

# FSC<sup>®</sup> *NEWS*

General Assembly 2017

#fscga2017

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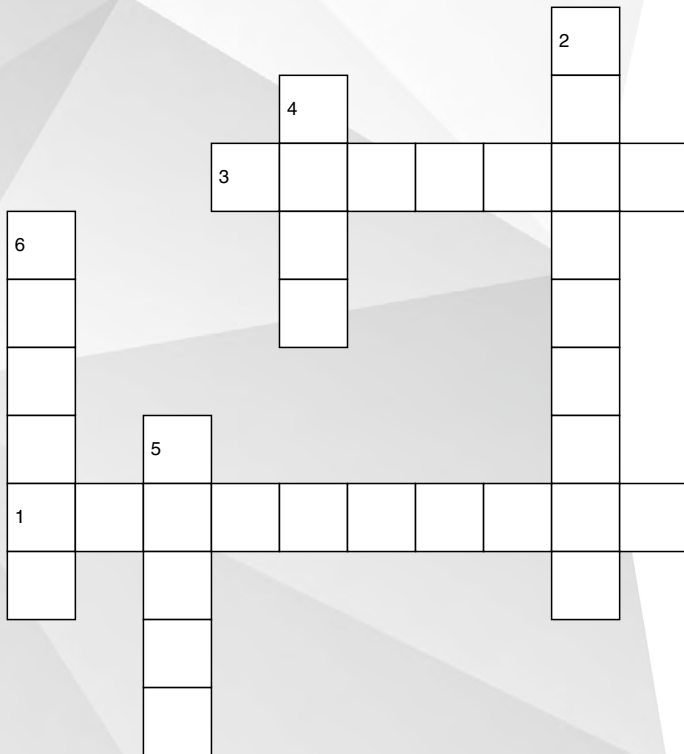


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# FSC GA 2017 Crossword Challenge



## Across

1. The last name of the FSC Executive Director
3. These are voted on during the members' assembly

## Down

2. The location of the 8th FSC General Assembly
4. The first name of the FSC General Assembly facilitator
5. You can assign a member to be your...if you are unable to attend the GA
6. The location of the first ever FSC General Assembly

**The first person to complete the crossword correctly and bring it to the Coquitlam Room will win a prize!**

## FAQs

**Q:** *What is a quorum?*

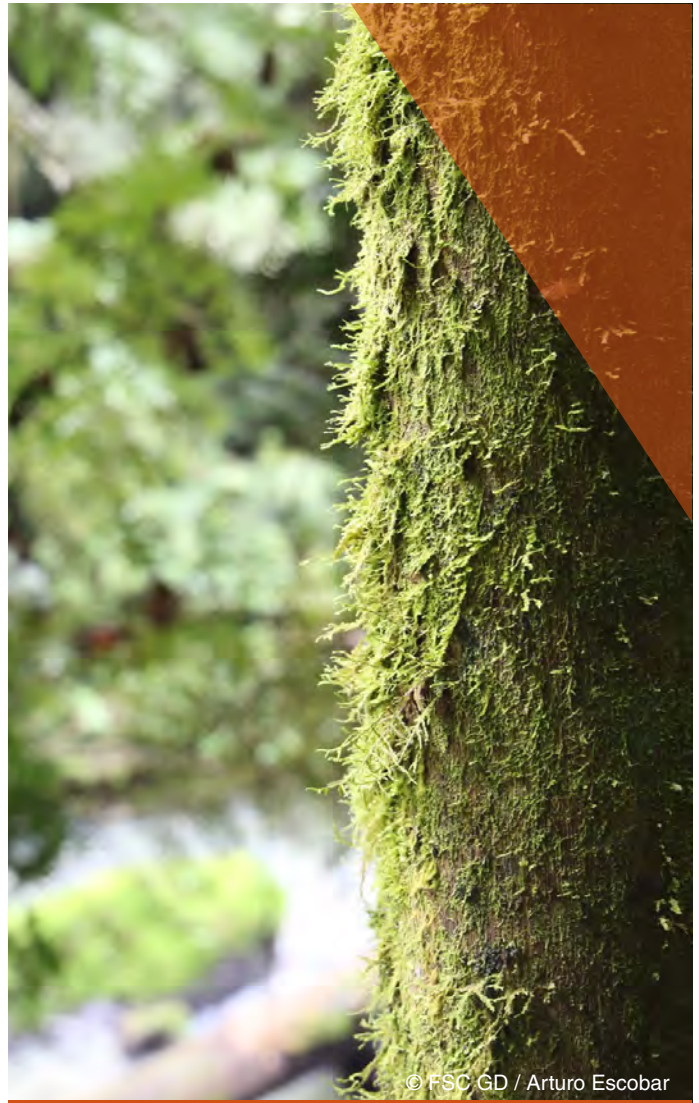
**A:** A quorum is a way to ensure that enough people participate in the vote that the result can be considered meaningful; votes are also weighted to ensure fair and equal representation between chambers and between individual and organizational members. A quorum is necessary for every vote at the GA for the vote to be valid.

**Q:** *How is a quorum achieved?*

**A:** More than 50% of the voting power for each chamber must vote on a motion, whether that vote is positive, negative or abstaining from a vote.

**Q:** *What if a quorum is not present?*

**A:** A recess will be called.



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# Join our High-Level Forum on Solid Wood Today

This forum will provide an opportunity to discuss topics around solid wood with our expert speaker, architect Michael Green.

## What is solid wood?

Solid wood is lumber milled directly from trees. Unlike plywood or composite wood materials that are made of wood fibres held together with adhesives or fillers, solid wood contains only wood fibres.

Solid wood is often used for furniture, construction, cabinetry, and flooring.

Solid wood pieces become more valuable over time as their quality is ageless. Solid wood has long-term durability and contributes to better acoustics in buildings.

## Who is Michael Green?

Michael Green is an architect who promotes the use of wood in the building environment. Based in Vancouver, he tries to contribute to meaningful and sustainable change in building through innovation in construction science and design.

According to Green: “Climate change and the need for more urban housing collide in a crisis that demands building solutions with low energy and low carbon footprints. Wood, unlike steel and concrete, sequesters carbon dioxide, storing it away for the life of the building it is in. As a renewable material, wood offers us a new way to think about our future.”

For Michael Green, the solution is quite simple: “Wood construction ... is the answer to the question of how we will build climate neutral buildings to meet the world’s needs.”

Green lectures internationally to advocate on this subject and his TED talk on ‘Why we should build wooden skyscrapers’ has been viewed over a million times.

## How to join the forum

Anyone can join the high-level forum – within the limits of available seating – and learn more about how FSC-certified solid wood can make a difference in green building.

To read more articles go to [ga2017.fsc.org/](https://ga2017.fsc.org/)



# Today's High Level Forum: Saving Forests with WWF and Apple

## What is behind 'Saving Forests'?

In 2015, Apple Inc. committed to conserving forests around the world at a level equivalent to the footprint of the virgin wood-fibre paper used for its product packaging. To achieve this goal, Apple Inc. has partnered with WWF in China to improve the management of up to 400,000 hectares of working forests that provide fibre for pulp, paper, and wood products.

One of the key outcomes of this five-year project is to increase the amount of FSC-certified forest land in China. Some 130,000 hectares of forest land have already become FSC certified.

The high-level forum will explore Apple's strategy for the project, how the two organizations are working together, the outcomes achieved and those still to be accomplished. The session will also reveal ways the model could be applied more broadly.



## Who are the speakers?

Sarah Chandler is Apple's Director of Operations, Product Development and Environmental Initiatives. She is responsible for Apple's goals of using greener materials for its products and reducing the environmental impact of its supply chain.

Kerry Cesareo works as the Vice President for Forests of WWF US. She leads the WWF strategy and work related to forest conservation. The primary goal of her work is to produce measurable results in mitigating and reversing the impacts of the forestry sector as a driver of biodiversity loss.

Cesareo has quite a long history with FSC. Back in 2000, she spent a summer working with First Nations on Vancouver Island as they had just created their timber company, Iisaak Forest Resources. The creation of the company and its commitment helped to end a long-standing conflict between local environmentalists, First Nations, and logging companies. Iisaak's FSC certification – obtained in 2001 – inspired Cesareo's Master's project and later her career. She is currently a member of the FSC US Board of Directors.

## Join the forum!

Anyone can join the high-level forum on Tuesday, 10 October from 2.30 to 4 p.m. – within the limits of available seating. This forum will be split into two sessions of 45 minutes each, and will also include a discussion on solid wood.

To read more articles go to [ga2017.fsc.org/](http://ga2017.fsc.org/)





## An update on ILO

In August, the FSC International Board of Directors approved the report submitting the generic criteria and indicators, giving the green light to the development of auditable requirements for certificate holders.

With the new additional generic criteria and indicators, FSC is taking a necessary and fundamental step in strengthening its standards and cementing it as the world's most robust certification scheme for forest management and forest products chain of custody.

The path to achieve this started in 2014 when a sub-chamber balanced working group consisting of 6 FSC members and a technical expert began work to define application of the principles and rights at work as defined in the ILO Declaration on Fundamental Principles and Rights at work (1998) and the eight ILO Core Labour Conventions within the FSC standards.

The outcome of this process was a report containing a set of generic criteria and suggested indicators that describe how to develop auditable requirements at the level of FSC certificate holders. A set of verifiers was added to ensure their auditability at certificate holder level.

It offers instructions for standard developers at chain of custody, controlled wood and National Forest Stewardship Standard level to give due consideration to the rights and obligations established under applicable national laws, while at the same time fulfilling the objectives of the generic criteria and indicators, it nonetheless defines the path for the enhanced protection of workers within FSC certified businesses.

Four specific generic criteria with their indicators have been defined. These refer specifically to the effective abolition of child labour, the elimination of all forms of forced or compulsory labour, the elimination of discrimination in respect of employment and occupation and freedom of association and the effective recognition of the right to collective bargaining.

In exceptional cases where there is conflict between national laws and the indicators, standard development groups may propose adaptations, additions or deletions, subject to approval by FSC's decision making bodies.

as informative guidance to standard developers, the working group has also developed a set of non-normative explanatory notes on background; intent and meaning of some of the requirements (see FSC-GUI-60-008).

Regarding implementation of the report and guidance document for National Forest Stewardship Standards, the Policy and Standards Unit (PSU) is currently preparing further information to be shared with the FSC network.

As part of the effort to communicate this achievement FSC will host an ILO side event during the General Assembly in Vancouver on 10 October at 9:30 a.m.



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# The History of a Motion: New Approaches Initiative to Smallholder Certification

FSC defines smallholders as small forest producers and local communities engaged in FSC-certified value chains. This definition includes forests held by local communities, small woodlots and plantations, and forests managed for low-intensity wood and non-wood harvesting.

FSC's smallholder support has developed organically over time as adaptations of the large-scale FSC model; however, it's obvious that we've not wholly succeeded.

## Motions history 2005-2011

Beginning in 2005, the number of smallholder-related motions submitted at FSC general assemblies grew year on year, with seven smallholder-related motions passed from 2005-2011. The motions had little interconnection – introducing new concepts like the modular approach (2005.54), or requesting new services (2008.27, 2011.28, and 2011.44) – and so were, ultimately, delivered in a disconnected way.

It became clear that a fundamental and coordinated change to the system overall was required, and not just a new policy or tool.

## FSC General Assembly 2014

A total of five smallholder-related motions were passed in 2014, relating to non-timber forest products (2014.58); Intact Forest Landscapes (2014.65); Indigenous Peoples (2014.83); and development of a smallholder market strategy (2014.88).

However, it was motion 2014.11 that called for a “detailed and comprehensive review of the FSC certification system to adapt to small forests throughout the world”. The motion was passed by a convincing majority of the membership. This motion has acted as an overarching framework for all other smallholder-related motions, and has evolved into the New Approaches Initiative to Smallholder Certification (New Approaches).

## Alignment in FSC

After the general assembly in 2014, the design of New Approaches evolved alongside that of the FSC Global Strategic Plan 2015-2020. The initiative fits well with Strategy 1 (Strengthen the FSC framework and governance), and Strategy 2 (Increase the market value of FSC), and aligns most directly with Strategy 3 – Transform the way we work.

This direct alignment with the overall strategies, goals, and objectives of the global organization has led to the cohesive and coordinated initiative requested in motion 2014.11. The team working directly on the initiative has grown from three people to nine people since 2014. Team members are representative of regions around the world, and the varied skill sets across the organization.

In parallel to the design of New Approaches, the Permanent Indigenous Peoples Committee (PIPC) requested that motion 2014.83 be removed as a component of the initiative, and that the needs and challenges faced specifically by Indigenous Peoples be addressed exclusively in an alternative project. This work is ongoing.

## New Approaches phase one: Mobilize and Launch

New Approaches aims to develop a modern, dynamic, participatory, and rights-based approach to smallholder certification within the FSC system. The initiative will enable smallholders to design a certification system that works for them, in their context, while at the same time maintaining a balance with the credibility of FSC certification.

New Approaches is being rolled out in phases. Motion 2014.11 called for a high degree of engagement and participation of stakeholders, and the first phase, Mobilize and Launch (July 2016 – March 2017), has involved over 100 smallholders across the globe.

What has been clear in the Mobilize and Launch phase is that not everyone agrees on the definition of smallholders, and that there will be no single solution that can address all of their needs. Instead, we will look to the flexibility already built into the FSC system to find solutions to smallholder challenges, and develop the skills of our representatives on the ground to work with smallholders based on their specific needs.

The second phase, Develop and Test, began in April 2017 and will continue until December 2018, and phase three, Scale Up, will run throughout 2019 and 2020.

## FSC General Assembly 2017

There are currently (10 July 2017) nine submitted motions related to smallholders and local communities for the 8th FSC General Assembly in Vancouver in October 2017. Many of the needs expressed in these motions are being addressed through the New Approaches initiative, and the team welcomes any new ideas brought by our members through the general assembly process.

New Approaches is a highly coordinated effort within the FSC system that will continue to draw resources and expertise from all areas of the organization to meet the multiple, differing, and sometimes overlapping, needs of smallholders. It is only by working together that we can achieve our joint goal of taking care of our forests for future generations.

To read more articles go to [ga2017.fsc.org/](http://ga2017.fsc.org/)



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# The family needs to grow!

**Ida Rehnström**  
FSC Denmark

On Monday morning the Permanent Indigenous Peoples Committee (PIPC) kicked off three days of side meetings with a very important topic: The role and future of Indigenous Peoples in FSC.

Bradley Young, who represents National Aboriginal Forestry Association, in Canada/ North America in the Permanent Indigenous Peoples Committee (PIPC), opened the session welcoming everyone in one of the many native languages of the region. He reminded attendees that we are meeting on the shared indigenous territory of the Coastal Salish Nations and encouraged everyone to speak from the heart.

In the room were representatives from all chambers within FSC including representatives from various Indigenous Peoples from all over the globe.

## A Fourth Indigenous Chamber?

One of Monday's hot topics was the future for Indigenous Peoples within FSC and how to ensure that their voices are heard and that the system has positive impacts for them. Drawing from his experiences of having a fourth chamber for Indigenous Peoples in Canada, Bradley Young voiced support for the idea of a fixed fourth chamber for Indigenous peoples within FSC International. At the moment FSC is organized around a three chamber system with just two national exceptions, one being Canada.

Motion 3, which has been submitted for consideration at the members' assembly, puts forward the idea of a four chamber system. Adam Mwarabu (Maasai), presented his support for this proposed change within FSC, saying: "We are a family and families have children" adding "like families we need to grow."

A comment from the audience highlighted potential confusing regarding the structure of a fourth chamber, as people who are forest-living but not necessarily defined as Indigenous must be taken into account. Bradley Young acknowledged that these questions would need to be clarified and that the question points to how complex this issue is.

## New Indigenous Secretariat Coming Up!

Anders Blom (Sápmi) put forward the concrete plans for the Indigenous Peoples Secretariat that is being build right



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now. The goal is to strengthen PIPC within FSC and to have a solid structure for guiding the FSC Board of Directors (BoD) on topics related to Indigenous Peoples. The Secretariat will be based in Panama and will have its own board. The Secretariat will be financed partly by FSC and partly through fundraising.

Hans Djurberg from the International FSC BoD stressed the fact that the new Secretariat "is a way to enhance the role of PIPC within FSC and to strengthen and support the Board with valuable advice."

FSC's Director General, Kim Carstensen took to the stage to express his wishes for and support of the Indigenous Secretariat: "A good and robust PIPC takes dedicated money and resources. At the beginning the structure will not be fully Indigenous as I will be part of the Board and we want to be part of the process."

The Secretariat should be up and running from the beginning of next year.

## Did you know?

Indigenous Peoples make up 5% of the world's population. Many of these Indigenous Peoples live and work in forests or the surrounding land.

## About PIPC

To ensure fair and equal representation of Indigenous Peoples within FSC, the establishment of the Permanent Indigenous Peoples Committee (PIPC) was agreed to during the 2011 FSC General Assembly. Part of the Committee's work is also to engage Indigenous Peoples around issues of forest management and FSC certification.



# Can CBs Deliver independent audits? Yes, but let's talk about it

**Tammy Coe**  
Rainforest Alliance

Monday morning's spirited discussion on Motion 61, whether certification bodies can deliver independent audits, brought many important points to the surface. As a certification body, the Rainforest Alliance stands by the perspective that certification bodies can operate independently. The current checks and balances within the FSC system go a long way towards ensuring this independence. The rule to rotate auditors reduces risk of what one panelist termed "unconscious focus," and the use of staff and independent, contracted auditors keeps the mix diverse. And careful monitoring of staff goals ensures that quality is the most important metric, rather than client retention.

Additionally, the generalization that certification bodies compete mostly on price, resulting in a race to the bottom, simplifies a company's decision-making process. As one certificate holder from Europe pointed out, FSC is very often a value-add choice, and the quality of an audit is more important than the price tag of the service. Our twenty-five years of experience as a certification body corroborates this statement: we have seen that competition based on quality is absolutely possible.

One member's point that long-standing business relationships between certificate holders and certification bodies can in fact lead to a more effective audit experience for the company is a good one. When auditors are familiar with a certificate holder's structure and processes, the audit can proceed in a more efficient manner. Removing a certificate holder's choice in certification bodies is contrary to the spirit of a voluntary system. If we move to a model where an external body matches the CB to the client, this could negatively impact smaller CBs that require predictable business. Smaller certification bodies will not thrive in an environment where they cannot compete against larger CBs that are better positioned to deal with that level of uncertainty.

But there is certainly value in exploring the extent of the issue and potential solutions, and the Rainforest Alliance agrees that an evaluation of the current model could lead to benefits for all parties. Through an open stakeholder process, we may determine a different approach. For example,



a policy-level change could achieve the desired effect of increased independence without such a dramatic alteration of the current FSC system. Setting guidelines for level of effort (i.e., auditor days) on an audit could be one such policy change. Standardizing report templates from which ASI could collect data and then spot larger trends could also be a move towards ensuring transparency.

The perceived conflict of interest between certification bodies and clients is not only an FSC challenge. Therefore, we suggest engaging ISEAL, who could ensure the perspective of other certification schemes be brought into consideration; identify a solution that might already exist; or could be extended to these other schemes.

A detailed evaluation of the problem suggested by Motion 61 would need to include all stakeholder groups, and take into account potentially unintended consequences, such as the viability of smaller CBs that we mentioned above.

In its current state, the Rainforest Alliance cannot support Motion 61 due its prescriptive phrasing. However, we agree that an exploration of the idea behind Motion 61 could be valuable—that is, let us continue the constructive discussions to explore the extent of conflict of interest within the current CB model. With modification, this motion has potential to make the FSC system stronger.



# "The Race to the Bottom?": How can we ensure quality, impartial auditing?

An op-ed piece by Nepcon

*"The structure of third-party audit markets **may** create a conflict of interest for auditors between providing credible reports and maintaining business with their clients, corrupting information provision and undermining regulatory goals."*

[Duflo et al. 2012]

Monday morning's session *Can CBs deliver independent audits?* raised important issues and described risks associated with FSC auditing; for example, increased price competition leading to undesirable outcomes such as less evaluation effort, softened non-conformity outcomes, and incentives to maintain audit relationships. Is this a real or a perceived problem? In either case, what can we do collectively to ensure that we continue to work on systems to help deliver the highest quality audits and the benefits that flow from them?

Several solutions were proposed and discussed, many related to reconfiguration of the FSC auditing system to create competition based on quality, not price. One mechanism described as a means to improve outcomes was the 'decoupling' of the potential Certificate Holder (CH) from the Conformance Assessment Body (CAB) – although an alternative opinion of this proposal is that decoupling could concentrate risk from many points (with relatively small individual impacts) to one or a very few with potentially 'terminal' consequences. Another potentially valuable change would be to spread the costs of certification throughout the supply chain so that the expense is not borne only by the Forest Management Unit.

The point emerged that while the transition from strangers, to co-operators, to collusive partners, to corrupt partners is possible, it's not common. CABs can and do provide impartial decisions. The FSC system is often described as a three-legged stool, with Standard Owner, the Accreditation Body, and the CABs working in a linked manner that ensures the maintenance of a credible and trustworthy system of standard-setting, conformity assessment, and third-party auditing.

The concept of a 'fourth party audit' was raised by one contributor: the observation being that consultant auditors



were less susceptible – compared to staff auditors – to persuasion or coercion. It was also proposed that mandatory CAB rotation could be a valuable addition to the FSC system. In 2016 the EU started implementing this important step in their public entity financial audit requirements; with many benefits to be had from requiring that neither a CAB nor an individual auditor stays engaged with a CH past a clearly defined 'sell-by' date.

The formal portion of the session finished with a description of Ontario's Independent Forest Audit Process and Protocol – from which, it was suggested, useful elements could be borrowed.

Studies including those by Duflo *et al.* (2012) and Short *et al.* (2015) provide guidance in the context of this important issue. The latter describes the following outcome:

"We find that auditors' decisions are shaped by factors such as ongoing client relationships, professional experience, gender, and gender diversity."

Specifically, audits identified fewer non-conformities when conducted by audit teams that:

- include individual auditors who have audited that supplier before
- have less auditing experience and training, and fewer auditing skills
- consist only of male auditors.

It remains to be seen why this happens; we can all benefit, however, from working with new opportunities and thinking about how we can continue the efforts that brought us this far – to deliver high quality audits that continue to add credibility to FSC.

## FOREST FACT

Forests in which local communities and Indigenous people have legal or official rights sequester 37.7 billion tons of carbon. That's 29 times the annual CO<sub>2</sub> emissions of all the passenger vehicles on the planet.

To read more articles go to [ga2017.fsc.org/](http://ga2017.fsc.org/)



# ASI tells their invisible story: We are more than travelling assessors

**Morten Brodde**  
FSC Denmark

Opening the first round of side events on Monday morning at FSC's General Assembly, Accreditation Services International (ASI) gave an insight into the work they do besides auditing certification bodies.

"More simply, accreditation is the answer to the questions: Who audits the auditors? Or who certifies the certifiers?" This is what ASI does in the words of Michael E. Conroy. ASI is FSC's accreditation body responsible for checking certification bodies' compliance with FSC's rules and procedures.

Most people may think of ASI as an organization with assessors auditing certification bodies and travelling around the world. At today's ASI session a team of ASI employees gave the attendees insights into the invisible part of their work that people maybe don't know.

Guntars Lagūns, ASI Managing Director, started the session stating that "good intentions of responsible forest management are not enough, but need to be put into practice and be credible through consistency, transparency and innovation."

ASI Program Manager Matthias Wilnhammer went on to explain how these good intentions are put into practice when it comes to consistency: "We want to let each CAB (also known as CBs or certification bodies) know how well they perform in comparison to other CABs. This is important to help them improve. And it is also important for us to tell FSC how well the overall system functions and if there is need for improvement."

For this purpose ASI has developed a CAB performance system to evaluate each certification body's internal management system based on four key elements: Internal audits, impartiality, organizational structure and dispute management. Based on data received each CAB is rated as a good certification body (above standard conformance), a conforming certification body or a certification body below conformance having some major or minor non-conformities in relation to the key elements.

Angeline Robertson, ASI Dispute Coordinator, then explained the role of ASI's system for handling incidents, which is used to improve the FSC system and create positive impacts. "Every day we encounter valuable information from CABs, from FSC as scheme owners, from the national offices, through media reports and from certificate holders. They are all important reporters of incidents." The information ASI gets from various sources is collected and analyzed in order to find out where the risk of incidents is highest and to detect trends and problems that ASI and FSC need to address. This can for example lead to suspension of certificate holders and other responses.

The last speaker from ASI, Sönke Fischer, ASI Strategy Director, presented ASI's initiative to enhance transparency for stakeholders in an innovative way. This is done through an online reporting platform that aims at creating consistent reporting, reducing data entry and giving better access to data. The data can show challenges with both conformance and impact.

At the end of the ASI session ASI board member and individual FSC member Michael Conroy commented on motion 59 that proposes that FSC allows competition between independent third-party accreditation bodies in order to improve the accreditation system.

The rationale behind the proposal according to the motion description is, among others, that CABs should not be restricted to ASI but have more choices and that the current setup with one accreditation body is a risk to FSC. Michael Conroy expressed that it would be a mistake to open up accreditation to a variety of other accreditation bodies: "Not only will we lose global consistency, we will also create an incentive for CABs to turn to the accreditation body that is easiest, least demanding or least expensive." According to Michael Conroy it will also make it "almost impossible to maintain the global evaluation of CAB performance."



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