

**NATIONAL VOLUNTARY FOREST CERTIFICATION SYSTEM
GUIDE**

**THE STAKEHOLDER ENGAGEMENT OF
NATIONAL VOLUNTARY FOREST
CERTIFICATION SYSTEM
(Second edition)**



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Introduction

Nowadays, the stakeholder engagement is crucial for stability and success of National Voluntary Forest Certification System (hereinafter NVFCS), including sustainable forest management.

Stakeholders are not just members of communities or non-governmental organisations. They are those individuals, groups of individuals or organisations that affect and/or could be affected by the NVFCS activities, products or services and associated performance with regard to the issues addressed within the engagement.

Thus, the stakeholder engagement is the process used by National Voluntary Forest Certification System to engage with relevant stakeholders for the purpose of achieving accepted outcomes. At the same time, this process is also recognized as the main mechanism of subordination, since it obliges NVFCS to involve stakeholders in identifying, understanding and addressing issues of sustainable forest management and its concerns, and to report, explain and respond to stakeholders for decisions, actions and performance.

Engagement of individuals, groups of individuals or organisations that are affected by or can affect the NVFCS activities, products or services and associated results, performance, and responding to their concerns makes the organisation more efficient.

This document is intended to improve understanding of the nature and grade of the NVFCS stakeholder engagement.

This second edition from the date of publication cancels and replaces the first edition UA SFM GD 02. The second edition has minor technical amendments relating to PEFC Endorsement process of National Voluntary Forest Certification System.

1 Scope

1.1 This document contains principles and requirements to high-quality stakeholder engagement by National Voluntary Forest Certification System (hereinafter NVFCS).

1.2 This document shall be used by all the NVFCS parties.

1.3 This document shall be used jointly with other NVFCS documents.

2 Normative References

2.1 This document contains normative references to following documents in full or in part which are binding for its use.

AA1000APS, Accountability Principles.

AA1000SES, Stakeholder Engagement Standard.

ISO 26000, Guidance on social responsibility.

Annex 1 PEFC, Terms and Definitions.

PEFC ST 1001, PEFC International Standard. Requirements for certification systems. Standard Setting – Requirements.

3 Terms and Definitions

The terms and definitions mentioned in Appendix 1 PEFC, PEFC ST 1001, AA1000SES and the following are applicable for the purpose of this document.

3.1 Stakeholder: A person, group, community or organisation with an interest in the subject of the standard.

3.2 Affected stakeholder

A stakeholder who might experience a direct change in living and / or working conditions caused by implementation of a standard, or a stakeholder who might be a user of a standard and therefore is subject to the requirements of the standard.

Note 1: Affected stakeholders include local communities, employees of the Organisation and service providers (contractors), adjacent land users registered in local communities, local processors of forest products, etc. (the list is not exhaustive). However, having an interest in the subject matter of the standard (e.g. NGOs, scientific community, civil society) is not equal to being affected.

Note 2: A stakeholder who might be a user of the standard is likely to become a certified entity, e.g. a forest manager in the case of a forest management standard, or a wood processing enterprise in the case of a chain of custody standard.

3.3 Disadvantaged Stakeholder: A stakeholder who might be financially or otherwise disadvantaged by participating in the standard-setting process.

Note: For instance, a qualified expert whose employer organisation does not finance his participation and cannot take part itself.

3.4 Key Stakeholder: A stakeholder whose participation is critical to the outcome of the standard-setting process.

Note 1: A full list of nine key stakeholder groups identified by Agenda 21 for the UN Conference on Environment and Development consists of:

- 1 Business and industry.
- 2 Children and youth.
- 3 Forest owners
- 4 Indigenous people.
- 5 Local authorities.
- 6 Non-governmental organisations.
- 7 Scientific and technological community.
- 8 Women.
- 9 Workers and trade unions.

Note 2: According to PEFC ST 1001:2017, at least the following groups shall be included in the Association's stakeholder mapping:

1. Forest management bodies.
2. Business and industry.
3. Non-governmental organisations.
4. Scientific and technological community.
5. Workers and trade unions.

Note 3: PEFC ST 1001:2017 identifies indigenous people as one more stakeholder group, this category does not exist in Ukraine.

3.5 Stakeholder Engagement: The process used by NVFCS to interact with the relevant stakeholders for the purpose of achieving acceptable results.

Note: High-quality stakeholder engagement shall:

- a) be based on a commitment to the AA1000APS principles and PEFC ST 1001 requirements;
- b) clearly define the scope;
- c) have an agreed decision-making process;
- d) focus on issues material to NVFCS and/or its stakeholders;
- e) create opportunities for dialogue;
- f) be integral to the NVFCS governance;

- g) be transparent;
- h) have a process appropriate to the stakeholders;
- i) be timely;
- j) be flexible and responsive;
- k) increase the value of both NVFCS and its stakeholders.

4 General Provisions

4.1 The NVFCS stakeholder engagement is aimed at achieving the goals of sustainable development of the forest certification system and harmonizing the interests of all stakeholders.

4.2 The stakeholder engagement is based on four main principles:

a) Inclusivity

Compliance with inclusivity ensures that all the relevant opinions of the stakeholders are taken into account when determining the materiality and impact to define relevant and comparable responses.

b) Materiality

Compliance with materiality ensures that the most relevant and important topics and main factors affecting NVFCS and its stakeholders will be determined and prioritized for an adequate response.

c) Responsiveness

Compliance with responsiveness ensures decisions, actions and results of the NVFCS activity, including communications, subject to materiality of the topics and associated impacts.

d) Impact

Compliance with impact ensures monitoring, measurement and assessment of impact of behavior, effectiveness and results of the NVFCS activity on the economy, environment, society, stakeholders and NVFCS itself.

Inclusivity, materiality, responsiveness and impact require a determined stakeholder engagement process that ensures comprehensive and balanced participation resulting in proper taking into account and response to problems and consequences.

4.3 NVFCS engages all stakeholder subgroups and sees to assist sustainable development of the forest sector, improvement of legislation, rules and regulations, social, economic and environmental development of regions, improvement of living conditions for workers and local people.

4.4. NVFCS shall identify disadvantaged stakeholders and address any constraints to their participation in standard-setting activities.

5 Stakeholder Engagement Process

5.1 General Provisions

Stakeholder engagement process includes four stages:

- a) planning;
- b) preparation;
- c) implementation;
- d) documentation, revision and improvement.

5.2 Planning

5.2.1 Stakeholder profile and map

NVFCS shall profile and map the stakeholders.

Seeking to identify all the stakeholders NVFCS shall ask the following questions (see ISO 26000):

- a) To whom NVFCS has legal obligations?
- b) Who can be affected by positive or negative decisions or activities of NVFCS?
- c) Who is most likely to express concern about the NVFCS decisions and activities?
- d) Who used to participate when there was a need to address similar issues?
- e) Who can help NVFCS take measures for development of certification system documents and its promotion?
- f) Who can influence the NVFCS's ability to meet its obligations?
- g) Who would be disadvantaged if excluded from the engagement?
- h) Who affects NVFCS the most?

NVFCS shall identify key stakeholders in accordance with PEFC ST 1001 for every subgroup:

- Forest management bodies
- Business and industry
- Non-governmental organisations
- Scientific and technological community
- Workers and trade unions
- Women and children

Mapping is carried out on the principle of the ratio of "level of impact" and "degree of interest" of the stakeholders with the gradations: "low", "medium", "high".

Mapping is performed for individual stakeholders or for homogeneous levels of influence and interest of stakeholder groups.

5.2.2 Determining level(s) of engagement and method(s)

NVFCS shall determine the level(s) and method(s) for engaging with stakeholders that are best suited to the purpose and scope of engagement and to the relevant stakeholders.

Note: There are different levels, including:

a) low level:

- advocacy (one-way communication: NVFCS with the stakeholders);
- monitoring (one-way communication: stakeholders with NVFCS);
- passivity (lack of active communication);

b) moderate level:

- negotiations (limited two-way communication: discussing a specific issue or range of issues to reach a consensus);

- consulting (limited two-way communication: NVFCS asks a question, stakeholders answer);

- transaction (limited two-way communication: determining and monitoring efficiency in accordance with contact conditions);

- informing (one-way communication: NVFCS to the stakeholders, no response required);

c) high level:

- empowerment (new forms of accountability; decisions delegated to the stakeholders; stakeholders play a certain role in formation of organisational programs of activities);

- cooperation (two-way or multi-way communication: joint training, decision-making and actions);

- interaction (two-way or multi-way communication: mutual learning, but the stakeholders and NVFCS act independently).

Engagement can be at more than one level. NVFCS can choose the stakeholder engagement in one segment of the stakeholder map at the same level with the stakeholders, and in another segment of the stakeholder map at another level. The level of engagement can also change over time as the relationship deepens and develops.

The method of engagement shall be chosen to meet the needs, possibilities and expectations of the relevant stakeholders in the best possible manner. More than one method can be used for any given task. Different methods can be used simultaneously or successively.

5.2.3 Establishing and communicating boundaries of disclosure

NVFCS shall establish the boundaries of disclosure and shall clearly communicate these boundaries to its stakeholders.

5.2.4 Engagement draft plan

NVFCS shall develop an engagement plan. The engagement plan shall be made available to stakeholders. Stakeholders shall have the opportunity to provide input into the plan.

The engagement plan documents the engagement process. The engagement plan at a minimum shall include the following:

- a) mandate for engagement;
- b) purpose and scope of activity;
- c) NVFCS, its role and responsibilities;
- d) stakeholder identification;
- e) profiling and mapping of stakeholders;
- f) necessary resources;
- g) measures taken for engagement;
- i) engagement level(s) and methods;
- j) boundaries of disclosure.

NVFCS can involve stakeholders in the development of the engagement plan.

5.2.5 Establishing indicators

Indicators for the quality of stakeholder engagement based on the requirements of AA1000SES and PEFC ST 1001, as well as indicators measuring engagement impact shall be established. Stakeholders shall have the opportunity to provide input when establishing the indicators.

5.3 Preparation

5.3.1 Mobilisation of resources

NVFCS shall identify and gain approval for the resources required for successful engagement.

The resources required for the engagement process will include the financial, human (including capacity building) and technological resources required for persons performing the task, as well as for the stakeholders invited to participate.

5.3.2 Building capacity

NVFCS and the stakeholders shall identify where capacity to engage needs to be built. NVFCS shall work with the stakeholders to respond appropriately to these needs in order to enable effective engagement.

Engagement processes are likely to involve a variety of people with different levels of expertise, confidence and experience.

5.3.3 Identification and preparation for engagement risks

NVFCS shall formally identify, assess and consider engagement risks.

Engagement risks may include:

- a) stakeholders' risks:
 - conflict between the stakeholders;

- technical barriers in case of online engagement;
- disempowered stakeholders;
- uninformed stakeholders;
- disruptive stakeholders;
- lack of balance between weak and strong stakeholders;
- creating expectations of change that NVFCS is unwilling or unable to fulfil;
- participation fatigue;
- unwillingness to engage;

b) NVFCS's risks:

- non-compliance with legal and internal policies and standards;
- internal disagreement on the way forward;
- creating a conflict of interests;
- strong criticism;
- non-compliance with expectations of NVFCS;
- loss of control over the issue;
- loss of time and financial resources;
- loss of reputation.

5.4 Implementation of Engagement Plan

5.4.1 Inviting stakeholders to engage

NVFCS shall ensure that stakeholders are invited to participate in advance and that communications are appropriate for each stakeholder.

The information contained in the invitation shall include at a minimum:

- a) purpose and scope of activity;
- b) engagement process and timeliness;
- c) what stakeholders are expected to contribute;
- d) benefits to the stakeholder invited to participate;
- e) logistical and practical information on the engagement;
- f) briefing on how to respond to the invitation;
- g) additional information to be provided;
- h) next steps.

NVFCS should keep a contact database of invitees, their preferred method of communication and their responses. NVFCS should be aware of cultural differences and customs when inviting people.

NVFCS should consider using a range of means to invite participation, including: social networks, relevant media, mailing lists, telephone calls and personal visits. NVFCS should strive to organise the engagement around the availability of key participants.

5.4.2 Briefing of stakeholders

NVFCS shall develop and provide the participating stakeholders with the briefing materials needed to ensure the success of the engagement. Comprehensive and balanced briefing materials shall be made available to participants in sufficient time and shall take into account any relevant language, disability and literacy issues.

5.4.3 Responsibilities

At the beginning of the engagement program, NVFCS, with input from the stakeholders shall establish procedural and behavioural ground rules for the participants in the engagement.

5.4.4 Documenting the engagement and its outputs

NVFCS shall document the engagement and its outputs.

The documentation shall capture:

- a) purpose and objectives of activity;
- b) the methods used;
- c) who participated and who didn't;
- d) the time frame;
- e) a verbatim record (not always necessary but may be useful; permission may be required);
- f) a summary of stakeholder concerns, expectations and perceptions;
- g) a summary of key discussions and interventions;
- h) outputs (e.g. queries, proposals, recommendations, agreed decisions and actions).

5.4.5 Development of an action plan

NVFCS shall analyse the engagement and its outputs and develop an action plan that articulates how NVFCS will respond to the outputs of the activity. The action plan shall correspond to all outputs of the activity. The action plan shall be developed in consultation with those who have responsibility for implementing it.

NVFCS shall respond to every output, giving reasons for the chosen decisions and actions, even if it does not do everything that is proposed or recommended.

5.4.6 Communication of engagement outputs and action plan

NVFCS shall communicate the outputs and action plan to participants of the engagement in an appropriate and timely manner.

5.5 Action, Review and Improvement

5.5.1 Monitoring and evaluation of the engagement

NVFCS shall systematically monitor and evaluate the overall quality of the stakeholder engagement, and evaluate the quality of individual tasks. This shall include monitoring and evaluation of:

- a) commitment and integration into management, strategy and operating control of NVFCS;
- b) purpose, scope and stakeholder participation;
- c) process (planning, preparation, engagement, action, review and improvement);
- d) outputs and outcomes;
- e) reporting.

5.5.2 Learning and improvement

NVFCS, with input from stakeholders, shall strive to continually improve its stakeholder engagement. It shall identify the manner and act on specific improvements.

5.5.3 Development and submission of measures on action plan

NVFCS shall develop an action plan and provide organisational cooperation in accordance with the engagement process. NVFCS shall inform the stakeholders of the outputs.

5.5.4 Report of engagement

NVFCS shall publicly report on their stakeholder engagement.

Reporting on stakeholder engagement can include:

- a) stakeholder groups engaged;
- b) approach to the stakeholder engagement and the methods used;
- c) frequency of engagement;
- d) pressing issues and problems caused by the engagement;
- e) NVFCS's response to the participation outputs.