



FSC® General Assembly

Newsletter of the Forest Stewardship Council



1 July 2011 Issue 6

Twenty seven motions passed at successful GA

Closing speeches by Director General Andre de Freitas and Chairman of the FSC Board of Directors Chris van der Goot marked the end of the 6th FSC General Assembly on 1 July 2011. 38 motions were voted on Thursday and Friday of which 27 passed and 11 failed. The liveliness of discussions that preceded voting demonstrated once again the enthusiasm and commitment of all FSC members.

A major highlight on Friday was that Motion 51 on "Strengthening the Controlled Wood System" passed unanimously. Incorporating three motions, Motion 51 was amended prior to voting after several days of negotiations between the three Chambers. "The purpose of the Motion ultimately boiled down to assuring that CW is in fact controlled" said Robert J. Hrubes, the proposer of the Motion. Further highlights included the positive vote of Statutory Motion 1.1 on recognizing the importance of social issues and the role of ecosystem services in FSC, and of Motion 19 which asks FSC to establish a permanent Indigenous Peoples' committee to strengthen their involvement in FSC.

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Overview of motions voted on 1 July

Motion 1.1	Recognition of social issues and the role of ecosystem services	Passed
Motion 1.2	Improve the chamber balance and continuity in the FSC Board of Directors	Failed
Motion 04	Motion to improve transparency and reliability of the General Assemblies outcomes	Passed
Motion 05	Representativeness of Board Members	Failed
Motion 08	FSC Global Network Financing	Passed
Motion 11	Embedding Climate Change into FSC Core Business	Failed
Motion 14	Creation of FSC urban forestry standards	Failed
Motion 18	FSC Certification of Plantations	Passed
Motion 19	Establishment of a Permanent Indigenous Peoples' Committee to Strengthen Indigenous Peoples' Involvement in FSC	Passed
Motion 20	Landscape Level Impacts of Big Operations	Passed
Motion 21	Operationalizing recommendations of the Plantations Policy Working Group	Passed
Motion 23	Derogation procedures and national initiatives	Passed
Motion 26	Inquiry into impact of special standards applied to certification of any category of land (government, tribal, private, state, or other) on affected rural communities	Failed
Motion 28	Incentives for obtaining and maintaining certification for communities and SLIMF forest operations	Passed
Motion 29	Motion to include a new eligibility criterion for Small and Low Intensity Managed Forests (SLIMF) in FSC-POL-20-100	Passed
Motion 30	Motion to promote transparency	Failed
Motion 33	Motion for the development of competencies within the FSC structure	Failed
Motion 40	Recognizing Salvaged Urban Wood as Reclaimed	Failed
Motion 43	Policy to avoid misleading claims for FSC Mix products	Passed
Motion 46	Clarify intent of Credit System and revise as necessary	Passed
Motion 47	Monitoring the increasing of FSC material throughout the COC	Passed
Motion 51	Strengthening the Controlled Wood system	Passed
Motion 56	Improving the Economic Viability of FM Certificate Holders	Failed



Engaging small and large business partners

Interview with Marcelle Peuckert



Today we are interviewing Ms. Marcelle Peuckert, Director of the newly created Business Development Unit at the FSC International Centre.

What is the role of the new Business Development Unit?

The Business Development Unit is working towards facilitating the adoption and growth of the FSC system. It develops strategies with key clients and partners all along the supply chain to address the demand for FSC certified material, amongst others. The Unit provides services to certificate holders, such as key account management, trademark support, market intelligence and training.

What is driving the growing demand for FSC certified products?

The rapid growth in the Chain of Custody system is testament to the fact that the support for FSC is coming from all players in the supply chain. FSC is increasingly being seen as the solution and tool for responsible businesses to demonstrate their commitment to sourcing responsibly – this is driving the demand. Other stakeholders and parties contribute to promoting the demand for FSC certified products and materials through their direct engagement with businesses.

Please explain how FSC engages both small and large business partners.

FSC has a dedicated Key Account Management Program which underpins our engagement with large corporate partners. However, all business partners using and promoting FSC are important and we are developing tools such as the B2B Marketplace, amongst others, to promote global trade for smaller partners. Our dedicated Smallholder Support Program

is aimed specifically at working with small forest owners, communities and other groups to meet the demand for FSC certified products in the market place.

This will be accomplished strategically by targeting those producers who are most market ready and linking them with the tools, networks, and information they need to bring their product to market.

How does FSC ensure the correct use of its trademarks?

The FSC trademarks are a representation of the credibility of the FSC system. They are there to provide assurance to all users along the supply chain, that the product or raw material they have purchased has been responsibly sourced.

We are aware of the power of the trademark and therefore much of our work is concentrated on providing solutions to ensure the increased use of the FSC trademarks. Some of the initiatives and programs to ensure and promote the correct use of the trademarks are:

- Training for CBs
- Training for key clients via FSC International Center and Network Partners
- One-on-one consultations with key clients and other partners
- Trademark Service Provider Program - launched this year to register and promote the correct use of the promotional use of trademarks for non-certificate holders via approval by registered Network Partners.
- Follow up on reporting of misuse via our legal department and Network Partners

What would you like to see accomplished in the years to come?

I would like to see the uptake of FSC certification continue to grow throughout all levels of the supply chain, particularly with an uptake by small forest owners. I hope we can achieve significant successes in this area in the time to come.

It is important that the Business Development Unit together with all the other components of the FSC system is able to deliver relevant strategic and innovative tools, resources and solutions for all our Partners.

Interview with Ian Cheshire, Group Chief Executive of Kingfisher plc

What is the focus of your keynote presentation today?

The focus of my keynote presentation today is to really launch a call to action on behalf particularly of the world's governments to create a global round of annual forestry talks. Which is really saying that we are doing some great work, notably led by the FSC, but on the broad aspect of deforestation, which goes into so many areas, we need multiple answers. And the worry is that no single person has got the answer. And that a lot of people assume that everything is fine, that we've fixed this so-called problem. Actually the thinking - the theory - is great, but I'm not sure there's as much practical action. So the call to action today is to say let's turn the good work into reality on the ground

Can you say a little more about what "zero net deforestation means?"

Zero net deforestation means that we are looking to maintain the total hectareage that is covered by forests. We're not saying there should be absolutely zero deforestation at all because there has to be development and change, but the total area after reforestation will remain stable.

Why a new round of forestry talks when there are already other processes in place?

I think the thing that we see missing from the current round is essentially that there are various commitments, like REDD, or greenhouse carbon-based sorts of approaches, but there isn't a holistic approach that takes all the aspects of deforestation, including land use planning, and, for example, biodiversity. We feel that for the moment, everyone feels that there are pledges and there isn't a concrete set of mechanisms to actually translate those pledges into actions. The danger is that we have this gap between the talking and the doing.

Why are you, as the head of Kingfisher, making this call to action?

As the CEO of Kingfisher, which is a global retailer, we have a vested interest in this. 30% of our products include some form of timber, over 16000 products in our average store, and we have a long-term interest in having a sustainable supply chain. And we've been involved as a founding partner of the FSC since the early 90s. What we believe is that business has to play a role in this. It's not the only determinant, but we are absolutely engaged to create a more sustainable business model going forward and for business to be a force for good in this. And we think that we can call for action potentially in a way that politicians or NGOs might find a bit harder.



What do you hear from your customers about FSC? How does this tie into their interests and concerns?

What we find with our customers, and this is pretty well around the world - we're represented in eight countries around the world, is that everyone is increasingly interested in where their timber products come from. There is a lot of knowledge about FSC but possibly not 100%. And what we're trying to do is to make people aware as customers of the impact their responsible purchasing can have on creating a more sustainable supply chain. So for example, this summer in the UK we are launching "Forest Friendly," which is a way of educating people about the choices they make as consumers. And we're doing similar processes in France and increasingly in other countries.

Can you say a bit about the value FSC brings to Kingfisher?

The FSC brings enormous value to Kingfisher. It is the key certification body that we work with, but I think it's also much broader than that. And I think one of the great things about the General Assembly here is that you see the full panoply of the things that FSC is involved with. I think there is a slight danger on occasion that people in business see it as the tick on the label, as it were. Actually the breadth of activity that FSC brings is enormous and particularly important for us is the thought leadership to keep challenging us as a critical friend. Are we doing enough? Are we doing the right things? So to have a partner over such a long period, for us has been really critical.

What might the role of FSC be in the round of forestry talks?

The round of forestry talks that we're calling for today must clearly involve FSC as one of the key parties to that. Certainly in terms of expertise, there are very few other people who bring that depth of knowledge. I think what we're looking for in the talks is a balanced set of government, NGO, business and other groups to really solve what is a multi-dimensional issue. No one person has the answer for this, we need to actually to create a coalition of the willing to make some progress.

How does the diversity of voices around the FSC table help businesses?

One of the most striking things about the FSC is the diversity in a couple of different dimensions. There's a wide variety of approaches. You've got environmental, social and economic. You've also got country experience. And also great technical diversity. And I think a wonderful thing about that diversity means you tend to look at an issue, be it a risk or opportunity from a number of different angles and that diversity brings much richer insight than you would get if you simply had one person looking at it.

How will you measure the success of the call to action in 2020?

Well I think the call for zero net deforestation by 2020 is not something that any individual company or individual government is going to do, so I think the key success attribute for me would be whether we actually have really serious talks going on that are making tangible progress. Obviously the goal ought to be zero net deforestation by 2020. It's a fairly straightforward ambition. But for me, getting a process going, will be the really critical thing.



Musical instruments

With each indigenous group in Sabah producing their own set of musical instruments from locally available materials like bamboo, animal skins and wood, Sabah has a wide variety of ways of making music. They include a local form of bagpipes (sompoton), guitars (gambus) and harps (bungkau), some of which are now collectors' items. The sompoton is made of a double layer of eight bamboo pipes inserted into a gourd. Inside the gourd, seven of the pipes have small palm lamellae inserted into their sides, kept in place with beeswax, in order to make different sounds.



Basketwork and weaving

Basketry is one of the most widely practiced handicrafts in Sabah, with items made by nearly all ethnic groups. The styles and types of baskets vary according to their function and tradition. Pandan or screw-pine is widely cultivated, with fine short leaves; Mengkuang, also a type of screw-pine, has long broad leaves. Both are used for weaving hats, mats, handbags and baskets, which are often dyed bright colors using home-made dyes. (Source: A Hand Book of Sabah Handicraft, SAMA.)

Development of FSC certified building materials in northwestern USA

Interview with Chad Davies

And as a great example of how FSC certification helps wood-based businesses, we talk to Chad Davies, Director of the Forest Productions Program of Sustainable Northwest, who tells us how they and FSC have helped companies survive recent economic problems.

Sustainable Northwest is a not-for-profit NGO with programs on forest products, rangelands and policy, working in partnership with businesses and communities in the Pacific Northwest and interior West USA, and a Social Chamber member of the FSC. This intermediary organization facilitates market access and opportunities for small rural businesses that support ecologically-based forest management, particularly focused on adding value to underutilized trees and species. “We now have 29 members of our group chain of custody certificate spanning all parts of the wood products supply chain,” says Chad Davis. In order to ensure a consistent supply Chad tells us: “We work closely with Northwest Natural Resources Group and other forest consultants who concentrate on certification of forests, and we deal more with the manufacturing side. We all make it work by partnering.”

“The benefits are clear,” Chad says. “For small businesses it is the ability to access new and growing market opportunities, especially the emerging ‘green building’ market. The wood products industry is highly competitive here, and FSC allows small, family-owned businesses to ‘get in there’ and compete.” He notes too though that it fits with other consumer developments, “as it dovetails well with the local food movement, supporting local and regional producers and suppliers is a significant trend in other market sectors in the Pacific Northwest.”

There are now few problems with sawmills and processors further down the chain, but it hasn’t all been plain sailing. “Some of the particular standards within the CoC are an awkward fit for small custom-driven businesses, specifically with conversion factors. To grow the market presence of FSC even more we need to attract a larger supply base; to date most certified acres are small landowners (up to 50 hectares).” And here, Chad sees a need for change. “Some 60% of forest land in Oregon is owned and managed by the federal government, under the direction of the US Forest Service. One specific set of policies makes it difficult, almost impossible to certify this land base and that policy is not based on ecological drivers. This



is mainly a social equity issue since many forest-dependent communities are locked out of the FSC market since the vast majority of potential supply around their community is managed by the US Forest Service.”

But much growth has been demand led, especially in the construction industry where the LEED standard currently promotes FSC certified products. Chad tells us that “in this recent economic downturn, LEED building projects in the commercial sector were a major driver in providing market opportunities for wood products producers. Having the FSC label has kept some of the smaller businesses we work with in business during this slow economy.” As an organization, the benefits are equally clear, says Chad. “We work at the intersection of conservation and economic development, and FSC has given us an established tool. Employing the chain of custody can also help small business members in terms of building up their own capacity, especially bringing a finer level of detail to financial and inventory accounting.”

Chad is a strong supporter of the opportunity FSC presents. “The strong preference for FSC products in LEED puts us in a tremendous position for growth in the future, especially here in the Pacific Northwest where there is a high proportion of eco-conscious consumers.” But market development isn’t all that he appreciates about the FSC. “The way it works, within chambers and the body as a whole, I couldn’t imagine a more democratic structure. I’m excited to participate more actively as a Social Chamber member to underscore the importance of proper working conditions, wages and benefits, and equity of access that are equally as important to our organization.”



Developing the US market for FSC

In the last interview, we talk to Etienne McManus-White, the Chief Marketing Officer with FSC US. Having joined FSC US in March 2011, Etienne tells us about plans for reaching consumers in the US marketplace.

What drew you to FSC?

I wanted to work in an environment that matched my values and saw a chance to apply the marketing lessons I learned in the for-profit world to a non-profit brand. I was drawn to FSC's unique philosophy of governance: the three-chamber system and member-driven leadership. And the marketing challenge excited me. The logo is almost everywhere in the US yet awareness of FSC and purchase intent is low.

So the challenge is two fold: Take a brand that is 'everywhere' and make people care about the mission it conveys. Then drive consumers to express a preference for products with the FSC label. This is an epic challenge. I had the sustainability director from one large US retailer laugh at me when I told him about our goal of increasing consumer intent to purchase. This is the 'Holy Grail' of green marketing; how do you make consumers purchase based on their values?

What have you learned most recently?

Last week we started qualitative research (focus groups) in the US with consumers and have already gained valuable insights. Consumers are so happy to hear about an organization like ours. They ask for more exposure to the brand; "Why don't you advertise? Why isn't there a section of the store with all the FSC products? And why aren't companies telling us about FSC?" And they want to help us. Without

us asking, they start brainstorming things we should be doing with schools, on Earth Day, events with retailers, the list goes on.

The American consumer is aware they over-consume and that our planet is fragile. But they don't know how to change bad habits, they feel overwhelmed by the size of the problem and they don't have time to research every purchase. They welcome the idea that one mark can empower them to make a difference in a small way.

What are you working on at the moment that inspires you?

The focus groups are part of an inspiring project: developing our first consumer-facing communications. To succeed, we need to articulate clearly, quickly and in an engaging way who we are and why a consumer should care.

So we will synthesize our focus group insights into a few brand positioning ideas and test them in a national poll. Whichever idea shows the highest potential to increase purchase intent will be the one we use to guide our consumer communications.

We will be reaching out to our partners to share what we learn. We want to work with them so they can tell our story to their customers and members.

Can you summarize focus group findings so far?

We are already identifying appealing themes that I won't share with you yet, but there are two takeaways that I will:

- The American consumer wants to hear from FSC.
- And when they do, they will seek us out on products, feel better about the companies who partner with us and tell their friends.



Exploring Sabah

Markets, Arts and Crafts

Before you leave, make a little time to explore the wonderful world of Malaysian and Sabahan arts and crafts, and take a little bit of Sabah back home to your family and friends. We hope you find your way to at least one of these handicraft events, whether it's the formal craft promotion event, or the informality of a street market that you prefer. Enjoy!

Malaysia Craft Promotion, 25 June–4 July 2011

Timed perfectly for the end of the General Assembly, the Sixth Malaysia Craft Promotion is open from 9am to 10pm daily between 25 June and 4 July. Aiming to step up the marketing and promotion of Malaysian handicrafts domestically, this is the place to come for sales and exhibition of new products, new ethnic Sabahan batik designs, a batik fashion show, handicraft-making demonstrations, interactive craft tutorial sessions and a cultural show. Everything

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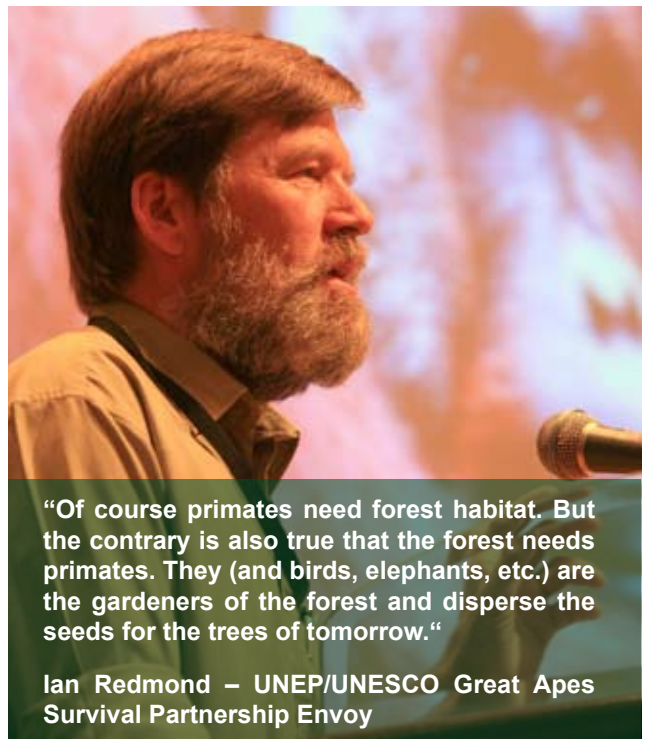
you need to know about Malaysian handicrafts at their best! The event is being held at the Lintasan Deasoka in Kota Kinabalu.

Kota Kinabalu Handicraft Market

Open from 7.30am to 7.30pm daily, the Kota Kinabalu Handicraft Market is the place to go for a wide range of local handicrafts. Treasures to take home include a myriad beaded bracelets, necklaces and keychains; brightly colored sarongs and jewelry, wooden carvings and rattan baskets. For those with more unusual tastes, here you can buy a Murut, a headhunter's blowpipe, or a wooden frog that 'sings' when you stroke its back with a wooden stick. But don't forget to bargain if you want a good deal! The Handicraft Market is located on Jalan Tun Fuad Stephens, along the same stretch as the Waterfront, in Kota Kinabalu, 5 to 10 minutes walk from the city center.

Gaya Street Market, Kota Kinabalu, Sunday

For those of you who are still in Kota Kinabalu on Sunday, the Gaya Street Market on a Sunday morning offers you everything you could wish to take home from Sabah – batik sarongs, arts and crafts, antiques and souvenirs – as well as all the fruit, cakes and other delicious foods you might want to consume while you're here. And even if you don't buy anything, Gaya Street market will give you a taste of local life, where a cross-section of the local population and their families all enjoy a Sunday outing. Located in the Kota Kinabalu central business district, the street market is open from 6.30am to 1pm on Sunday, during which time the length of Gaya Street is closed off to traffic to make space for the fair.



“Of course primates need forest habitat. But the contrary is also true that the forest needs primates. They (and birds, elephants, etc.) are the gardeners of the forest and disperse the seeds for the trees of tomorrow.”

Ian Redmond – UNEP/UNESCO Great Apes Survival Partnership Envoy