



Forest Stewardship Council®



Task Force Country Risk Profile and Guidances for risk-adjusted auditing in Ukraine

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Table of Contents:

1. Introduction and background information	3
2. Task Force objectives and expected outcomes	3
3. Selection process and responsibilities of Task Force members	4
4. Tasks and responsibilities of the Task Force	5
5. Confidentiality and conflict of interest.....	5
6. Deliberation and Decision Making.....	5
7. Workplan and time commitment.....	5
Annex 1: Glossary	6



1. Introduction and background information

Until now, FSC has no additional mechanism to assist certification bodies and auditors to manage risks when evaluating the conformity with applicable forest management requirements. The purpose of developing and implementing such a risk-based approach is to:

1. Improve certification uptake and impact FSC's forest management standards by making the certification process more efficient and cost-effective.
2. Maintain credibility and improve consistency of NFSS implementation and evaluation.

To reach those overall objectives, the proposed mechanism aims to assist certification bodies and auditors in improving their evaluation of certified or applicant organizations' effectiveness and credibility. It enables matching assurance efforts to risks, focusing on the issues of higher risk and opportunity, and decreasing efforts on issues with low risk. Additionally, it can be used for communication of more transparently with stakeholders on how FSC identifies and manages risks in its system. Finally, it allows FSC to gather information to monitor risks as well as information on the effectiveness of the risk-based approach itself to improve it over time.

FSC Ukraine has been working on the development and implementation of a risk-based approach for a long time. The central piece of the proposed approach in Ukraine is a Country Risk Profile (CRP). The CRP enables CBs to actively risks of non-conformity to plan the audits more effectively, adapting the effort allocation to reflect risk.

2. References

Discussion paper. Risk-based approach on FM certification (Ukrainian case) (V 1-0);

Discussion paper. Country Risk Profile: Ukraine (V 1-0);

FSC-PRO-60-010 Incorporating a risk-based approach in the evaluation of conformity with National Forest Stewardship Standards (V 1-0 and V2-0 draft 1-0);

FSC-GUI-60-002 Guideline for Standard Developers for addressing risk of unacceptable activities in regard to scale and intensity (V 1-0 and V 2-0 draft 1-0);

Synopsis report FSC-PRO-60-010 V1-0.

3. Task Force objectives and expected outcomes

The Task Force's main objective is streamlining data flows related to forest management and incorporation risk-based approaches to the CBs auditing practice.

To achieve the main objective, the Task Force is expected to consider the following aspects:

- a. The actual information about challenges and problems in the forestry sector of Ukraine (key aspects, sources of data).
- b. Potential non-conformities related to FSC Principles and Criteria based on verified data.



- c. Identification of which data eligible to the identified challenges and problems.
- d. Grouping data from different data sources into Country Risk Profile (templates for data collection and visualization).
- e. The Risk Matrix for assessment of potential non-conformities.
- f. Recommendations for an adequate response on identified risks and using CRP.
- g. Explore how additional guidance's can be used during the audit.
- h.

The expected outcomes of this task force are:

- I. Templates for data collection and visualization.
- II. The Risk Matrix for assessment of potential non-conformities with national comments.
- III. Guidance on how to use public data and CRP during an audit.
- IV. Recommendations on risks mitigation.
- V. National comments for FSC-PRO-60-010 Incorporating a risk-based approach in the evaluation of conformity with National Forest Stewardship Standards V2-0 Draft 1-0.

4. Selection process and responsibilities of Task Force members

The Task Force shall comprise of CB representatives, scientists, technical experts and NGOs. The maximum number of Task Force members is 9.

Members are working on a voluntary basis.

The members of the Task Force will work together throughout the process, discussing issues and interacting with each other as a group through online calls, email communication, and meetings as necessary and required by the Task Force Coordinator.

The Director of FSC Ukraine will appoint a **Task Force Coordinator** (FSC Ukraine staff member) to administer the process and manage the task force. The Coordinator is responsible for ensuring that the Task Force operates responsibly and following its Terms of Reference and the applicable procedures.

The selected Task Force Coordinator is also responsible for the overall project management. He is also responsible for coordinating with FSC staff and seeking other expertise, as necessary. The Coordinator will send the invitations to online calls and meetings, draft Agendas for the meetings, draft minutes of the meetings, and maintain recordings of the process. The Coordinator will also provide the technical input, background for discussion and guide the Task Force to achieve the outcome outlined in the Terms of Reference (ToR).

The role of **Task Force Supervisor** plays Director of FSC Ukraine to supervise the process and support the task force members in reaching its goals.

FSC Ukraine office can provide the administrative/technical assistant for supporting the project.



The working languages of the Task Force are English and Ukrainian.

Tasks and responsibilities of the Task Force

5. Confidentiality and conflict of interest

Task Force members shall sign a confidentiality and non-disclosure agreement with FSC Ukraine at the beginning of their work. Per default, non-attributable content of discussions and papers prepared by or presented to the Task Force is not considered confidential unless otherwise specified. The Task Force operates according to Chatham House Rules (see Glossary). So, while members of the task force have full authority to share the non-confidential substance of discussions and papers, they shall not report or attribute neither the comments of individuals nor their affiliations outside of meetings, whether conducted face to face or virtual. Members are expected to declare any conflicts of interest where they arise. This will cause the person(s) to be excused from the discussion and to abstain from participating in decision-making.

6. Deliberation and Decision Making

For the Task Force to meet and deliberate, there must be a quorum, defined as at least 50 percent (%) of the FSC Task Force members. The Task Force Coordinator will strive to select meeting dates that allow for full participation of all Task Force group members. All members must participate in each point of decision-making. If any member(s) is not present for a decision, then a provisional decision may be made, subject to participation by the absent member(s). Quorum is required for any provisional decisions, and full member participation is preferred. The Coordinator and FSC Staff and any other supportive personnel shall not participate in any decision-making. If the task force cannot agree on critical discussion points, FSC Ukraine shall decide how to move forward with the process.

7. Workplan and time commitment

The Task Force is expected to start functioning from August 2021, with a targeted completion date for all outputs by December 2021. The Task Force will conduct most of its work via bi-weekly meetings (2-hour calls, with additional weekly calls if needed) and email or similar means of electronic communication, and through one-on-one calls with the coordinators when required. The timetable and the detailed work plan will be communicated to the selected members of the task force.



Annex 1: Glossary

Chatham House Rule: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed". The Chatham House Rule has the aim to encourage openness and the sharing of information at meetings.

Country Risk Profile (CRP): decision-support system used by FSC actors for assessment and risk designation as well necessary pre-conditions for risk adaptive response.