



News+Notes

An Information Service of the Forest Stewardship Council

IN THIS ISSUE

- 2 FSC in Figures
- 2 New FSC Members
- 2 Current FSC Public Consultations
- 5 FSC Renews Commitment to Leadership - New Global Strategy Launched
- 6 Update on Technical Phase of the FSC Plantations Review
- 7 FSC Launches Online Controlled Wood Resource Center

FSC MAKES MAJOR INVESTMENT IN FSC MARKETS

As the next step to strengthen its system, FSC has established a new business unit, 'FSC Global Development' in Bonn, Germany. The group will continue to develop and expand FSC markets whilst strengthening recognition and credibility of the FSC trademarks. Ms. Liza Murphy will be leading these global efforts as Managing Director of FSC Global Development.

Heiko Liedeker, Executive Director of FSC International states, "Establishing FSC Global Development is the next logical step for this continually evolving institution. With the help of our strong network, the activities from this new unit will strengthen FSC markets and play a vital role in securing the credibility of the FSC trademarks."

The new company will strengthen ties between FSC and certificate holders by establishing a direct relationship for trademark licensing, and will also deliver a greatly expanded set of market development services. FSC will work in conjunction with its strong system of National Initiatives, Certification Bodies and partner organizations who share FSC's goals.

The FSC brand recognizes responsible forest management in the market place. The impact of the brand has been growing globally with FSC labelled products available in the major markets of the world. Throughout Europe, North America, Brazil, Australia and Asia labeled products are being found in ever-increasing numbers. Procurement policies specifying FSC are becoming widespread and in some countries brand recognition soars to 70%.

Global Development will work to continue to streamline its trademark services to strengthen promotional and on-product labeling, whilst reinforcing continued compliance to FSC's standards. The program will further support certificate holders by offering additional tools to help them succeed at promoting their FSC products whilst protecting their investments. Protection of the FSC brand will be another important component of this program.

Licensing of the trademark, increased trademark registrations and active resolution of trademark violations are other areas that will receive intense focus of the new unit. As part of this effort there is a review of the current fee structure underway and it is anticipated that the current annual accreditation fees will be modified.



Ms. Liza Murphy, Managing Director of FSC Global Development

Look to receive additional updates on this important project throughout the first quarter of 2008.

FSC would like to welcome Ms. Murphy who has already started her work as Managing Director in late October 2007. Ms. Murphy was previously working as Senior Manager of Marketing and Business Development for Rainforest Alliance's Forestry Division.

Ms. Murphy states, "It is a great opportunity and honor to be participating in and effort to build on the successes that FSC has accumulated to date. I am looking forward

continued on page 5

FSC IN FIGURES

Information as of December 10th 2007

Total certified area: 93 million 861,350 hectares

Total Forest Management Certificates: 909
Total Chain of Custody Certificates: 7,688

Currently FSC has Forest Management and Chain of Custody certificates in **84** countries

For further information on FSC statistics, visit www.fsc.org/figures.

NEW FSC MEMBERS

**Total FSC Members as of December 10th 2007:
723**

| | | | |
|-----------------------|-----|-----------------------|-----|
| Economic - North | 158 | Economic - South | 128 |
| Environmental - North | 121 | Environmental - South | 183 |
| Social - North | 55 | Social - South | 78 |

| Name/Company/Org. | Representative | Country | Chamber | Subchamber |
|---|-----------------------------|------------------------------|---------------|------------|
| AMATA S/A | Mr. Roberto Waack | Brazil | ECONOMIC | SOUTH |
| Greenpeace China | Mr. Ma Lichao | People's Rep of China | ENVIRONMENTAL | SOUTH |
| Mr. Kapapa Dangale Onosamba | | Democratic Republic of Congo | ENVIRONMENTAL | SOUTH |
| Mr. Joseph Omatoko Mutangala | | Democratic Republic of Congo | ENVIRONMENTAL | SOUTH |
| Mr. Stephen Donkor | | Ghana | ENVIRONMENTAL | SOUTH |
| Mr. Kit Richards | | New Zealand | ECONOMIC | NORTH |
| Cooperativa de Profesionales R.L. MASANGNI R.L. | Sr. Freddy Ramírez Castillo | Nicaragua | ECONOMIC | SOUTH |
| Wild Chimpanzee Foundation - WCF | Dr. Ilka Herbinger | Switzerland/ Cote D' Ivoire | ENVIRONMENTAL | NORTH |
| Ms. Frida van der Veen | | The Netherlands | ECONOMIC | NORTH |

CURRENT FSC PUBLIC CONSULTATIONS

Approved Documents

FSC-STD-40-004 V2-0 FSC Standard for Chain of Custody Certification

The FSC policy framework for chain of custody (CoC) certification has made new grounds with the approval of a new version of 'FSC Standard for Chain of Custody Certification (FSC-STD-40-004 V2-0)'. The standard governs how companies in the FSC forest product supply chain can use certified and non-certified material for subsequent sales and promotion with FSC claims. By 2009, the standard will be mandatory for all FSC CoC certified companies.

The FSC Board of Directors approved the standard at their last meeting in November 2007. Following a comprehensive revision of the FSC-STD-40-004 standard and associated documents, a new structure evolved accompanied with some new terminology to simplify its implementation on the ground. The new standard supersedes a number of CoC policies, standards and advice notes.

Under the new standard, CoC certified operations now have three options:

continued on page 3

FSC-STD-40-004 V2-0 cont...

With the new '**transfer system**', companies identify the minimum claim from the input materials and use this for the product claim. This system is applicable for products made with only a single material (e.g. 'FSC Pure' product groups). It can also be applied for products made with several materials without needing to calculate the exact percentage or volume of certified material. For example, a printer using 'FSC Mixed 70%' paper for the inner pages of a book and an 'FSC Mixed 80%' cardboard for the cover could simply claim 'FSC Mixed 70%' for the total product. The transfer system created, complements the two existing systems for making FSC claims: the percentage system and the credit system.

Under the '**percentage system**' (formerly the 'threshold system') all product within a product group can be sold with a percentage claim. The percentage indicates the proportion of FSC certified material used over the production period. For example, a paper manufacturer using equal amounts of 'FSC Mixed 70%' and 'FSC Mixed 80%' pulp would use an 'FSC Mixed 75%' claim for the final paper.

With the '**credit system**' a proportion of products within a product group can be sold with a credit claim. The proportion corresponds to the quantity of FSC certified material used over the production period. For example, a paper manufacturer using 100 tons of 'FSC Mixed 30%' pulp could make the claim 'FSC Mixed Credit' for 30% of the final paper. Other than a percentage claim, a credit claim allows subsequent manufacturers to use the full quantity as FSC input for their own purposes.

Some of the main innovations offered by the new standard are:

Wider range of processes and products: The new version is no longer restricted to manufacturers. All types of CoC operations from the forest to the final point of sale, including printers and traders, are able to use a single set of requirements. The three systems for making FSC claims outlined above can now be applied to both 'FSC Mixed' and 'FSC Recycled' product groups.

Revised labeling thresholds: 'FSC Mixed' product groups no longer require a minimum of 10% of FSC certified materials. Claims can now be based on any combination of FSC certified and post-consumer reclaimed material used in the production. For chip and fiber products under a percentage system, companies can continue to apply the current reduced labeling threshold of 50%, as specified by the 'FSC Policy on Percentage Based Claims', until the end of 2009 when it will be raised to the general 70% threshold. Producers of 'FSC Recycled' products may now include up to 15% pre-consumer reclaimed material under a percentage system.

Controlling co-products: Co-products - a secondary material produced during the process of primary manufacturing - will have to be classified depending on the material from which they are co-produced. This is a change from the previous version of the standard which specified their exemption from FSC Controlled Wood requirements. Uncontrolled co-products can still be used in 'FSC Mixed' product groups until end of 2009.

Verification of reclaimed material: A revision of the requirements for using reclaimed material are and included in a new standard 'FSC-STD-40-007 V1-0: FSC Standard for Sourcing Reclaimed Material for Use in FSC Product Groups or FSC-certified Projects'. This standard stipulates good practices for specifying, purchasing and verifying reclaimed materials. An organization must specify and implement a supplier audit program aimed at ensuring the authenticity of supplied reclaimed materials regarding their material quantity, quality and compliance with FSC definitions and examples.

Exceptions for minor components: Some companies are unable to source FSC certified or controlled material for minor components of a product. In these instances, they can apply for an exemption from chain of custody requirements. A company must demonstrate the planned and existing activities that will lead to controlled sources.

All CoC certified companies will have to classify their FSC products according to a new **product classification system**. This should help buyers source products more easily and is aimed to support market research and development. The classification system is based on the United Nations Statistics Division "Central Product Classification" as well as on the related Standard International Trade Classification.

The new standard will be mandatory for all organizations applying for FSC Chain of Custody certification from 2008 onwards. Existing FSC Chain of Custody certificate holders will be assessed against the new standard at the time of their 2009 audit.

The new standard is available to download from the FSC Document Center at:
www.fsc.org/en/about/documents/Docs_cent/2,37

For further information on how to become FSC CoC certified visit:
www.fsc.org/en/getting_involved/become_certified/get_chain_of_custody

FSC-STD-20-007 V2-2 Draft 1-0 Forest Management Evaluation with requirements for the FSC MAP

The FSC Principles and Criteria are globally recognized as the highest social and environmental standards in forestry. It can take a committed forest manager several dedicated years to comply with these demanding requirements.

In countries rife with illegal logging and corruption, investing in long-term management plans are often perceived as high risk capital investments. This is particularly true for the global South where current management practices and governance may be weak.

Credible modular approaches can facilitate forest certification in these very situations. This has the potential make a major contribution to the promotion of responsible forest management.

To support the implementation of its 'Modular Approaches to Forest Certification Policy (FSC-POL-10-003)', FSC is developing a Modular Approach Program (MAP). In order to provide a consistent accreditation framework to existing modular schemes, FSC is proposing the inclusion of specific requirements on the topic within its standard 'Forest Management Evaluation with requirements for the FSC MAP (FSC-STD-20-007)'. FSC-STD-20-007, Version 2-2, Draft 1-0 is under consultation and FSC encourages interested stakeholders to submit their comments.

Essentially, the idea is that 'full' certification to the FSC Principles and Criteria can be broken down into a number of steps. Forest managers would aim to achieve these steps in a sequence over an agreed time frame and would receive some credit for achieving earlier steps. Companies could only take full credit when complying with the complete set of FSC Principles and Criteria.

The concept of modular verification, or stepwise certification, has been widely discussed for many years. In June 2005, FSC launched its policy on modular approaches to forest certification (FSC-POL-10-003 Modular Approaches to Forest Certification). Modular schemes must comply with a set of requirements specified in this policy in order to be recognized by FSC as credible.

In addition to the accreditation framework laid out in FSC-STD-20-007, FSC expects to develop agreements with different stepwise schemes in operation, business-to-business communications requirements and a central point of information on the topic. The complete framework is expected to be finalized by mid 2008.

For further information visit:
www.fsc.org/en/work_in_progress/other_docs.

Documents Under Public Consultation**FSC-DIS-01-017 V1-0 Draft 1-0 Beyond legality - Exploring synergies between FSC and FLEGT**

What synergies exist between FSC and the EU FLEGT Action Plan and how can they be further developed? Governments and the private sector have joined together and developed a number of initiatives to address the problem of illegal logging. FSC presents a discussion paper that explores these very issues and requests your feedback by January 22nd, 2008.

'Beyond legality – Exploring synergies between FSC and FLEGT (FSC-DIS-01-017)' recognises that there are differences between the FSC and FLEGT approaches on the broader conceptual scale. However, at the implementation level many similarities and thus real opportunities exist for synergies, a sharing of experiences and tools.

The Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan is the most advanced government initiative for combating illegal logging. FSC is the most advanced and respected market-led initiative demonstrating socially and environmentally responsible forest management. While FSC certification is a proof of legality, it goes well beyond legality.

The paper also presents other legality verification schemes that have recently emerged. It explores their potential to undermine the market for certified products and create disincentives for forest managers to move beyond legality towards full social and environmentally responsible forest management.

The discussion paper is available at: www.fsc.org/en/work_in_progress/other_docs. Please submit your comments to Pina Gervassi: p.gervassi@fsc.org.

FSC RENEWS COMMITMENT TO LEADERSHIP NEW GLOBAL STRATEGY LAUNCHED

The Forest Stewardship Council (FSC) launched its Global Strategy today. Entitled 'Strengthening Forest Conservation, Communities and Markets, the strategy will guide FSC through its second decade. FSC is the only internationally recognized standard setting, certification and labeling organization for responsible forest management. The mission of the FSC is to promote responsible forest management.



Strengthening Forest Conservation,
Communities and Markets

The Global Strategy of The Forest Stewardship Council



The Strategy commits FSC to continued leadership in advancing globally responsible forest management. It stresses the importance of making progress with forest certification in tropical forests and small producers and about growing the market share for FSC certified products and other forest services, such as carbon sequestration.

'After pioneering forest certification and almost unexpected success and fast growth, the question is no longer: will it work, but how can we make it work better. The Strategy defines ways for FSC to deliver more benefits to forest people and businesses at the same time and to maintain the local forest ecosystem', commented Mr. Roberto Waack, Chairman of the FSC Board of Directors.

FSC is reviewing its governance structure to strengthen its network and ensure effective delivery of the goals set out in the Strategy. The FSC membership will decide on a proposal for a new governance structure in November 2008, when it meets for its 5th General Assembly in Cape Town, South Africa.

'Credibility, measurable performance and service delivery are key to FSC's continued success. This strategy paired with a thorough review of its governance structure will keep FSC fit for the future,' said Mr. Eric Palola, Vice-Chairman of the FSC Board of Directors.

The FSC Board of Director adopted the FSC strategy after an extensive consultation of FSC members. FSC governance gives social, environmental and economic interests an equal voice and prevents any one interest from dominating.

The FSC Global Strategy is available in English and Spanish language on the FSC web site at: www.fsc.org/globalstrategy.

For further information, visit www.fsc.org or contact: Katerina Germanis, Communications, FSC International: Tel. +49 228 367 6643; k.germanis@fsc.org.

FSC MAKES MAJOR INVESTMENT ...

to helping the system grow and support development of even higher levels of support and recognition of FSC as the global leader for forest certification. I hope that our work will result in even more opportunities for certificate holders to recognize value and success in the marketplace with their FSC offerings. We hope to also assist all certificate holders fully understand what significant impacts they are making on the ground by choosing responsibly, so they can confidently and effectively communicate what FSC means to their clients. "

During three years at one of FSC's key partner organizations, Ms. Murphy successfully pushed strong market demand for FSC certified forest products around the world. One such example are her leading efforts to ensure strong recognition of FSC in green building systems such as LEED in the United States and work with the paper markets in North America. Prior to joining Rainforest Alliance she worked in the financial services industry for many years.

UPDATE ON TECHNICAL PHASE OF THE FSC PLANTATIONS REVIEW

The FSC Plantations Review is a two-phased process. In March 2007, the completed Policy Review phase identified underlying policy issues to be improved and provided recommendations.

During the second phase - the Technical Review - Expert Teams will develop these policy recommendations into tools and practical guidelines, in addition to supporting the review of the FSC Principles and Criteria. These will assist forest and plantation managers to bring greater benefits through improved social and environmental practices.

The technical phase of the Plantations Review proceeds with two kick-off meetings on 'Raising the bar on Social Responsibility' and 'Continuous Improvement Approach to Chemicals' in November 2007. Expert Teams for 'Maintaining Ecosystem Integrity' and 'Investigating the impacts of FSC Criterion 10.9' are due to meet at the beginning of 2008.

Strengthening Social Issues

A team of four experts focussed on 'Raising the bar on Social Responsibility' convened for their first meeting on November 13th and 14th, 2007. At the meeting in Bonn, Germany, the team completed recommendations they will present to the working group of the Principles and Criteria Review, based on the outcomes of the Policy Phase of the Plantations Review.

A key component of these recommendations is on the requirement for forest managers to set up a Social Management Plan, which should benefit employees, local communities and indigenous peoples.

The Expert Team is a strong collaboration of experienced professionals: Camila Godinho from Brazil, Dominic Mitchell from South Africa, German Schaub from Chile, and Chris van Dam from Argentina.

Over the next months, the team will also work on social international generic indicators, based on the respective recommendations from the Policy Working Group.

For more information visit www.fsc.org/plantations/ or contact Matthias Fecht at m.fecht@fsc.org.

Improving pest management

The Expert Team for 'Continuous Improvement Approach to Chemicals' gathered for their first meeting on November 23rd, 2007. They defined specific tools and technical guidelines that will help forest and plantation managers reduce their use of chemicals and minimize their social and environmental impacts, in line with the recommendations of the Policy Phase of the Plantations Review.

The team will develop a guide on integrated pest management which incorporates a combination of mechanical, cultural, chemical and silvicultural practices to control forest pests. Additionally, they will develop an online resource center which pools numerous cases of good pest management practices. By offering successful examples, forest managers faced with similar problems can try these techniques to their local situation.

To consistently and reliably monitor the impacts of the FSC Pesticides Policy, the team will offer technical input for the creation a monitoring tool. Certification bodies will use this tool to consistently collect information on pest control and pesticide use during forest management audits.

Experienced in this field, the Expert Team consists of: Carlos Frederico Wilcken from Brazil, Ian Willoughby from the UK, Philip Ivey from South Africa, and Kevin O'Grady from Australia.

The outcomes of these projects are expected to be operational action by October 2008. For more information contact Frank Katto at f.katto@fsc.org.

FSC LAUNCHES ONLINE CONTROLLED WOOD RESOURCE CENTER

The FSC Controlled Wood Resource Center is now online. This web-based tool offers guidance to certified companies and other stakeholders to better understand FSC Controlled Wood standards.

The new website (www.fsccontrolledwood.org/) has three main features: a risk register, a risk assessment wizard and a central location for relevant standards and information.

The risk register will hold readily accessible information on different countries of the world. This tool is the first of its kind and currently holds information on the US. Authorized persons can easily contribute to and are encouraged to populate the database. FSC established a careful and thorough approval process to authorize persons with editing rights to upload information.

The risk assessment wizard guides users through the Controlled Wood standards and through the process to complete risk assessments and company verification programs. All FSC Controlled Wood Standards and other key FSC documents are available and easily accessible.

Besides addressing international concerns on illegal logging, FSC Controlled Wood includes the consideration of key social and environmental issues which ensures a minimum performance level on the ground. This is particularly important in countries where forest related legislation and governance are weak. It includes a comprehensive methodology to help companies assess potential risks associated with procuring wood from certain forest areas.

FSC requests National Initiatives and organizations gathering risk information for countries and regions to populate the risk register with up-to-date, peer-reviews information.



FSC Controlled Wood Resource Center: www.fsccontrolledwood.org/

The FSC Controlled Resource Center was developed jointly by FSC International Center and FSC US. FSC encourages all using this tool to provide feedback on its functionality and usefulness. Forward your comments to: Pina Gervassi - p.gervassi@fsc.org and Phil Guillery - Phil.guillery@gmail.com.