



Opening remarks from the Forest Conference  
Roberto Waack, Chairman FSC Board of Directors  
Cape Town, South Africa  
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Dear friends,

Thank you for the presence and especially for the commitment with FSC.

I would like to start saying that I am here representing the Board, trying to summarize a bit of what this group of passionate people, elected by you, are thinking and trying to accomplish. I must say that this task is like trying to bottle water from the sea. It loses all its complexity and beauty...but let's see if I manage to, at least, use a reasonable bottle.

This is an incredible occasion! We are celebrating a 5<sup>th</sup> GA, almost 15 years of existence despite of all difficulties and complexity. A successful organization, crossing 100 million ha mark. Close to 1 thousand certificates of forest management and more than 10 thousand of CoC around the world. The challenge and the pain of the growth!!! Let's face it together, keeping the commitment with high and continuously raising standards, but also assuring stability and credibility.

As you know, we have a Global Strategy being implemented. We agreed that we need to...

- Provide leadership in responsible forest management;
- Ensure equitable access to the benefits of FSC;
- Secure the integrity, credibility and transparency;
- Create more business value than products from non-certified forests;
- Strengthen our global network to deliver these goals.

Many of the strategic areas relate to things we were not able to accomplish. Among other things, we were not being able to establish a solid presence in Africa. We are still struggling to be more effective in the development of FSC for small forest holders and communities; we are still dealing on how to tackle the plantation discussion. Recognizing our failures is the beginning of the way to fixing the situations that are not properly addressed. I have no doubt to say that the most important element to address the failures is through the membership participation. Pressuring, screaming, beating over Board's and FSC staff heads.



In the middle of the tomatoes we are getting on our heads, we are trying to build a road in the space of a new revolution that is happening in the forestry arena.

There is a massive change in the forest debate:

- Bali, carbon...permanence, leakage, adaptation, finance, sovereignty, distribution of wealth, ownership...
- Food safety and land use, land rights...land use rights...
- Bioenergy, charcoal, cellulosic ethanol...
- Forest/country sovereignty...
- New financial schemes, the growth of the TIMOs (timber investment funds...to forest investment funds...), the SRIs (social responsible investment funds)... are we able to understand, communicate, access and talk to these people? What they know about us? Huge opportunities to shape the future of the forest business...
- Environmental services, water, biodiversity, rain cycle...far beyond carbon...
- Satellite monitoring, electronic/digital tree / timber tagging and traceability...new standards...
- The growing complexity of the supply chain transactions...forest owners getting closer and closer to Wal Mart...
- The trip from legal to moral liability, reputational risks, greenwash...

We need to face that and count with the network to find the best solutions. The GA is maybe the best occasion to get guidance from the membership on how to prioritize and deal with those new challenges!

Among things that we need to face... as FSC grows, we need to better understand our role and especially the value we add to costumers', acknowledging that many customers are not and will not be members. By the way, do we know who are FSC`s customers?

Among many areas, we are dedicating these days to discuss the governance of FSC... the governance review.... We were able to confirm during this long and complex process the importance of 3 chambers and the multi-stakeholder approach. We could deeply discuss and access the importance of the National Initiatives and its role in the governance of the FSC



system. We could expose more the FSC governance system to the external world. And we could conclude that FSC definitely remains the leading organization on multi-stakeholder governance. And as we continue to lead we continue to deal with things that are not yet completely addressed and tested by other organizations. As a reference for the world, you can imagine the importance of the decisions that will be taken in this GA!

The financial situation: FSC is not a rich organization. FSC presently does not have the resources to implement all of our dreams at once. But FSC has a solid financial background, implementing recently new financial platform with Global Development Company and other actions. We at the Board have no doubt that we will succeed, expecting to double our incomes already in the next year with a very important conquest: self sufficiency. FSC is increasingly less dependent of external funds, establishing through Accreditation Systems and Global Development Company financial schemes that are the dream of the donors: economic sustainability. Yes, we still depend of donors but the trend is clearly toward more and more self sufficiency. We will close 2008 with 60% of our income coming from internal sources.

Talking about donors, I take this opportunity to thank FSC Global Fund for the support provided over the years. Now that FSC is getting closer and closer to the self sufficiency, The Global Fund has completed his work and will wind down it's operations.

As you know, FSC went through an important transition, having now a new executive leadership, Andre de Freitas. I must thank the FSC team for the commitment and comprehension of the difficulties that all transitions bring. The success of the GA is a small sign on how professional, determined and dedicated are this small group of 20 plus team. And I need also to recognize the work and commitment of Heiko Liedeker that remained on the driver seat of FSC AC for more then 6 years, leading FSC to become a solid organization!

Finally, we have the opportunity to use the global financial crises to learn about different models of economic development. Forests are a concrete and very valuable asset for the humanity. The yearly economic forest losses are bigger than the whole financial crisis, as is being published and accepted in different forums. The last one I attend was in the World Bank and was a speech given by the CEO of the Deutsch Bank. Forests are the best and cheapest option to deal with climate change However this debate must include a fair distribution of the wealth created...again...FSC...social, environmental, economic. As I mentioned before, new horizons are opening in the forest debate and FSC continues to be the best toll available to lead forest sustainability! Be proud! Get involved. Believe and support. Fight for ideas and be open to accept different visions. We have a long way to go...

I hope I was able to give you some colors of the more strategic approach that the Board is determined to surf. We have an increasingly stronger organization with specialized and professional executives. We have an attentive and participative network of members,



stakeholders and constituencies. We have an important group of NGOs watching what we are doing, ready to give open and hard feedback if necessary. We have an increasingly number of forest operations, an increasing volume of certified timber and non timber products. We have a sharply growing number of CoC in the market and more and more consumers asking for our logo (despite of the almost ridiculous financial resource we manage...if compared to the big NGOs, for example). We have more and more governments and supra-governmental organizations hearing what we are saying. And most recently, we have the financial world using FSC certification as a tool in decisions related to loans and investments. Our responsibility is sky rocking!!!

Thank for the presence, active participation and support. As you will see, we tried to organize the GA on a different way, including a set of strategic discussions about forests led by key leaders in the field, many of them from outside FSC. As some of you will notice, the number of observers is increasing, representing signs that FSC is an intriguing model that attracts forest and non forest individuals and organizations.

I hope you have a pleasant and fruitful General Assembly!!!

Roberto S. Waack

Chairman FSC Board of Directors