

ANNEX

Economic Chamber Meetings – July 2024

This annex offers a detailed compilation of contributions from members during the first chamber meeting. It also includes a record of all conversations and comments posted by members in the Zoom chat during the three chamber meetings held on July 3rd, July 17th, and August 1st, 2024. Furthermore, it provides a selection of helpful resources shared by FSC with members through various channels.



Contents

1.1	Overview of Engagement plan.....	02
1.2	Summary of Meeting-1.....	06
1.3	Chat logs of meeting 1, 2 and 3.....	12
1.4	Useful resources.....	20

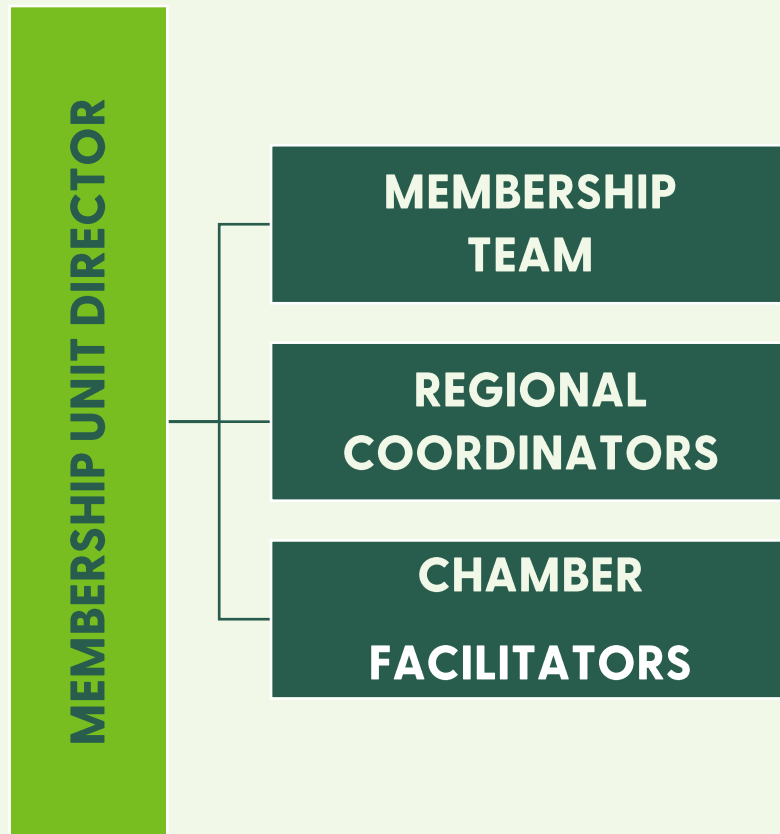
1.1

Overview of Engagement Plan



1.1 Engagement Plan

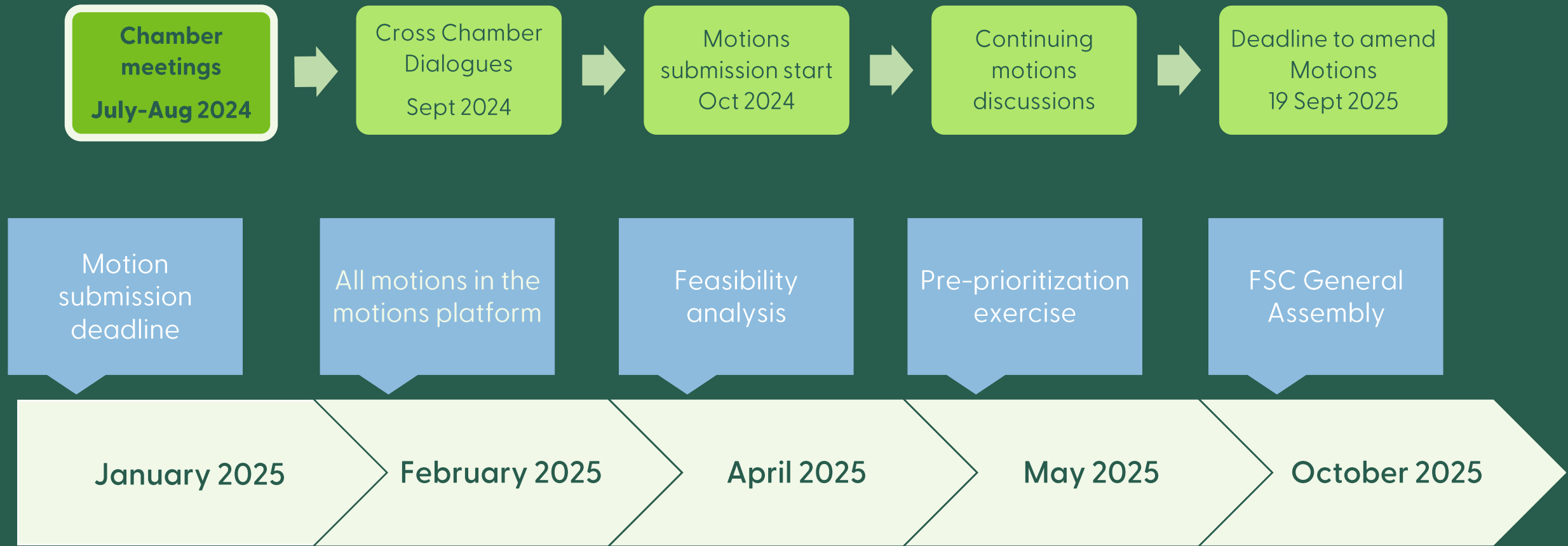
The FSC International Membership Engagement Team is responsible for the international membership related activities including direction, content and communications.



KEY OBJECTIVES OF THE ENGAGEMENT PLAN

- **Enhanced Collaboration:** Chamber discussions foster deeper collaboration within stakeholder groups, leading to more informed and impactful priorities.
- **Empowered Motions:** By identifying shared priorities, members can develop motions with a stronger chance of success at the FSC GA 2025.
- **Strengthened Advocacy:** This approach allows members to advocate for their priorities throughout the engagement cycle - from discussions to potential motions for voting and identification of strategic priorities.

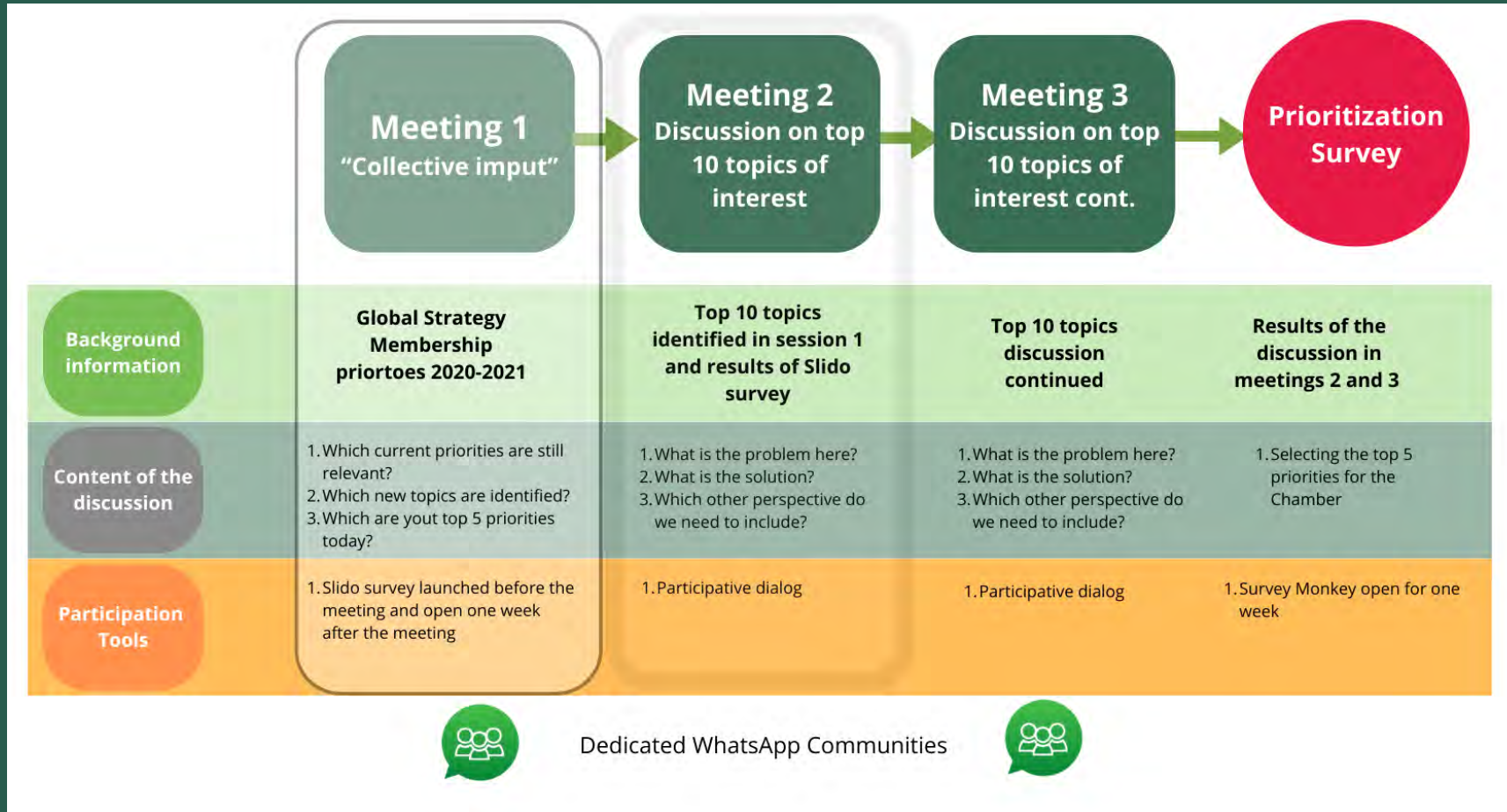
Motion Process for GA2025





CHAMBERS MEETING'S OBJECTIVE: Identify **Chamber priorities** from a global perspective & Prepare for the **Cross Chamber Meetings**

Chamber
meetings
July-Aug 2024



1.2

Summary of Meeting 1



Participants

Meeting 1

13

Morning session (CEST)

59

Afternoon session
(CEST)



Collective inputs from members

We asked members to participate in a Slido survey and respond to these three questions

Over 30
participants

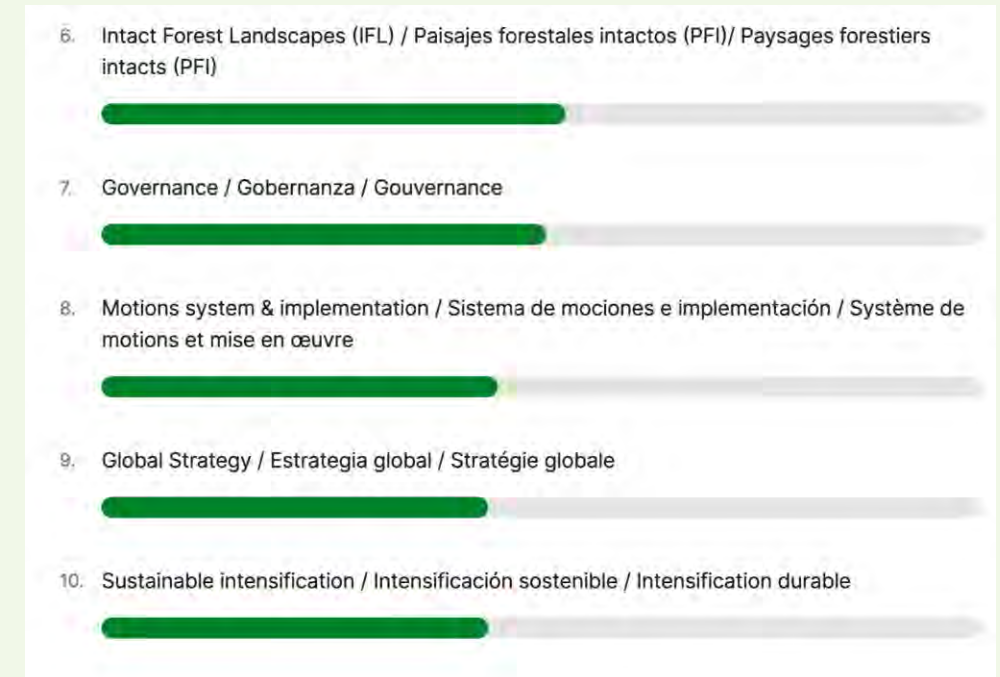
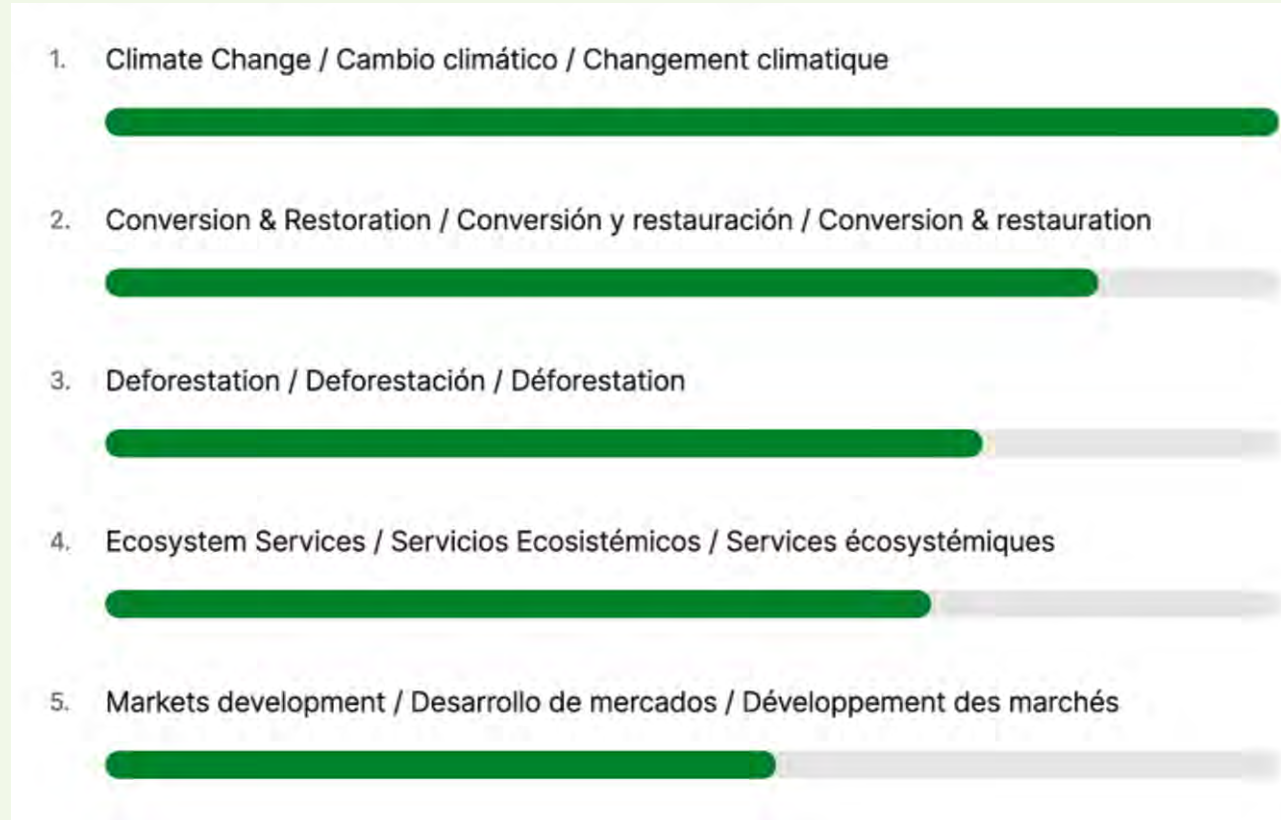
1. Rank your TOP 5 of the following overall summary priorities that were previously identified by the members in 2020 & 2021 - in order to express whether they are still relevant.

- | | | | |
|-------------------------------------|-----------------------------------|-------------------------------------|--|
| • Climate change | • Global strategy | • Markets development | • Principles & Criteria |
| • Conversion and Restoration | • Governance | • Member engagement, retention | • Smallholders and low intensity managed areas |
| • Deforestation | • Government engagement | and strengthening Social and | • Sustainable intensification |
| • Ecosystem Services | • ILO – Worker’s rights | Environmental Chamber | • System Integrity |
| • FPIC: Free Prior Informed Consent | • Intact Forest Landscapes (IFLs) | • Motions system and implementation | |
-

2. Share any additional priorities you have for 2024 - 2025 that were not listed in the previous survey question as priorities from 2020 & 2021

3. Share your TOP 5 OVERALL PRIORITIES for the chamber for 2024/2025.

1. Rank your TOP 5 of the following overall summary priorities that were previously identified by the members in 2020 & 2021 - in order to express whether they are still relevant.

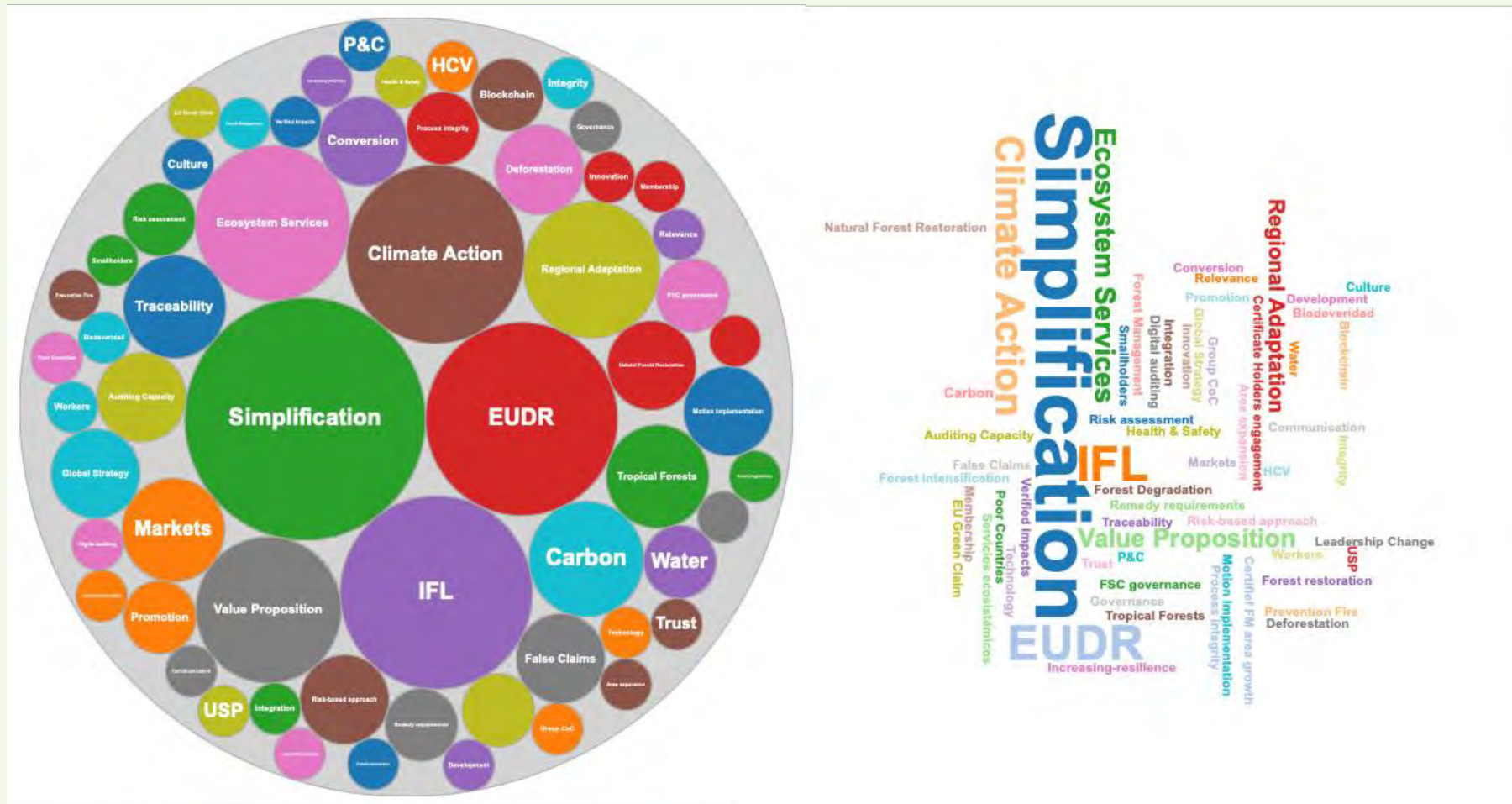


2. Share any additional priorities you have for 2024 - 2025 that were not listed in the previous survey question as priorities from 2020 & 2021

- Inclusion of the interests of indigenous peoples and local communities in decision-making in the areas where they live and are affected by the FSC certificate.
- 1. Corporate Social Responsibility 2. Restoration of the living environment of local communities and indigenous peoples
- CB ability to respond to demand, in relation to the availability of auditors, attractiveness of the FSC Auditor job.
- Cultural values FSC fundamental work values, health and safety, which are also met by the auditors and projects that work for FSC.
- Value proposition for certificate holders.
- Responsibly meeting incremental global wood market demand (which is a key contributor to unhalted deforestation)
- EUDR - regulation on deforestation-free products
- Transparency, transparency
- Increasing relevance to areas with least sustainable forest management Anticipating and responding to long-term future market needs.
- Simplification of process/documentation FSC Added value promotion.
- Allowances and support for national adaptation with key issues of CoC and CW standards by National Offices.
- Improving FSC's value proposition.
- The economic value creation for certificate holders.
- Incorporating a Risk-based approach in normative requirements allowing for regional adaptation in normative requirements.
- Audit costs too high for smallholders even in rich countries. System overhead in auditing costs should be addressed.
- Misuse of CoC and market distortion coming caused by the CoC percentage system.

3. Share your TOP 5 OVERALL PRIORITIES for the chamber for 2024/2025.

(same data in both representations, as Slido Word Cloud does not show all the entries)



1.3

Chat logs from meeting 1, 2 and 3



Morning session (CEST)

- The issue around membership: very complex. How we can make integration of new members easy

Afternoon session (CEST)

- I would hope that as the GA gets organized and Motions solicited and analyzed, a good effort is made to analyze what is already being done and we somehow communicate this to proponents. We should downplay respectfully motions that appear to emphasize ongoing works.
- Increasing FSC forest management needs to be tied to and include increased economic value generation to incent new certificate holders to sign up and certify their forests. Currently this is a cost to the business for many new certificate holders and a huge barrier to certify additional forests in North America. Unfortunately I have to jump off in 8 minutes for another meeting but would like this raised.
- Hello, everyone! (name removed) of FCCF. My connection is remote and a little unstable but I would like to comment on the topic of markets, above all it is very important for members of the value chain and forestry. It is no secret that the cost of FSC membership is high for these members and they are still unable to realize that value in the price of their products in the market. FSC certified wood and/or products are not yet valued as having a differentiated value and are only used to "certify" the legality of the wood. That is why we consider that a greater effort is necessary in the development of markets. Thank you!

- I'd echo (name removed) point that FSC is desperate for increased relevance in a world with more demand for several things at the same time: proof of no-deforestation, climate action verified impact and bullet-proof traceability.
- Risk based auditing allowing for virtual audits for low-risk external and internal audits. The climate/carbon cost for on-site audits (especially internal audits for Groups and multisite) is exceptionally high for North America and probably for other large countries as well. How can we call FSC an "environmental" program when we are forced to fly long distances for simple CoC transfer certifications.
- I believe that one of the biggest things is regional adaptation as was mentioned regarding what standards are in place and or emphasized. There are many standards that are of limited value in certain parts of the more developed world as they have laws and regulations already that make the FSC checks on these just extra work, this also would help simplification.
- Just food for thought for these early days of discussion in prep for GA - 1) Governance - improve system so Regional Offices can really lead in energizing membership, 2) FSC Certified Restoration - Should be a lead product/value as part of Ecosystem Services/Verified Impacts - right now too hidden and not clear/obvious/straightforward, 3) Forestry Standards - After 30 years of FSC certification of natural forests, I think FSC should revisit how FSC can improve natural forest management silviculture, particularly in the tropics, 4) HCVs - examine how we can improve HCV rigor and transparency in the FSC system, and finally 5) Markets - should ALWAYS be in our top priorities - we need to keep improving FSC's value proposition, and maybe here again is a role that Regional Offices could be enable to do even more. Lastly, EVERYONE, try to get to Panama for the GA!

Afternoon session (CEST) (contd.)

- Totally agree with you. Re Global Strategy, for clarification, when I said "resilient forests" and getting "chopped off" I meant deforestation (of course I believe in responsible forest mgt & harvest).
- One-way FSC can support the establishment of a new trillion trees on the planet is through natural forest restoration. There are many regions in the world where degraded forests or agriculture and pasture abandonment create opportunities for restoration. Forests are resilient but need protection (from cattle) to restore. See the <https://www.anralliance.org>
- The implementation of the EUDR involves due diligence, with rigorous tracking. FSC aligned with the EUDR must transmit the message that the system reduces the compliance of the requirements and provides a solid solution to help the certificate holders.
- Totally agree, the challenge is finding the right balance.
- Resilient forests and communities, Restoration, HCVs, Ecosystem Services, Monitoring, Traceability, etc – these topics all fit really well under Climate Action – which is also one for the 4 priorities chosen by FSC. However, even after a motion asking for climate change and loss of biodiversity to become central to GSP implementation, there's still no clear strategic leadership or proposition on how to seize this opportunity and raise FSC's relevance on the biggest topic affecting everyone around the globe. So I'd like to see a dedicated Climate Unit, using great brains and great tech to position FSC as the leader in climate change adaptation and mitigation from the forestry angle.
- I support (name removed) recommended points in general. Specifically, my comment regarding the importance of forest restoration is covered in (name removed) 2nd recommendation (FSC Certification of Forest Restoration). I support that a new FSC certification standard and procedure for forest restoration certification be implemented ASAP.
- Good morning, I strongly agree with (name removed) comments, I highlight the importance of strengthening the market and the advantages that the FSC offers for the development and sustainability of national markets, for example in Venezuela (where I live), many forestry companies and organizations have heard of the FSC and are interested in its benefits and implementation, but do not reconcile the costs of implementation, versus the return on investment, and the demand of the local market or the main wood exporters from Venezuela.
- I much support the essence of what you're suggesting. Working towards a restoration procedure (in line with eg. the "FSC Remedy Framework") I'm totally ok with. Developing a new and separate standard, I'd be cautious about and urge us to discuss more, in virtue of system simplification (and "de-spaghettification").

Morning session (CEST)

- Motion 55, Oct. 2022, confirmed by 96% (!) of the member votes
- For your notes on the issue of simplification, if not there yet: Promote FSC COC group certification! It actually brings simplification for small COC enterprises.

Afternoon session (CEST)

- Could you please tell us how the online votes were carried out?
- Reply: Thanks for the clarification
- Is there a timing on when we get to hear/see what the priorities are from other chambers?
- I also agree with (name removed), sometimes I cannot even find relevant documents on the FSC website.
- Reply: I agree (name removed). Maybe the solution is a re-design of the FSC website search engine.
- One example of a theme that is currently chaotic in terms of normative documents is conversion. PAC, advice notes, P&C, and PfA. It is hard to understand the full picture of what a CH has to comply with.

- Also, sometime FSC staff / networks on the ground working with certificate holders do not understand the FSC documents and so need to get guidance before they can help certificate holders. We have done a lot of work to increase knowledge resources around the world but these people do need to understand relevant requirements for their regions.
- The main website is also very slow and it can be hard to find stuff even when you know what you're looking for...the IT back end seems to be antiquated.
- Agree with (name removed), FSC needs to consider Global concerns, but implement locally so SIR becomes critical for local FSC staff and auditing
- I fully agree with (name removed) point on enhancing regional authority. This would also allow for more efficient and timely decision making.
- Agree With (name removed). It has to be more user friendly
- I fully support (name removed) take on empowering regional network partners to move things forward when it comes to streamlining!
- Agreed (name removed), FSC needs to take a breath before general changes to the system.
- My comment is that, as always, each change or new requirement does not carry an economic analysis of what it represents for the certificate holder to implement it in their operations.... therefore, asking is always easier than complying.



Afternoon session (CEST) (contd.)

- A side event in the GA could be a nice idea.
- The overwhelming concern with EUDR is geolocation. How could FSC address this concern, but not limited to FSC 100% certified material.
 - Reply: The Econ Chamber meeting this morning discussed this in some detail.
- The topic of EUDR is popular, because there are many doubts and questions. Asking specific questions about particular cases of EUDR compliance, the answers generally refer me to reading sections of documents. Which leads to interpretation and not certainty or clarity. Thinking out loud... For Certificate Holders (CH) it is more complex. Could there be a channel, chat or hot line, to clarify EUDR doubts?
- I strongly agree with (name removed): the motion 23 implementation is fundamental for FSC, especially in tropical areas. Extending certification in natural tropical forests is in the FSC strategy. It is crucial to be involved in the pilot process in the concerned areas.
- We need more vocal guidance from Social Chamber and the FSC Indigenous Foundation on IFLs.
 - Reply: I agree. We need to quantify the impacts of IFL's on Social values as well as Indigenous Peoples values."
 - Reply: Further, also need to quantify the economic impacts".
- - Reply: this is not related to FSC, but might bring some food for thought: https://www.nature.com/articles/s41559-023-02048-2.epdf?sharing_token=oao5sWPm3QmXrllsJoDdSNRgN0jAjWel9jnR3ZoTvOPwpUGOPzb6mTQU9AMNkHjksYBJaTqY1NuOTa_fe81Tlqip-kKqnDSgH1q8vEVxziXU8bjo3GywyJeXLrjIB-N0wQBdkfQj5Ndl3ybC3XuYOKXZnnts1wW1Fp0hU9bmU_k%3D
- I also strongly encourage FSC network to communicate/engage with certificate holders in the pilot process.
- Agreed (name removed), obviously they are essential players in this subject and have to be heard together with other interested parties.
- Hello everyone! Sorry that I just joined. Sadly this session was scheduled at the same time as the FSC Risk Assessment Framework Webinar. I am very disappointed that these scheduling conflicts were not taken into account when scheduling these meetings. The new FSC Risk Assessment Framework could have serious implications for the Economic Chamber.
- Agreed! We need streamlining here too.
- I agree that the impacts of climate change is above all the other issues. Systematic strategic approach relating to climate change need to be clearly defined.
 - Reply: We could say same about biodiversity as well...

Afternoon session (CEST) (contd.)

- A good starting point would be the requirement for a thorough assessment of carbon stocks in FM as well as ensuring stable or increasing carbon stocks in the long term.
- Agree with (name removed). Desert ecosystems, low-medium jungle. forests are not just pine trees or tall jungles.
- Fully agree with the last speaker. However COC can also be a major contributor to climate change. Especially in North America where CABs and multisite/groups are flying all over the continent to on-site audits for low-risk transfer system CHs. We demonstrated during Covid that virtual audits can be and effective.
 - Reply: I strongly agree. I think COVID allowed us to demonstrate the audits can be done remotely. We should implement a risk based approach in the determination of the need for an on-site audit vs remote.
 - Reply: Fully agree that Natural Forest Restoration needs greater emphasis as a specific certification standard.
- Unfortunately, I'm not able to stay longer. I'm available for exchanges before our next meeting (m.alves@fsc.org).
- Restoration should not be limited to regeneration, but should also include management strategies to improve established, but degraded forests.
- I agree with (name removed), in making it closer and more understandable to consumers. It makes more sense to me to have a Landscape Vision, or Nature-Based Solutions, which is why changing the name of Ecosystem Services to "Impact Verification" seems to me to reflect little of what it means.

Morning session (CEST) (empty)

Afternoon session (CEST)

- Great points (name removed), and not only climate benefits but also reducing the costs of COC audits.
- FSC will continue to struggle to bring on new certificate holders until the economic value proposition and price premiums in the market is achieved, FSC has a lot of value but it is also expensive to get and maintain and that is a significant barrier for potential new certificate holders when assessing whether or not to get FSC certification
- Fully agree. As a Group CoC Manager of 180 companies in 40 States in the USA, my climate change/carbon cost is massive for conducting mostly simple Transfer System internal audits
- We did a calculation on our 200+ audits we do each year. 95% require a plane flight and overnight stay. I have to imagine the CBs are in a similar situation.
- I agree with (name removed) that replicating carbon accounting standards is not necessarily a way to add value. I lean more towards the perspective that FSC should communicate the benefits of certification in relation to climate change and the biodiversity loss crisis. The value proposition for certificate holders goes beyond a potential premium price (although this is also important).
- It's about what the FSC seal represents for the market. When the FSC initiative began, this was very clear. However, today, with the emergence of new regulations (such as the example of the EUDR), many companies have started to question this value, especially due to the complexity of obtaining the certificate.
- Good Points. Whatever happened to the proposal made by yourself to FSC for a global reorganization of FSC towards more regional representation and control (a significant move away from Bonn control)?
- I believe the issue of how teams are concentrated or distributed across regions is valid and doesn't necessarily require a motion. However, it's not just about where people are located, but about how each reality is taken into account without losing the necessary consistency. The important thing is to ensure that local voices are heard without adding more layers of complexity to the system.
- Agree on most points with this discussion related to regional adaptation. In the Western US, we are seeing legislative and regulatory priorities focused on forests with no consideration or benefits for certified forests. Regional issues drive policy and CHs need local support to stay relevant.
- Traceability - surely the work on EUDR can strengthen FSC's system so it can finally move away from a paper based towards a digital system

Afternoon session (CEST) (contd.)

- I fully support (name removed) comment about the connection between traceability and the integrity of the system. But it is necessary to consider that blockchain is not necessarily a viable solution for all certificate holders.
- As long as traceability is well audited, it will ensure its credibility. False claims are usually made by non-certified companies, and almost nothing is done about that.
- Regarding the value of FSC in the pulp sector, we have indeed observed better prices for certified pulp and an absolute prioritization of pulp with FSC certification.
- In many cases, forest management is more expensive than non-certified management for several reasons. I risk to say that this is true specially in certain development countries. Often, the cost of the certification itself is not the primary challenge, though it can also be costly. It's risky to assume that conditions in one region are applicable globally.

1.4

Useful Resources



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FOR ALL
FOREVER**

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Global Strategy
 2021–2026
 Maximizing the value and benefits of forest stewardship



Forest Stewardship Council®

FSC
FORESTS FOR ALL
FOREVER

FSC IMPLEMENTATION FRAMEWORK 2021-2022 REPORTING

No single remedy exists for the world's problems



Intended outcome 1.1

Based on a systematic literature search, numerous data showed that forest cover is decreasing, leading to less ecosystem and environmental services, and degradation of the landscape and natural resources. To counter these trends, it is essential to increase the forest cover through the adoption of appropriate strategies.

FCG (intended forest cover)
2010 New 2020

Intended, by region (FCG, in km²)

Activities participating in conservation

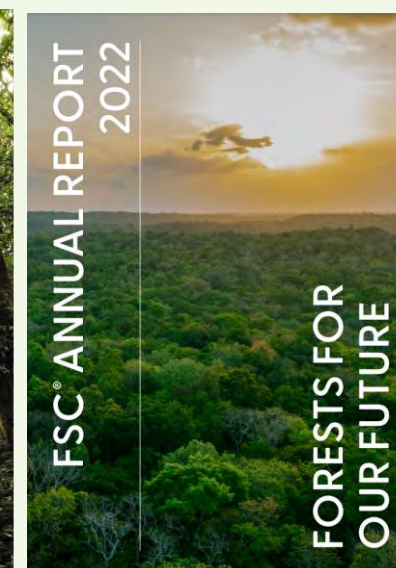
Intended outcome 1.2

The project, which focuses on soil and water conservation measures in forested areas, is expected to contribute to the sustainable management of forest resources, leading to an increase in the forest cover in the long run.

Dependencies who participated in conservation

Forest project - its intended forest activities

1.1.1. Forest management activities (continued)



Available Resources

Launch of Membership Engagement Plan



Motions Implementation Report



Environmental Chamber meeting 1 (shared with Environmental chamber members via email)

