------------------|
| Procedure     | FSC-PRO-30-001 | 1-0         | 2-0       | 28 <sup>th</sup><br>February<br>2014 | Pasi Miettinen | Public       | 30 April 2014        | May 2014         |

FSC received 72 comments from the economic chamber, three National Offices and a Certification Body.



The comments focus mainly on the following issues:

- Clarification of procedure and responsibilities.
- Definitions of terms.
- Wording.
- Issues related to Pesticides Policy.

| Reference Part                                  | Type of comment     | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording  | PSU observation   | Contributor    |
|---|---------------------|--|---|---|----------------|
| General requirements and 5.2                    | General             | The FSC I&T were developed without specific consideration of how they are used in forest management. A pesticide may be highly hazardous in some situations, and not hazardous at all in others.<br>For example, exposures in a closed environment versus open forestland. Unless FSC-STD-30-001 is modified to incorporate evaluations of hazards specific to forest use, the derogation procedure should allow this additional justification for use of a pesticide that is not hazardous when appropriately used in the forest. | Allow derogations for pesticides which, when used in forestry applications, are demonstrably safe for both humans and the environment.<br>Such derogations should be monitored, and if no negative social or environmental impacts are recorded over a set period of time, should become permanent or the pesticide be removed from the HHP list. | According to the FSC Pesticides Policy, the identification of 'highly hazardous' pesticides has to be based on technical indicators.<br>The targeted specie, amount, application method, control measures, etc. differ from one application to another. The specific conditions are assessed for each case during the application evaluation process. | M-econ / North |
| Objective                                       | Editorial           | There should be an objective to make the process simple.   | .....handled simply, transparently.....   | Changing this wording does change the process.  | M-econ/North   |
| Page 4 (table of contents) and Page 9 (annex 3) | Editorial           | In pages 4 and 9 the name of Annex 3 does not match: page 4: "Annex 3: Registration form for the 'National Pest Management Group'" and page 9: "3 Setting up a 'National IPM Advisory Group'"  | Need for adequate correction  | This has been corrected.  | NO North       |
|   | General             | It would be helpful to include a clause for HHP used for research purposes only, and what the process is for that, if different from that of a standard application. For example, CHs frequently ask if they need to submit a full derogation application to use a HHP for research purposes. Guidance would help.   |   | A new section for HHP used for research purposes has been included in the procedure (Section 10).   | CB             |
| Relation with derogation procedure              | General / Editorial | Durante la reunión de FSC realizada en Brasil en enero 2014, se discutió la posibilidad de usar la ERA   |   | La actual Política de Pesticidas del FSC sigue un enfoque de peligros (hazard   | M-econ / South |

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|                                    |                     | (Environmental Risk Assessment), en la cual los pesticidas pueden ser evaluado en forma más efectiva que considerando en forma intrínseca peligroso a un ingrediente activo.  |  | approach). El riesgo de usar un HHP se valora durante el proceso de evaluación de las solicitudes de derogación.                |                |
|                                    | General             | It is essential to consider the ARA concept tool as specified in motion #23, to the derogation process exemption and nationally   |  | Noted.  | M-econ / South |
| Relation with derogation procedure | General / Editorial | No está claro si la descripción general proporcionada por múltiples empresas sobre los requisitos para la derogación puede ser reemplazada por información individual. Asimismo, si varias empresas de una región pueden demostrar que cuentan con protocolos comunes, esta información debería proporcionarse en forma conjunta. |  | Se ha clarificado este asunto en la cláusula 7.4.   | M-econ / South |
| Overall                            | General             | We believe FSC cannot afford to operate an independent chemical clearinghouse program. We believe FSC does not have the expertise to operate an independent chemical clearinghouse program.   | We strongly encourage FSC to adopt a set of standards to describe acceptable chemical screening programs. Then develop a list of bodies that meet those standards. Finally, any chemical approved for use by those programs is approved by FSC. Leave it to the National Initiatives to propose and defend to FSC-IC the screening program applicable to their circumstances. Where no NI exists, CBs will propose and defend to FSC-IC the screening program applicable to the CHs circumstances. With this approach there is no need for a derogation program of any kind. | The derogation program is a requirement of the Pesticides Policy that can only be changed during the revision of this document. | M-econ / North |
| Introduction                       | General             | The introduction states the aim is to prevent, minimise and mitigate negative   | Introduce an allowable limit for rate and/or concentration that is permissible   | This option is not covered by the current FSC Pesticides  | M-econ / North |

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|                         |                 | impacts of pesticides taking a precautionary approach. However, the process is ultra-precautionary, in particular in relation to amounts and concentration of any HH pesticide. For example even a drop of HH pesticide used within the forest requires derogation, even though this would not have any negative effect, i.e. rodent control at a forest building (weighbridge). Many HH pesticides are only hazardous if used in certain rates or concentrations. If an allowable limit is introduced then many unnecessary derogations will be eliminated more effectively complying with the Objective (A).<br>The derogation process provides very little business certainty and permitting limited or non-hazardous use of what FSC considers HH pesticides would help provide stability of investment and FSC certification. | (i.e. under which a derogation is not required) – based on the thresholds and indicators used to trigger the HH status.  | Policy  | M-econ / South |
| A                       | General         | We support the objective that derogations are handled transparently, consistently, efficiently timely...   | Please retain.   | Noted.  |                |
| E Terms and Definitions | General         | The definition of derogation does not adequately describe what a derogation is. Further as noted in our submission relating to FSC-STD-30-001 in some situations the presumption of non-renewal is not in our view valid – where it can be demonstrated that in practical use the pesticide does not in face exceed the hazard thresholds (eg due it's mode of application, application rate or volume of use)   | Amend the definition of 'derogation' to more adequately define what a derogation is, and delete the word temporary. Eg<br>Derogation = An approval by FSC to authorise use of a highly hazardous chemical in a certified forest management unit. | The following definition of derogation has been included: temporary approval from the FSC Board of Directors acting through the FSC Pesticides Committee, to use a 'highly hazardous' pesticide in a FSC certified forest Management Unit, subject to certain conditions. | M-econ / North |

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| Definition                                       | General              | The definition of pests and pesticide implies pesticides are only used for protection of the tree crop. In reality pesticides are routinely used in NZ for biodiversity reasons (to protect indigenous flora & fauna) and for Health & Safety of workers.  | Amend the definition of Pest and Pesticide to make it clear the objective of pesticide use may be broader than just crop protection – as indicated by clause 1.2.   | We have amended the definition to cover protection of plants or wood or other plant products or human health or livestock or biodiversity   | M econ /North |
| Part E - Terms and definitions                   | Editorial            | In the Terms & Definitions, page 6, there are definitions for the 'FSC Pesticides Committee' and for 'Technical Advisors'; however, the definition of the 'FSC Pesticides Committee' refers the possibility of such committee consulting 'additional experts', when necessary, with no clarification about these experts – are they the 'technical advisors'? This needs to be clarified and/or corrected. | FSC Pesticides Committee: Decision making body, acting on behalf of the FSC Board of Directors. The Committee decides on derogation applications and consists of the FSC Policy Director, the FSC Program Manager for Forest Management, and the FSC Pesticide Derogation Administrator. The Committee may consult Technical Advisors as necessary. | Additional experts do not only refer to TAs. We have modify this sentence to clarify this:<br>The Committee may consult the Technical Advisors and additional experts as necessary. | NO North      |
| Part E - Terms and definitions                   | Editorial /Technical | Following EU Directives, regulations and the proposed approaches to plant protection ( <a href="http://ec.europa.eu/food/plant/plant_protection_products/index_en.htm">http://ec.europa.eu/food/plant/plant_protection_products/index_en.htm</a> ), it is proposed to change the wording.  | Change the wording, instead Pesticide use Plant Protection Products. This should to the entire document.  | The objective of the use of pesticide is not in all cases plant protection (see above).   | NO North      |
| Terms & Definitions: National IPM Advisory Group | Editorial            | The definition of National IPM Advisory Group does not accurately reflect the role of the Group. The Group does much more than merely 'review' applications. It also makes recommendations to the FSC Pesticides Committee (Paragraph 13.2). Please reflect this in the definition   | Please add the following wording to the end of the first sentence of the definition: and to make recommendations to the FSC Pesticides Committee  | We have amended this.   | NO North      |
| E Definitions                                    | General              | The term integrated pest management needs a definition. This is a highly overused term it is very important for FSC to be very clear on what they mean by IPM  | The term integrated pest management needs a definition  | We have included the following definition:<br>Integrated Pest Management (IPM): Pest and disease control method, where preventive measures and                                      | M econ /North |

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|                     |                 |  |  | biological/physical/chemical methods are carefully selected and balanced taking into account the protection of health of humans and of the environment. |                          |
| Part I/Clause 1.2   | Technical       | La necesidad de utilizar un pesticida altamente peligroso puede surgir de la protección de la salud humana.  | Creemos que este Procedimiento debiese dejar la excepción de uso de estos productos cuando estos protejan la salud de las personas por plagas o vectores de enfermedades, en algunos casos mortales, en sectores restringidos y fuera del bosque (casas, villas forestales, campamentos, bodegas, oficinas e instalaciones). | Esto solo podría ser cambiado en la revisión de la política de pesticidas del FSC   |                          |
| 1.2,2.1.a, 5.1, 6.1 | Editorial       | Section 7 makes provision for joint applications. This is extremely important for economic efficiency reasons and makes great sense in cases where multiple stakeholders would otherwise have to bear the fees and administrative and technical expenses of submitting individual applications. However, the referenced sections refer only to individual applications and do not recognize that joint applications are permitted. | Revise the referenced sections to be consistent with the provision for joint applications outlined in section 7. Modify the wording as follows: "individually or through a joint application apply for a derogation...."   | We have clarified the joint applications in Section 7.  | M-econ / North and South |
| 1.3 & 1.6           | General         | As currently worded the combination of Clause 1.4 & 1.6 is problematic for companies seeking certification where the timely use of a highly hazardous chemical is essential. As far as we are aware it is not possible to obtain a derogation prior to certification, and it is not possible to become certified if a highly hazardous chemical is used. The   | Amend the process to allow a period of grace post certification to obtain a derogation or join an existing derogation, where the timely use of the pesticide is essential and others in that country already have in place a derogation for the given highly hazardous chemical.   | It is possible for organizations applying for FSC certification to obtain a derogation. We have clarified this.   | M-econ/North             |

| Reference Part         | Type of comment     | Comment Justification / rationale for change  | Proposed change Suggested new wording   | PSU observation   | Contributor  |
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|                        |                     | only viable option is to cease use and apply for a derogation post certification which will result in a potentially significant period of time when the pesticide cannot be used.   |   |   |              |
| Parte I; clause 1; 1.1 | General / Technical | Usar IPM no significa evitar ni tampoco tender a eliminar el uso de pesticidas, como definición. Esto es un error de concepto, dado que el IPM considera diferentes herramientas en la cual la base fundamental es conocer el impacto que una agente de daño o plaga realiza sobre el cultivo o recurso, e manera que se justifique aplicar medidas de control. Estas medidas pueden o no requerir de pesticidas, controladores biológicos, fertilizantes o solo acciones mecánicas, sin excluir a ninguna, pero sin tener la obligación de tender a eliminar alguna. |   | Se ha incluido una definición de Manejo Integrado de Plagas en el documento   | M-econ/South |
| Parte I; 1.2; p.7      | General / Technical | La solicitud de derogación debiera ser dirigida a la oficina local o regional de FSC, de lo contrario cual es el sentido que existan oficinas locales, si estas no tienen autonomía.  | 1.2 debiera decir: ".....apply for a derogation from the FSC regional office ....."   | National Offices are not responsible for approving or rejecting derogations. The FSC Pesticides Committee is the decision making body responsible for this. | M-econ/South |
| 1.4                    | Technical           | In addition to emergency use there should be a consideration of temporary permitting for trial use. It is the nature of a trial that often the ingredients being used are kept a commercial secret by the chemical company developing them. As long as the trial is done in a limited way and proper safety measures are taken there should be an allowance for trial of chemicals even if the active ingredient is unknown.  | Temporary permits for trial work should be allowed. FSC need a policy that accepts the small scale use of HH pesticides for research pesticides where robust scientific design and reporting can be demonstrated – ie, it is a genuine research trial. Note the area for herbicide trials is typically 1-2 Ha and that any individual treatment will generally be around 200 m2, o 0.02 Ha. Note that the Australian pesticides | We have clarified the use of HHP for research purposes in section 10 of the procedure.  | M-econ/North |

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|                |                 | <p>If this does not happen, , this will effectively stop effort to replace highly hazardous chemicals through trial work and create a situation where the only alternative is an existing derogated chemical .</p> <p>Note that excision would be an administrative exercise only as in forestry, there is almost without exception, no weed or pest control in the last years of plantations life prior to harvest (this is due to the lack of time allowing a growth benefit from the practice). Creating additional barriers to research such as excising areas or requiring special trials derogations (with some trials having in excess of 20 active ingredients) will only act to stifle innovation which is neither in the interest of FSC or certificate holders and their stakeholders.</p> | regulator (APVMA) has a policy similar to this to promote and encourage innovation.  |   |                  |
| 1.4            | General         | Section 1.4 is essential and the process would not work without it.   | Please retain.   | Noted   | M<br>econ /North |
| 2.1a           | Technical       | This is not consistent with the Joint Application where it should be permissible for certificate holders with different certification bodies to jointly apply.  | Add: "or jointly as per section 9".  | This has been amended   | M<br>econ /North |
| 2.2            | General         | <p>The National IPM Advisory Group should be chamber balanced representing their chambers and consequently qualify as consultation with that chamber</p> <p>-----</p> <p>If formed, the National IPM Advisory Group should also be considered an important part of a stakeholder consultation. If the group is constituted</p>  | <p>Provide for the National IPM Advisory Group to undertake and represent consultation – particularly of national based interested parties.</p> <p>-----</p> <p>If formed, the National IPM Advisory Group should be considered part of the stakeholder engagement process if they are constituted from a chamber balanced</p> | The National Office reserves the right to set up a chamber balanced National IPM Advisory Group that undertake and represent consultation in their chambers. But there are affected stakeholders out of the FSC |                  |



| Reference Part       | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording   | PSU observation  | Contributor                           |
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|                      |                 | from a chamber balanced representation its recommendations should be considered to be representative of their chamber.   | representation.  | system, so this cannot replace the public consultation in 11.2.d)  |                                       |
| 2.2                  | General         | The role of the National Office in carrying out stakeholder consultation is vital. Since there is a chamber balanced group on the national board, the recommendations on the acceptance of a derogation under the national process should hold great weight.   | Where the board of the national initiative endorses a derogation this should be considered to be part of a stakeholder consultation and an influential recommendation, if not an approval. | There are affected stakeholders out of the FSC system. The endorsement of the Board of the National Initiative cannot replace the public consultation  | M-econ/North                          |
| 2.2, 3.1, 3.2<br>3.2 | Technical       | There are cases where National Offices are either not in place or as in NZ's case managed through another country (i.e. Australia). In the NZ case this particular (pesticide) role of the National Office is undertaken by the SDG. This needs to be catered for by allowing SDGs (with FSC approval) to administer the National IPM Advisory Group.  | Add after National Office: "or SDG".   | SDGs are not eligible for this process.<br>A National Office may apply for an expanded geographic scope to enable the 'National IPM Advisory Group' to also review applications from countries within the region, where no FSC National Offices have been established. | M<br>econ /North<br>M-econ /<br>South |
| 2.2 and 3            | General         | If a National IPM Advisory Group is formed it should not add a layer of bureaucracy. There should not be a process whereby the national IPM group needs to consider and approve derogations and then pass it on to the national office, who then passes it on to the international group. This adds a three layer approval process for a derogation. Either the IPM Advisory Groups should not be formed, or they should negate the need for the derogation to go to the national office and the international pesticides group. | Change wording to the effect that if a National IPM Advisory group is formed then they can handle the derogation process for that country.   | These steps are necessary to have derogations handled transparently and consistently   | M-econ/North                          |

| Reference Part                 | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording  | PSU observation   | Contributor               |
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| Part I, section 2.3, page 8    |                 | The 'Roles and Responsibilities' of the National IPM Advisory Group should include an additional item stating their participation in the review and development of policies and procedures on plant protection products. This would strengthen the fact that FSC is "one global organization" and would bring extra competence and geographic based knowledge to the review process   |   | 2.3 refer to roles and responsibilities in the derogation procedure. National Offices and National IPM Advisors groups, like other stakeholders are invited to participate in the review of FSC documents and an important part of the process. | M-econ / South / NO North |
| Part I; clause 2.3; p. 8       | General         | It is requested that members of the National IPM Advisory Group also participate in the review and development of policies and procedures on pesticides, since this group will have important information of the reality from each derogation application.  | Addition of item c:<br>c) Participating in the review and development of policies and procedures on pesticides  | Noted   | M-econ / South            |
| 2.3<br>2.6 / 2.7 / 13.2 / 14.2 | General         | We are pleased to see that the new draft includes procedures for setting up a national IPM advisory group. However, it should be made clear under what circumstances the FSC Pesticides Committee would overrule an impartial technical recommendation made by the national IPM advisory group. Without clarity on this point it may be difficult to persuade FSC national bodies to set up such groups.<br>----<br>It is unclear how impartial technical recommendations of the National IPM Group would be overruled by the FSC Pesticides Committee on Technical Advisory Group advice – particularly as an IPM group would have a far better understanding of country situation than an international group | Clarify under what circumstances or based on what criteria the FSC Pesticides Committee would overrule an impartial technical recommendation made by the national IPM advisory group. | The technical recommendations are one aspect. Others are: impact, credibility of the system and consistency. This is in the Terms of Reference for the FSC Pesticides Committee.  | Econ-North                |

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| 2.4            | General         | This course seems to suggest that the role of the CB is not as it used to be. If the CB are not to have his role in the future it is not clear who does.   | If the CB is to be not responsible for the functions and 2.4 B to F then who is  | CBs are responsible for activities described in 2.4.  | M<br>econ /North                    |
| 2.5 2.6        | Technical       | PSU should be involved only in a quality assurance process in reviewing applications. This should be restricted to a check of due process only, it should not involve a overlaying an opinion as to the acceptability or not of the delegation on technical grounds or the overruling of technical recommendations by the national initiative. it absolutely explicit in this procedure and in the motion of the 2011 general assembly that called for this procedure that the ultimate arbiter of the acceptability of the derogation on technical grounds lies with the National Office . It is completely inappropriate for the PSU all this so called technical expert team, who have been shown in the past not to understand national conditions to second guess or overrule technical decisions made by the IPM group with due consideration and with the full understanding of the national conditions . | It should be clear and the PSU and the technical advisors have a only a quality assurance function to assure that the derogation process is been properly followed. They can ask for points of clarification that they cannot override technical decisions or implement their own technical opinions or conditions over the top of those expressed by the national IPM advisory group. | The Pesticides Committee reserves the right to consult additional experts as necessary  | M<br>econ /North                    |
| 2.5, 2.6, 2.7  | Technical       | Needs to be some coverage of providing transparent, consistent, efficient and timely processing of applications  | Add d) "Providing transparent, consistent, efficient and timely processing of applications".   | This is in the scope. However we have added it also to this section.  | M<br>econ /North<br>M<br>econ/South |
| 2.5            | General         | I am confused about the responsibilities listed under 2.5.a – I was under the impression that the Pesticide Committee had the responsibility of reviewing derogation applications.   | Move this responsibility to 2.7.   | The Pesticides Committee evaluate and decide on the derogations.<br>The technical advisors and FSC Pesticides Derogation Administrator review | CB                                  |

| Reference Part   | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording                                   | PSU observation   | Contributor     |
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|  |                 |  |  | derogation applications.  |                 |
| Part 2, Clause 3   | General         | National IPM Advisory Group - the provision authorizing establishment of new National IPM advisory groups potentially adds additional layers of scrutiny by a third party created/serving at the discretion of national offices. This would lengthen the timeline for review of new applications and renewals of derogations, will add to the cost of derogations (and the fee structure for national IPM groups is unspecified as yet), and potentially adds yet another layer of bureaucracy to the process with questionable benefit to the certified organization. | Reconsider adding this new authorization of an additional layer of review. | This responds to Motion 23 of the FSC General Assembly 2011, which requested having national derogation evaluation processes  | CH North        |
| Part II - The National Integrated Pest Management Advisory Group | General         | The option for a national derogation review process is a positive improvement since it will allow a more efficient outcome.  |  | Noted.  | NO North        |
| 3.3  | Technical       | Appointing independent experts is costly and in a country of NZ's size unlikely to be possible (no expert is likely to be independent). The key requirement should be chamber balance or approved by a chamber balanced process. This is unnecessary bureaucracy adding costs to what could be a simple and open process.  | Delete.  | It's voluntary to set up National IPM Advisory Groups, as requested by the motion.  | M econ /North   |
| 3.2 / 3.4  | General         | The establishment of a National IPM Advisory Group is seen as very positive. It should be made clear as to the criteria on which membership is assessed and approved by FSU PSU  | Clarify membership assessment / approval criteria by FSC PSU               | The set-up of the National IPM Advisory Group has to meet the requirements in Section 3 and the ToRs and application form to register the group have to be approved | CH econ / North |

| Reference Part      | Type of comment | Comment Justification / rationale for change  | Proposed change Suggested new wording   | PSU observation   | Contributor     |
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|                     |                 |   |   | and signed by the National BoD.   |                 |
| Part II/ clause 3.5 | Technical       | El Grupo asesor IPM nacional, es solo de carácter consultivo  | El Grupo asesor IPM nacional, está formado por 3 – 5 miembros destacados del área de la salud y de la universidad y es de carácter resolutivo a nivel nacional.<br>Este grupo de expertos es quién más conoce de la realidad nacional y de la necesidad de aplicar o no aplicar ciertos productos.<br>El directorio de la iniciativa nacional de FSC deberá validar esta información.   | El grupo tiene el mandato de revisar las solicitudes para el uso de pesticidas “altamente peligrosos” de los titulares de certificados en su país, en línea con la Política de Pesticidas del FSC y este procedimiento, y de hacer recomendaciones al Comité de Pesticidas del FSC. | CH econ / North |
| Part II             | General         | We support the inclusion of National IPM Advisory Groups to allow for review of derogation applications by local experts  |   | Noted   | CH econ / North |
| 5.4                 | General         | In our view Clause 5.4 is applicable only where (a) the highly hazardous chemical is actually hazardous in its practical use and (b) there are viable alternatives.<br>In some situations where the pesticide is both essential for the viability of the forest operation and already the least hazardous formulation available, a requirement to conduct ongoing research to identify alternatives could prove a futile waste of money. An example in NZ is the use of copper based products (approved for use in organic farming) to control dothistroma which based on the proposed revision to the I&T will now be listed as highly hazardous. The chances of finding an effective and less hazardous alternative are remote. | Amend Clause 5.4 or add an additional clause providing an exception to this requirement where either:<br>• Through the derogation process it has been proven that the highly hazardous chemical does not actually exceed thresholds in its practical use (ie due to the low volumes, application rates or method of application).<br>• Where it has been clearly demonstrated that the pesticide is both essential and alternative options have been exhausted. | “Highly hazardous” pesticides are identified according to their technical characteristics. The FSC Pesticides Policy requires continuous efforts to find alternatives to HHPs have to be done.  | CH econ / North |

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| Part 3, Clause 5.4   | General         | The associated portion of the application form, item c, requires a list all available pesticides registered for control of a pest. As written, this could be an onerous task for certified organizations.  | This requirement should be clarified to reflect 'for the crop or species to be protected' in a particular setting (such as forestry applications), in the state or region that the application will occur, and for the developmental stage of the plant. | Noted   | CH North    |
| Part 3, Clause 5.4   | General         | The associated portion of the application form, item a, requires applicants to develop an R&D plan (short, medium, and long-term ) to identify alternative pest management regimes. This could be expensive and onerous for applicants. Not all forest management enterprises have the resources to do this. Developing such plans is outside the expertise of many certified organizations and may add significant time to the application process. R&D is really outside the purview of many certified organizations. Certified organizations choose among the most feasible options available, but advancing their role in developing new approaches is dubious | Remove this requirement and replace with on-going review of available options to reduce use of HHPs.   | The detail of information provided shall reflect the scale, intensity and risk (SIR) of the forest operation and their pesticides use. This has been clarified in the document. | CH North    |
| FSC-PRO-30-001- V1-0 EN<br>Part III Applying for derogation<br>5 Preparing application | General         | Scale, intensity and risk (SIR) should be taken into account in the demands related to the "preparation of the application" as it is mentioned in the "renewal of the application (10.2)"  | SIR included in 5 Preparation application.   | The detail of information provided shall reflect the scale, intensity and risk (SIR) of the forest operation and their pesticides use. This has been clarified in the document. | CH North    |
| Part III – Applying for a derogation   | Technical       | In EU Countries, were there is a strong regulation, FSC should consider a streamline procedure for applying a derogation, especially when there is a cumulative existence of a National IPM advisory group.  |  | This exception is not included in the FSC Pesticides Policy and related documents.  | NO North    |

| Reference Part                       | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording   | PSU observation   | Contributor     |
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| Part III – Applying for a derogation | General         | The duration of the derogation should be possible to align with international recognized accreditation procedure of pesticides [2009/128/EC Directive and Regulation (EC) No 1107/2009 proposes 10 years] |  | It is not possible for PSU to monitor this.<br>TAs are usually fully aware of these developments  | NO North        |
| 6.2                                  | Technical       | There should be a more direct relationship between (joint) applications and the National IPM Advisory Group. There is no need to include the CBs  | Add: for joint applications  | The CB is responsible evaluating the derogation applications of their clients for accuracy and completeness before submitting them.   | CH econ / North |
| 7                                    | General         | Section 7 is strongly supported – beneficial to all parties involved (CB's, certified parties and FSC).   |  | Noted.  | CH econ / North |
| 7                                    | General         | We support joint applications which will reduce duplication, costs and stakeholder fatigue.   | Please retain.   | Noted.  | M econ /North   |
| 7.1                                  | Technical       | How should stakeholder consultation be addressed when joint applications are submitted by CHs in the same country but different regions?  | Clarify what degree of geographic specificity is required for joint derogations – if it is just at the country level then stakeholder consultation is too broad. | All affected stakeholders (e.g. the neighboring communities) and other stakeholders (e.g. social and environmental NGOs, environmental departments/authorities, forest/fisheries departments, National FSC Offices, etc.) shall be given the opportunity to comment on the derogation application.<br>Specific aspects, as local public consultation, shall be provided separately for each certification holder. | CB              |
| 7.1                                  | General         | For pesticides that are widely used for prevention purposes, it would be difficult to identify all interested certificate holders to be included in joint   | Allow blanket derogations at the country-level in accordance with the legal requirements of well-regulated countries such as the United States.                  | This can only be changed in a revision of the Pesticides Policy.  | CH North        |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording   | PSU observation  | Contributor                               |
|----------------|-----------------|--|--|--|---|
|                |                 | applications.  |  |  |   |
| 7.4            | Technical       | Late comers should only be permitted to join a derogation with the permission of the holders – who have completed and paid for the applications. And be required to pay the holders (fairly) for a share of costs (if requested).  | Add: Latecomers may only join with the consent of the current holders and may be required to pay for some of the costs already incurred by the holders.                  | We have not included this  | M<br>econ /North<br>and M-econ<br>/ South |
| 7.4            | Editorial       | 7.4 describes how to join an already existing derogation as long as they meet the requirements under 7.1. This implies there is no difference in the derogation application process depending on whether the application is for a chemical without an already existing derogation, or whether you are joining an existing derogation. Is this true?  | If the two processes are different, list the required steps in each, or under 7.4 describe which steps may be omitted if you are joining an already existing derogation. | We have clarified this in 7.6 and 7.7.                           | CB  |
| 7.4            | General         | More clarification is needed on the steps required to join an existing derogation. Does the CH fill out the same application form as for a new derogation, or do they only need to notify their CB and the relevant pesticide committee/national IPM group.<br>How should stakeholder consultation be conducted if a CH is applying to join an already existing derogation? Must it be done again? What if they are submitting a joint derogation? Must stakeholder consultation be done twice by each CH for their specific region? | Clarify the responsibilities by joint applicants, and how these change based on location.  | We have clarified this in 7.6 and 7.7.                           | CB  |
| 7.4            | General         | Allowing “late-comers” with an additional fee at an individual level for the same use of the same pesticide of which derogation is already approved will be a substantial administrative/financial burden and unnecessary administrative   | Allow blanket derogations at the country-level in accordance with the legal requirements of well-regulated countries such as the United States.                          | This can only be changed in a revision of the Pesticides Policy. | CH North                                  |



| Reference Part | Type of comment | Comment Justification / rationale for change  | Proposed change Suggested new wording  | PSU observation  | Contributor      |
|----------------|-----------------|---|--|--|------------------|
|                |                 | redundancy.   |  |  |                  |
| 7.5            | General         | More guidance would help on how an application through multiple certification bodies should be submitted.   |  | A joint derogation application from two or more certification bodies seeking derogation for the same pesticide in the same country or region is possible, provided that all applicable requirements of the procedure are followed. The CBs have to organize themselves internally in order to do that. | CB               |
| 8              | Technical       | As expressed above this should be a process for trial use of chemicals where the active ingredient is not known.  | There needs to be a section on trial use.  | New section 10 <i>HHP use for research purposes</i> has been added to the procedure.   | M<br>econ /North |
| 9.1            | Technical       | <p>Cuando una autoridad emite un decreto de control de una plaga, normalmente indica que se hagan controles quimicos, mecanicos, silviculturales, biologicos, etc.</p> <p>No es usual que la autoridad decreta usar un pesticida exclusivamente. La autoridad debe dejar las puestas abiertas a todo tipo de control. Sin embargo, tiene la expectativa de que se realice el control en forma inmediata y eficaz. Eso abre la posibilidad al FSC de no aceptar</p> <p>Una derogación por el Uso del químico, ya que también estarían autorizadas otras formas de control.</p> | <p>Cuando una autoridad emita un decreto de control de plagas, debería ser suficiente argumento para que FSC autorice una derogación permanente, ya que el alcance de dicho control de plaga va mas alla de la UMF</p> | Los requisitos para uso de PAP en caso de decreto o llevados a cabo por una autoridad pública están recogidos en la sección 9.   | Econ South       |
| 9.5            | Editorial       | Include a box in the notification form in Annex 2 where the CH can include this information, otherwise it will often be missing.  | <p>Suggested text for new box in notification form:</p> <p>Was the HHP used in a public forest? If yes, please describe the impartiality of the public authority mandating or using</p>                                | This has been included in the final version.   | CB               |

| Reference Part   | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording   | PSU observation   | Contributor       |
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|                  |                 |   | the 'highly hazardous' pesticide from the public authority owning or managing the forest.  |   |                   |
| 9.7              | General         | The National IPM Advisory Group should not be the entity mandated to undertake such a task, particularly as they may be paid – who pays them? The analysis should be undertaken by the certificate holder(s) on whose land the pesticide is being applied.  | Delete.  | CHs will also be involved but the analysis will be coordinated by the National IPM Advisory Group                                     | M<br>econ /North  |
| 9.8              | General         | Who submits the derogation and what happens if it is declined and the public authority continues to legally use the pesticide   | Delete.  | The CB submits the application.<br>The continued use of a HHP without an approved derogation will be a violation of FSC P&C.          | M<br>econ /North  |
| 9.8 & 14         | General         | Mandatory applications of HHPs required by law or performed by government agencies should not require derogation, only appropriate control measures. The organization cannot be held responsible for legal governmental actions. And requiring CBs to write major nonconformities in situations beyond the control of the CH is exceedingly harsh.  | Delete 9.8. Remove the words “or public use” from the title of section 14. 14 should only apply to emergency situations.   | We have an advice note that request CHs to take full responsibility for compliance with P&C, even for activities beyond their control | M-econ /<br>North |
| Section 10, Note | Editorial       | The first NOTE within section 10 creates the perception that FSC in most cases will not renew derogations. Certificate Holders are put on the defensive when they read this kind of negative language. A positive spin showing that FSC considers both environmental and economic impacts on forest managers will help FSC find more success with working effectively with Certificate Holders moving forward. This will also | Change the NOTE to the following:<br>“Derogations will be renewed where the applicant shows a demonstrated continued need and the applicant can clearly demonstrate that the program to identify alternatives has been fully implemented but failed to identify acceptable alternatives in the available timeframe.” | This proposal has been included in the final version.   | NO North          |

| Reference Part              | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording  | PSU observation  | Contributor    |
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|                             |                 | benefit FSC by showing Certificate Holders that we recognize that in some areas where derogations have been approved, it is likely that the use of the pesticide remains the most environmentally and economically sound way for managing the forest pest/pathogen.  |   |  |                |
| Parte III; clause 10; p. 13 | Technical       | La renovación de la solicitud de derogación debería ser realizada cuando exista un producto alternativo al derogado. Mientras ello no ocurra, no se justifica solicitar renovaciones. Esto puede ser reemplazado por informes con estado de avance de la investigación. Se debe considerar que el desarrollo de un nuevo producto puede demorar 10 o más años.   |   | This can only be changed in a revision of the FSC Pesticides Policy. | M-econ / South |
| 10                          | Technical       | Renewal of derogations is problematic primarily as the derogation term is too short to adequately resource and attend to research on alternatives. NZ have derogations into a second term of 5 years, but despite our best efforts have not been able to find viable alternatives. For some the answer may be some time away. One potential is bio-control, but even to pass regulations to allow a release takes 5 to 10 years, sometimes more. And then it takes an additional 10 years of testing to determine effectiveness. We submit that derogations should be issued for a minimum of 10 years to better reflect the timeframes to test solutions, more if the testing programs are expected to take longer. | Increase the derogation terms to a minimum of 10 years or longer if testing of alternatives is expected to take longer. | See above.   |                |

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| 10.1.2 (a)                           | Technical       | For pesticides that are widely used for prevention purposes, it would be impractical to record the exact amount of pesticide used in all of the lands included in the derogation.  | Add “estimated” in front of “quantitative data”.  | Forest managers are required to record quantitative data on their use of pesticides.  | M-econ / North |
| Part III; clause 10; p. 13           | Technical       | The possibility of renewal must happen while the derogation is needed when an alternative has not been found.  | Addition of item 10.6:<br>10.6 Renewals must happen until a derogation is applied for each process  | Derogations shall only be renewed where there is a demonstrated continued need, the applicant can clearly demonstrate that the program to identify alternatives has been fully implemented but failed to identify acceptable alternatives in the available timeframe and the requirements and conditions set in the previous derogation approval have been met. | M-econ / South |
| 10.4                                 | General         | We are now 6 months out from the effective date of this procedure – how does this timeframe affect our CHs with derogations expiring soon? Are they expected to send in new applications May 1st? Will there be a grace period for those derogations expiring < 6 months after this new procedure becomes effective? |   | They can start applying the new procedure voluntary after the publication date, not before.<br>If there is not enough time we can consider an exceptional extension.  | CB             |
| Part IV / Clause 11.2, c, NOTE, p.13 | Editorial       | It is not clear if the general description provided for multiple companies on requirements a) through c) could replace the individuals information cited at the beginning of the sentence.   | New wording:<br>The information on requirements a) through c) shall be specifically provided for each forest management enterprise. However, in cases where multiple companies within a region can demonstrate that they have common protocols with regard to a) through c) above; this information may be provided together. | This has been included in the final version.  | M-econ / South |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording  | PSU observation                              | Contributor  |
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| Note: 11.2     | Editorial       | The second note pertains to the specifics of how joint applications may be written – it should be listed under clause 7. Joint Applications.  | Move the NOTE up to Clause 7, becoming 7.6.   | This has been included in the final version. | CB           |
| 11.2 (d)       | General         | There is a discrepancy between the level of stakeholder approval in these two sections. The second bullet provides regular stakeholders with an opportunity to provide comments on the need for the derogation and the controls to minimize the impact of the HHP. The first bullet requires that directly affected parties have agreed on measures for mitigating, etc., the impacts of the HHP. This provides a procedural veto power to these stakeholders if they refuse to agree to the methods. Disputes between directly affected parties and the derogation applicants about appropriate measures can be resolved by the FSC Pesticide Committee. | Add the following to 11.2 (d) (first bullet) If the directed affected parties and the applicant are unable to reach agreement on these measures, the proposed measures are submitted as part of the derogation application and reviewed by the FSC Pesticides Committee | This has been included in the final version. | CB           |
| 11.3           | Technical       | Renewal of derogations is problematic primarily as the derogation term is too short to adequately resource and attend to research into alternatives. NZ have derogations into a second term of 5 year, but despite our best efforts have not been able to find viable alternatives. For some the answer may be some time away. One potential is bio-control, but even to pass regulations to allow a release takes 5 to 10 years, sometimes more. And then it takes an additional 10 years of testing to determine effectiveness. We submit that derogations should be issued for a minimum of 10 years to better reflect the timeframes to test          | Increase the derogation terms to a minimum of 10 years or longer if testing of alternatives is expected to take longer.   | See above.                                   | M-econ/North |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording  | PSU observation   | Contributor    |
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|                |                 | solutions, more if the testing programs are expected to take longer.  |   |   |                |
| 11.3           | Technical       | Derogations should have up to a 10 year life-span in cases where a 5 year period would not allow sufficient research to be completed or where considerable effort to date has been unsuccessful in finding a better alternative.  | 10 year derogations should be accommodated in some situations.  | See above.  | M-econ/North   |
| 11.3           | Technical       | Aumentar el período de tiempo de derogación o de renovación de derogación de manera de poder considerar los tiempos necesarios para la búsqueda de alternativas (búsqueda de moléculas y evaluación de eficiencia). FSC requiere que los solicitantes presenten evidencia de búsqueda de alternativas   | “Derogations will be approved for 10 years. Expired....”  | See above.  | M-econ / South |
| 12.5           | General         | Technical Advisors. There is no terms on who the Technical Experts are or their role. This needs to be explained. In particular our experience with previous derogations has demonstrated that Technical Experts can have little or no knowledge of local conditions. This was born out in “ridiculous” conditions that gave little confidence to local certificate holders and stakeholders. Technical experts must include a suitably and locally qualified and independent (or chamber agreed) member. | Technical Advisors must include a suitably and locally qualified and independent (or chamber agreed) member.  | This has now been addressed through the national process.                                     | M-econ / South |
| 12.5 E         | General         | No existen términos de referencia para la calificación y rol de los Expertos Técnicos, y consideramos que esto debe quedar mejor definido para evitar algunas experiencias anteriores donde la falta de conocimiento local de estos   | Los expertos técnicos deben incluir un miembro adecuadamente calificado, e independiente o con el acuerdo de la Cámara, para evaluar las solicitudes de acuerdo al contexto local o regional. | Los expertos técnicos fueron elegidos de forma transparente por el Consejo Directivo del FSC. | M-econ / South |

| Reference Part                  | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording   | PSU observation  | Contributor   |
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|                                 |                 | <p>Expertos derivaron en recomendaciones de muy difícil implementación o alejadas de las realidades locales.</p> <p>Los expertos técnicos deben incluir un miembro adecuadamente calificado, e independiente o con el acuerdo de la Cámara, para evaluar las solicitudes de acuerdo al contexto local o regional.</p>   |  |  |               |
| 11 and 13                       | General         | <p>It should be made clear that the decision on the acceptability or otherwise of a derogation lies with the National Office and the National IPM Advisory Group, and that the quality control of the process lies with PSU and the technical advisors.</p>   | <p>It should be clear and the PSU and the technical advisors have only a quality assurance function to assure that the derogation process is being properly followed.</p>  | <p>In national process the TA have no role, unless the Pesticides Committee ask them for additional advice. The National Office is not responsible for the decision.</p> | M-econ/North  |
| 11 and 13The of                 | General         | <p>This should be made clear their decision making on the acceptability or otherwise of a derogation lies with the National Office and the quality control of the process lies with PSU and the technical advisors.</p>   | <p>It should be clear and the PSU and the technical advisors have a only a quality assurance function to assure that the derogation process is been properly followed. They can ask for points of clarification that they cannot override technical decisions or implement their own technical opinions or conditions over the top of those expressed by the national I PM advisory group.</p> | <p>See comments above.</p>   | M econ /North |
| Paragraph 13.3: Decision Making | Editorial       | <p>I cannot find anywhere in the Procedure the requirement on the FSC Pesticides Committee to give reasons for either an outright rejection or the imposition of conditions. There is likely to be consider-able disquiet in the National IPM Advisory Group if its advice is overruled without reasons being given, and it is hard to see how appeals can be sensibly submitted without some detail to appeal against.</p> | <p>Please add a new sentence between the current first and second sentences of Paragraph 3.3 as follows: Reasons for a rejection or the imposition of conditions will be provided in writing.</p>  | <p>This has been included in the final version.</p>  | NO North      |

| Reference Part | Type of comment | Comment Justification / rationale for change  | Proposed change Suggested new wording   | PSU observation  | Contributor     |
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| 13.3           | Editorial       | In this paragraph, it is not clear that appeals process is available upon the notification of the decision.   | Add a sentence "If an applicant disagrees with the decision, an appeal may be submitted (see 15.1-15.2)". Add "unless an appeal is submitted" at the end of the sentence starting with "Note:". | This information is already in section 15.   | CH North        |
| 14.1           | Technical       | El periodo de tres o seis meses es muy corto, dada la biología y evolución de muchas plagas. No es un tiempo suficiente para evaluar si el control fue exitoso o era necesario repetirlo. Como se trata de derogación es de emergencia, se entiende que son plagas que aparecen en forma repentina y se debe actuar, para evitar daños. En ese actuar, no necesariamente se conoce la dosis, forma de aplicación, época, etc, por lo que repeticiones de control podrían ser necesarias. Hacer todo eso en un periodo de tres meses no es realista, ni obedece a criterios de biología, evolución o ciclos de plagas. | Autorizar el uso del pesticida por un año en el marco de derogación es de emergencia.   | 14.1.b has been modified and the deadline to submit a complete derogation application extended to 9 months.  | M-econ / South  |
| 15             | General         | Requires clarification of whether HHP use can proceed during appeals process and what notifications are required in those circumstances   | Clarify use of HHP during appeals period  | According to appeal procedure, the appeal does not change the decision.  | CH econ / North |
| 16.2           | General         | Discontinuation of an added pesticide within six (6) months is fast. Depending on when during the year the news is presented to the certificate holder pesticide treated products in storages may have more than 6 months before scheduled delivery to the forest. A longer period of time for discontinuation, will promote a final termination of a pesticide over a submission of an application for   | "Certificate holders must either discontinue the use of any added pesticides within twenty-four (24) months or submit an application for derogation.  | This requirement comes from another FSC-GUI-30-001 and cannot be changed in this revision. If there is not enough time we can consider an exceptional extension. | CH econ / North |



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| Annex 1, pg. 19, "Program to Identify Alternatives...", part c):      | Technical & Editorial | <p>derogation.</p> <p>Part C) requires the applicant to "list all registered pesticides available for the control of the targeted pest species". Taken literally, this could be an onerous burden. Also, this should be restricted to pesticides registered for use in the applicable region—as not all pesticides registered for use for some pests in the US are registered for use in Michigan.</p>  | <p>Rephrase to require listing of pesticides registered in the applicable region for control of the targeted pest in the setting and for the tree or host species to be protected.</p>   | <p>This annex has changed in the final version to be aligned with Annex 3. Decision support system (DSS) for decision making on derogation applications.</p>        | <p>M<br/>econ /North</p> |
| Annex 1, pg. 19, "Program to Identify Alternatives...", part a) & b): | Technical & Editorial | <p>The requirement for all applicants to develop a detailed formal research plan for identification of alternatives to use of the HHP is an onerous burden. Very few (if any) forest management enterprises have the financial and staff resources or expertise to satisfy this requirement, or to do the work well enough to meet regulatory requirements for registration of new pesticides. In the U.S. the responsibility for pesticide regulation and research falls to the U.S. Environmental Protection Agency, State-level environmental regulatory agencies, pesticide manufacturers, and some research universities. From a practical perspective, research responsibilities belong with these other agencies, not certificate holders. If forest management enterprises try to invest in underfunded or poorly designed informal field trials, the results may be inadequate to meet State &amp; Federal regulatory requirements for registration of new pesticide products. Applicants lacking sufficient funding and staff to devote to research may be unable to influence universities or retain</p> | <p>Rephrase part a) to indicate that applicants may report research that regulatory agencies and others have done, and any voluntary in-house research or field trials that they may have done to identify alternatives. Don't require a 5 year research plan.</p> | <p>This section has been rephrased to be aligned with Annex 3 and reflect the scale, intensity and risk (SIR) of the forest operation and their pesticides use.</p> | <p>M<br/>econ /North</p> |

| Reference Part           | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording   | PSU observation                              | Contributor    |
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|                          |                 | private contractors with adequate expertise and qualifications to do credible research regarding alternatives to the HHP. The research requirement will make the derogation process so onerous as to effectively preclude certificate holders from seeking derogations.<br>From a research standpoint, the 5 year period is a 'short-term' timeframe.                             |  |  |                |
| Annex 4 / clause 2, p.22 | Editorial       | The document FSC-PRO-01-004 will be withdrawn and be replaced for FSC-PRO-30-001.   | New wording:<br>To evaluate derogation applications in relation to FSC-PRO-30-001 and to the requirements as outlined in Section 3 (below) and to inform the applicant of any additional information that may be necessary to complete the evaluation. | This has been included in the final version. | M-econ / South |
| Annex 5                  | Technical       | The fee structure, which has increased, offers no relief for joint applications. Joint applications will save time and effort for all involved: National Offices, IPM Advisory Groups, the FSC Pesticides Committee and Technical Advisors, and CBs. There is no justification for charging each applicant the single organization fee when they are part of a joint application. | Add an additional fee structure for joint applications, with a sliding scale of reduced fees as the number of applicants increase.   | This has been amended in the final version.  | M-econ / North |
| Annex 5                  | General         | The fee structure does not reflect the savings from joint or National Office applications. We cannot see there being any additional work to process an application for one certificate holder or jointly. If say in NZ's case where 15 certificate holders could apply jointly (this would be ideal to meet the Objectives) then the total fee to FSC is 7,500 Euro.              | Change fee structure to:<br>1,000 Euro for applications submitted to FSC IC directly, or<br>600 Euro for applications through a National Office.   | This has been amended in the final version.  | M econ /North  |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording  | PSU observation                                 | Contributor |
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|                |                 | There should be a flat fee per application irrespective of whether is a single certificate holder or joint application (including SLIMF)   |   |   |             |
| Annex 5        | General         | When a joint application is submitted, the administrative cost of handling a joint application should be the similar to the cost of an application submitted by a single organization. Charging each certificate holder in a joint derogation request can be a substantial amount of fees, not proportional to the actual administrative expense, especially many certificate holders join an application. | Develop a reasonable fee structure for a joint derogation request.  | This has been amended in the final version.     | CH North    |
|                | General         | We support the development of a “National IPM Advisory Group” in the United States.  |   | Noted.  | CH North    |
| Annex 5        | General         | The fee structure appears high for joint applications submitted through a national office. Given the cost to FSC to assess and process a derogation for multiple parties is in reality very similar to processing it for a single party the charge should reflect this.  | Amend the charges to reflect the likely total cost of applying eg A given flat rate divided by the number of parties applying | This has been amended in the final version.     |             |
| Annex 5        | General         | Overall, the fee structure needs further review and improvement before implementation of this procedure. There are a number of concerns with the current set-up including:<br>Currency consistency<br>National Offices fee structure<br>Joint application fees<br>SLIMF fee clarification<br>Late-comer fee structure  |   | This has been amended in the final version.     | NO North    |
| Annex 5        | General         | We should make sure we remain consistent on the type of currency   | Change the currency to USD..  | This has not been changed in the final version. | NO North    |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording  | PSU observation                | Contributor |
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|                |                 | throughout the FSC system. The AAF Policy, Membership Fees, and Supporter Fees are all based on USD. I promise I'm not just trying to be American, but I truly do believe in being consistent. ☺   |   |                                |             |
| Annex 5        | General         | The current fee structure as proposed does not incentivize National Offices to set-up National IPM Advisory Groups nor does it provide incentives for Certificate Holders to go to National Offices for review. It is our impression that National Offices and Advisory Groups will actually be doing most of the review work, so given that this process will decrease the administrative review burden taken on by FSC International there is no need for these fees charged by FSC International to remain at such high levels.   | Change the fee allotted when National Advisory Groups exist to a percentage based on the overall fee. This would be similar to how the FSC Membership program functions where 15% of the fee charged to the member goes back to FSC International and the rest stays with the National Office. This same principle can easily apply here as well. For example, if a Derogation is review in a country with an Advisory Group we recommend that at least 70% (if not up to 80%) of the application fee stay with the National Office as they will be the ones footing the administrative and group costs for application review. | This Annex has been modified.  | NO North    |
| Annex 5        | General         | Certificate Holders who undertake joint applications should not have to all pay 500 euros each. The idea behind splitting the fees is definitely a very smart thought and FSC International should actually incentivize companies to work together. This current system would work if it was one or two applicants, but not more than that given that the fees would escalate and it's basically the same amount of work for us if not less in the end. FSC and Certificate Holders would benefit by allowing the fees to be split evenly no matter how many Certificate Holders join the application. In providing this structure we will recognize the | We recommend that we change the fee structure to allow for joint applicants to split the fee evenly. For example, a joint application from 2 or 3 companies could split the \$1000 application fee evenly. If we thought necessary we could even provide a fee for joint application where there are four or more applicants to the same derogation. For derogations of more than four companies there could be a fee of \$1500 split evenly amongst the four.  | This Annex has been modified.. | NO North    |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change   | Proposed change<br>Suggested new wording   | PSU observation   | Contributor   |
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|                |                 | efficiencies and benefits for everyone in the process including ourselves.  |  |   |               |
| Annex 5        | General         | There is confusion in regards to the SLIMF fee and how the fees and applications are to apply to the group forest management model. From our knowledge SLIMFs rarely (if at all) exist outside of the group FM model. For example, does FSC intend to charge each group member or group FM certification if they wish to apply for a derogation?  | We ask that this is clarified on whether we are referring to just a Certificate Holder or to each FM group member. We recommend that a group manager applies for derogations for the entirety of the group and that we DO NOT require an individual group member to apply on their own for derogations. Derogations would apply to the certificate holder.                   | Fees are charged per certificate holder.  | NO North      |
| Annex 5, 7.4   | General         | The current prorated fees for late-comers of 80% and 50% are not prorated equitably for Certificate Holders. Late-comers should be charged a more equitable fee based on the exact period of time left in the derogation period. Similar to membership, fees should be prorated based on what time of year the member joins.  | Optimally we would base this fee on the cost to FSC to process the late-comer derogation, which likely is very small compared to the initial review. However, we also recognize the need to provide an equitable cost for those who were first-comers and leaders in the process. Therefore we propose that the fees are prorated on a yearly basis as opposed to P1 and P2. | This has not been changed.  | NO North      |
| E              | General         | Technical Advisors. There is no terms on who the Technical Experts are or their role. This needs to be explained. In particular our experience with previous derogations has demonstrated that Technical Experts can have little or no knowledge of local conditions. This was born out in "ridiculous" conditions that gave little confidence to local certificate holders and stakeholders. Technical experts must include a suitably and locally qualified and independent (or chamber agreed) member. | Technical Advisors must include a suitably and locally qualified and independent (or chamber agreed) member.   | The Technical Advisors are appointed by the FSC Board of Directors in accordance with the Terms of Reference. The use of local and regional expertise is strengthened in the evaluation of derogation applications through the national processes and extending the pool of Technical Advisors to the Pesticides Committee. | M econ /North |

| Reference Part | Type of comment | Comment<br>Justification / rationale for change  | Proposed change<br>Suggested new wording               | PSU observation  | Contributor      |
|----------------|-----------------|--|--|--|------------------|
| General        | General         | Certificate holders are organising a side meeting at the September General Assembly. We would like to discuss matters raised in this submission with FSC to ensure comprehension and a result that is satisfactory to all parties. | FSC to meet with certificate holders at Septembers GA. | Two side events on pesticides, in which FSC met with certificate holders, took place during the GA 2014. | M<br>econ /North |