



FSC Regional Report; Europe (& Middle East!)

Presented by Anand Punja
European and CIS Members Meeting
1st December 2020

Macro Context of FSC's European Region



% of Global GDP

23%



Economy growth

2,24%



% of Global Population

10%

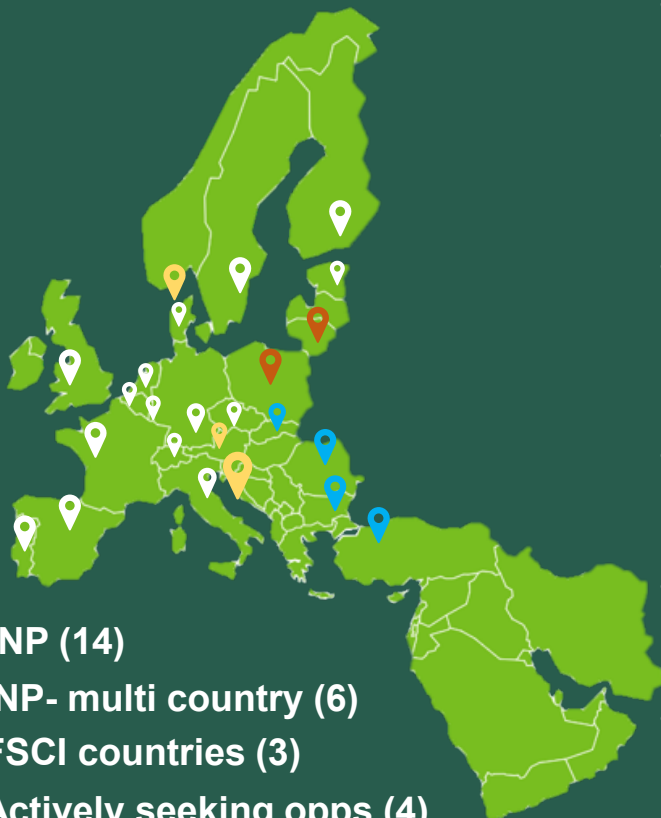


% of Global Forest

5%

Source: FAO, FRA 2015; WorldBank, 2019

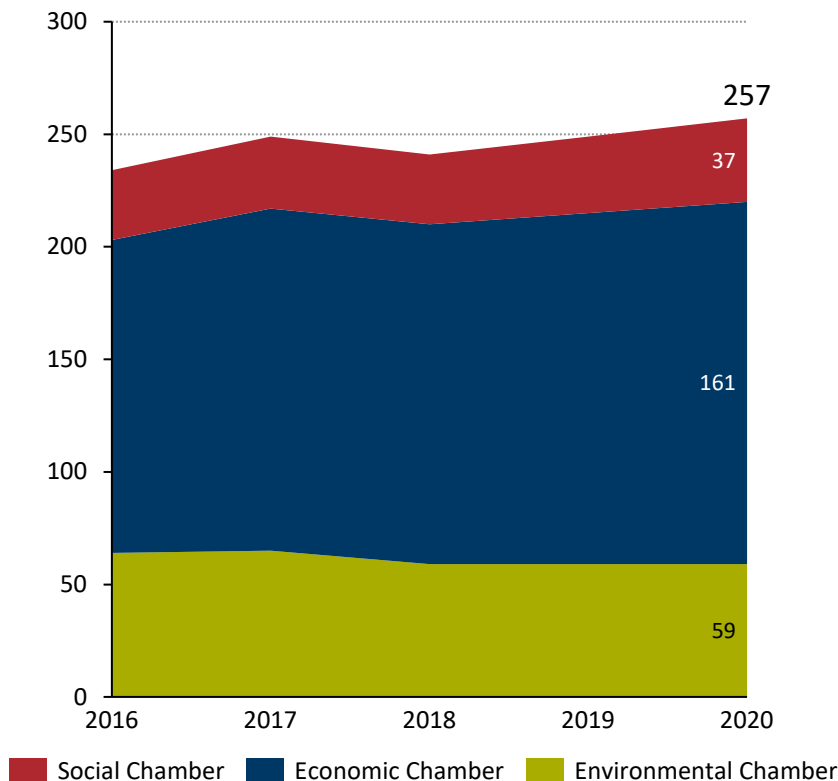
Presence & Profile of FSC across European Region



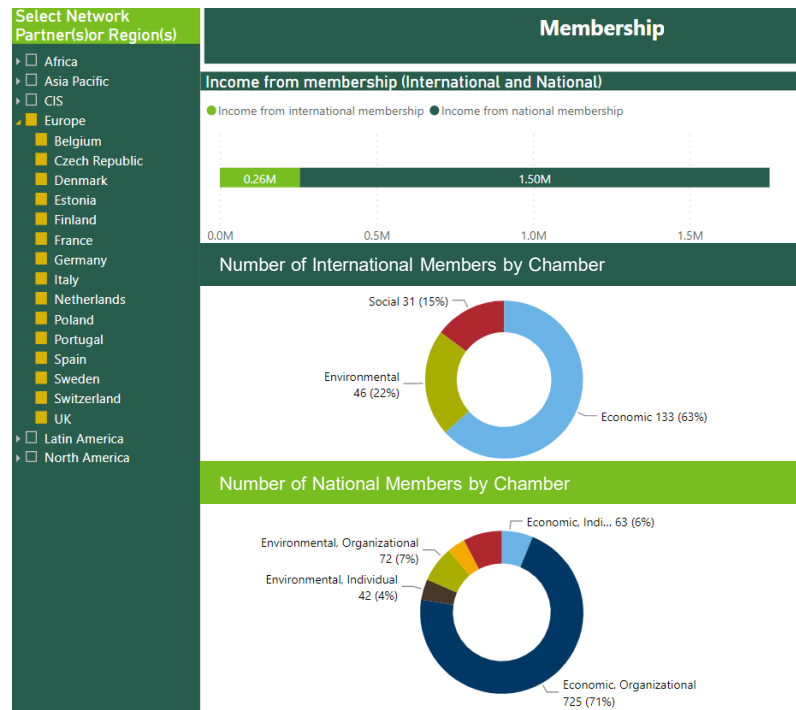
- The European Region is the “engine” for driving FSC’s global success and growth
- Work increasing moves towards market-based activities (Demand & Supply) & away from technical-based activities
- FSC’s position in Europe remains Strong but is being challenged in different ways to provide more “value” to different stakeholder groups
- Europe’s forests are “growing but the quality is degrading and there are ambitions for restoring natural habitats and nature”
- Poor diversity in membership with strong & vocal econ chamber (Int and Nat) members
- Dedicated staff (mainly working in INP’s), many who are well established in FSC, with strong and diverse views

Membership Details

Development of international members
all Countries in Euro Region



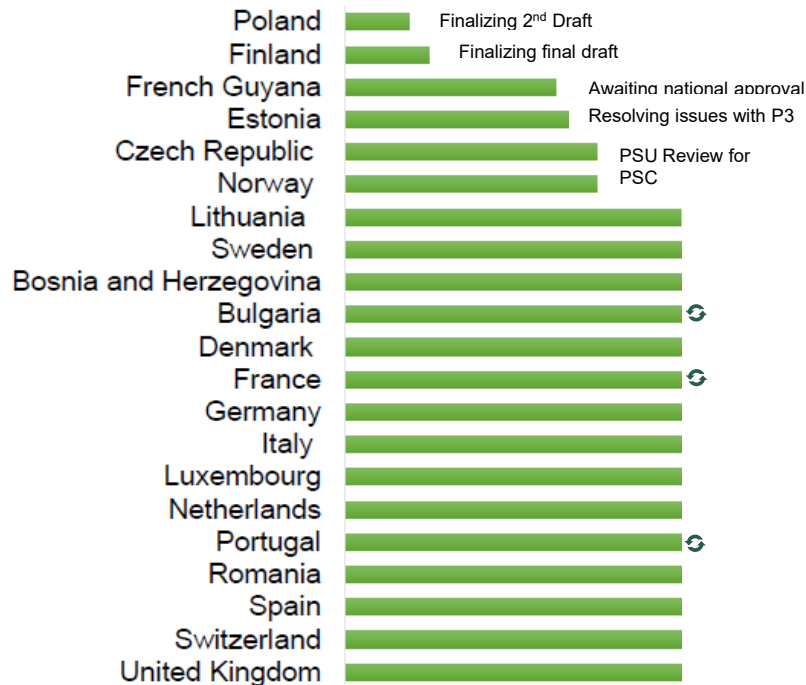
Relevance International & National members
Only NP Countries



European Countries INT/Nat members Split in 2020



Standard Development- NFSS



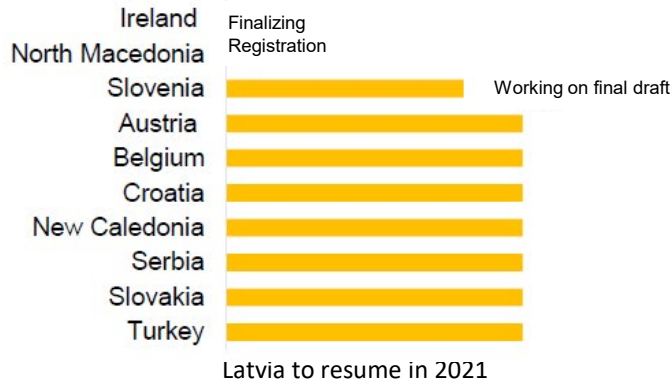
Key Messages

More than 2/3 of the core region is well covered by NFSS Normative Framework

- Some more significant countries (PL, Fin) are still working on transition to V5.2- next year “make or break”?
- Some countries will start a review/ revision of P&Cv5.2 already in 2021- makes “overcoming differences/ harmonization” challenging from timing perspective

Standard Development- INS

In Process



Based on PSU FM Std report, End Sept 20

Key Messages

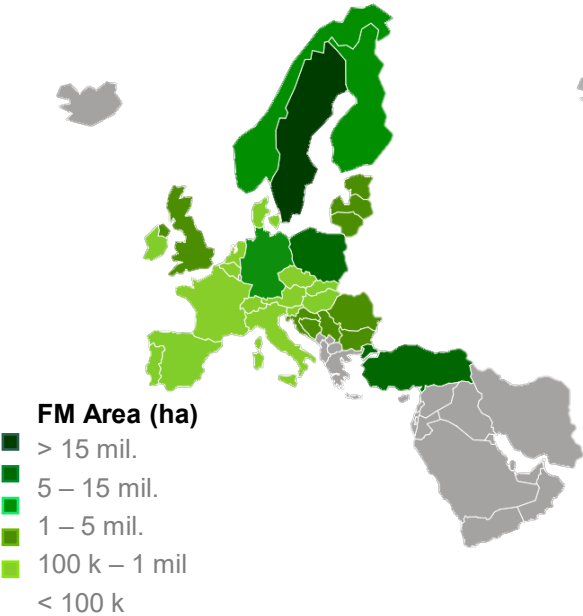
- INS fills in key gaps in countries where Supply market is important from central and SE Europe
- INS provides a useful and focused way to engage in some countries, e.g. Slovakia commitment 100% FSC by 2024

Potential INS's for 2021

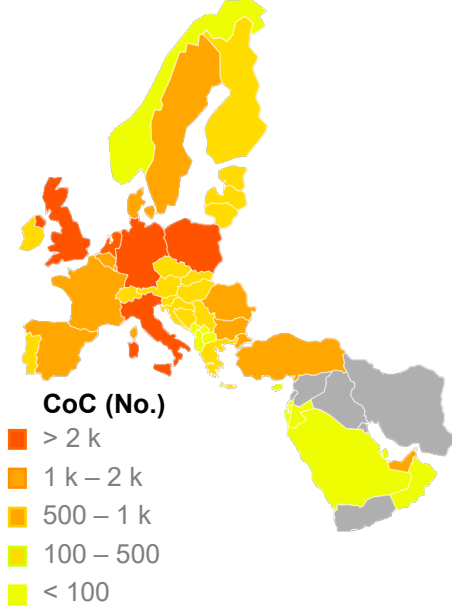
Europe
Greece- Potential of 3.5M HA- 2021,-2026 target of 500K
Albania – Potential of 600K HA- 2021,-2026 target of 100K
Macedonia– Potential of 1M HA- 2021,-2026 target of 100K
Montenegro – Potential of 600K HA- 2021,-2026 target of 300K
Iran– Potential of 1.5M HA- 2021,-2026 target of 500K

Potential currently based primarily on production forest

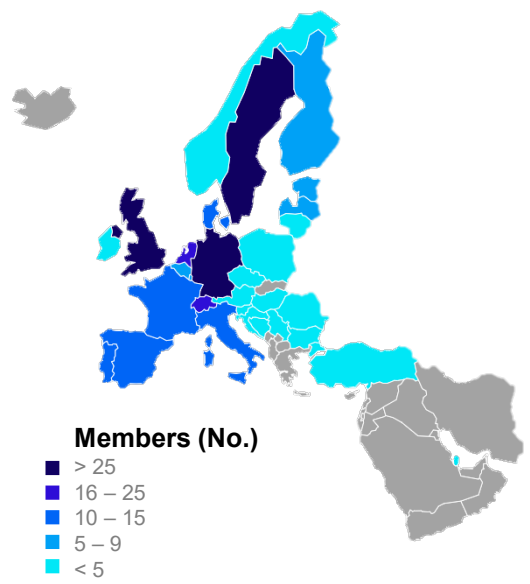
Certificate & Membership by Country, 2020



24%
Global FM



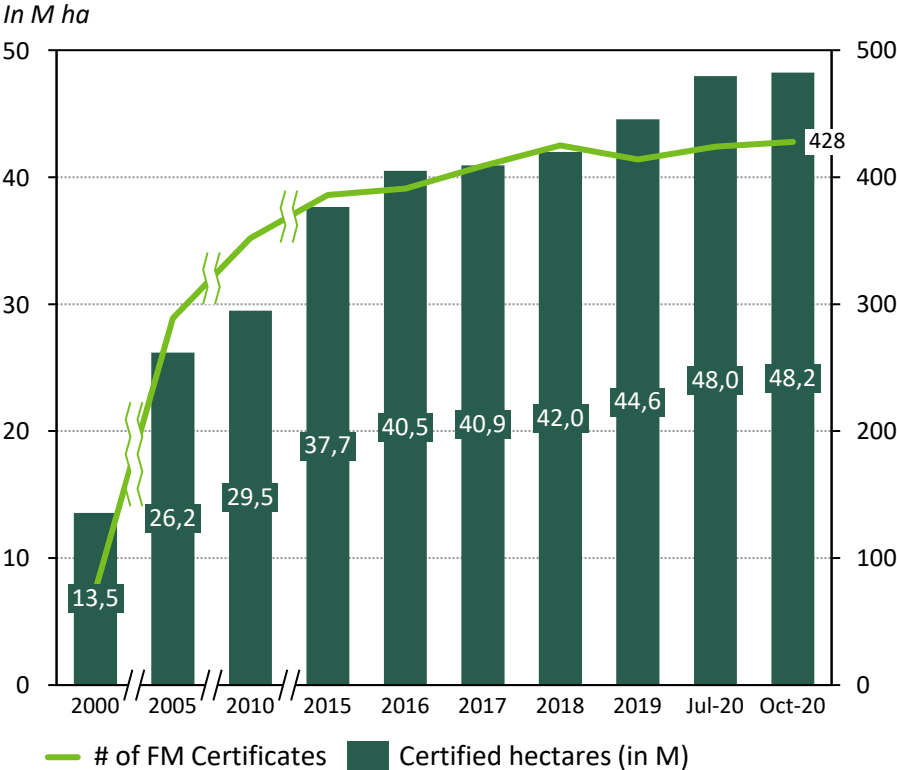
46%
Global CoC



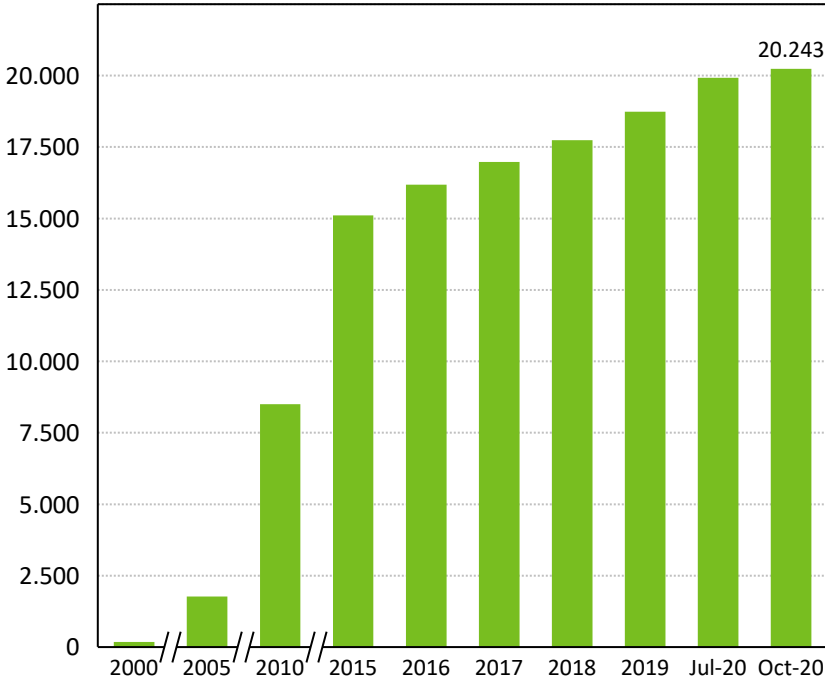
22%
Global Membership

Certification Development in Europe

FM development (July figures)



CoC development (July figures)



Highlights from 2019/2020

On the Front Lines of Climate Change

Story about the Sami people's battle against the effects of climate change and how FSC plays a role to amplify concerns and dialogue with other forest stakeholders. the story reached 190k on social media, with 1,700 people responding in some way



FSC growth in the European Fashion industry

10 European countries saw their first certificates in the textiles value chain in 2019; first FSC certifications of European fashion brands

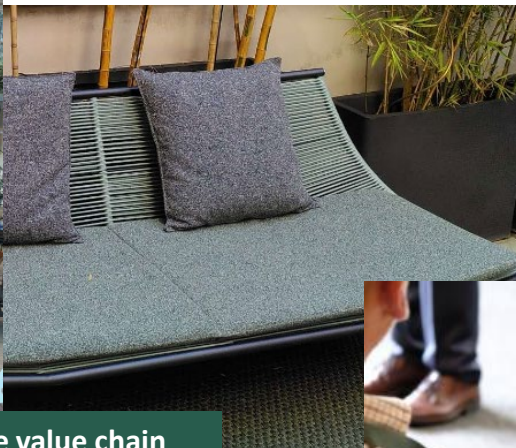


Highlights from 2019/2020



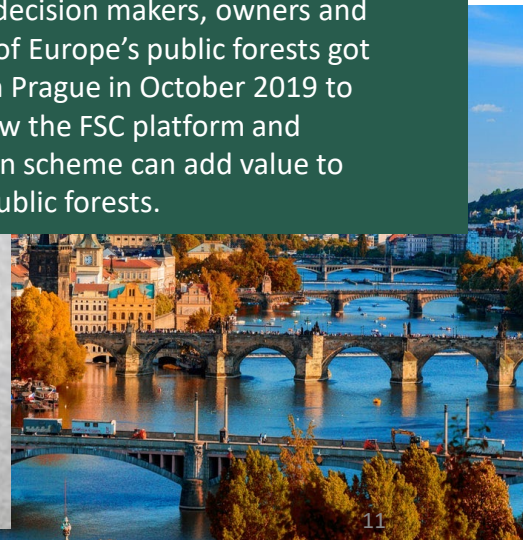
Growth in European furniture value chain enabled by approaching sector in more focused way

- 57 new CoCs in IT furniture VC in 2020.
- Increased engagement with Italian iconic furniture brands.
- FSC Italy to take a leadership role in collaborative furniture VC project in Europe in 2021.

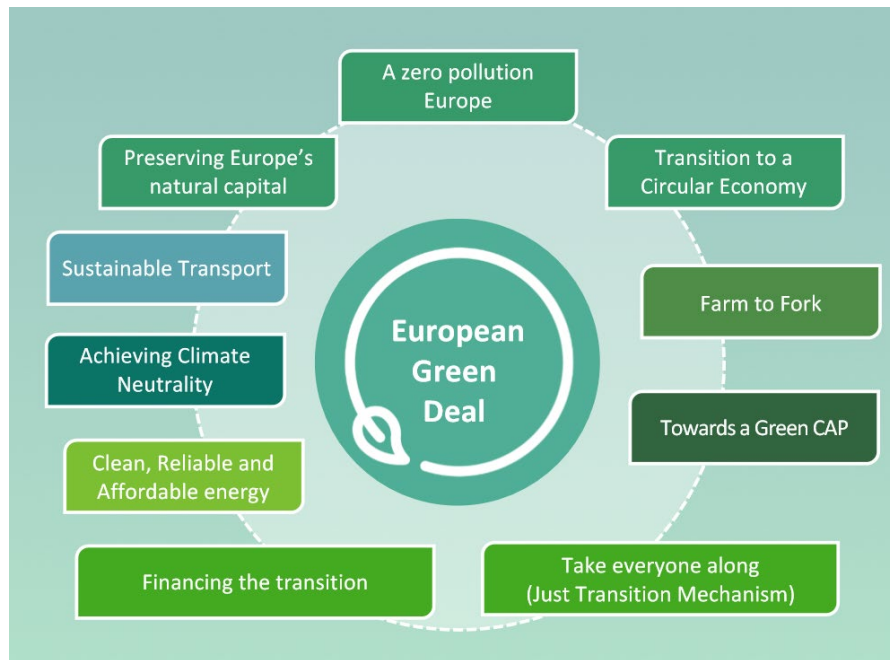


The Value of FSC to Europe's Public Forests

European decision makers, owners and managers of Europe's public forests got together in Prague in October 2019 to explore how the FSC platform and certification scheme can add value to Europe's public forests.

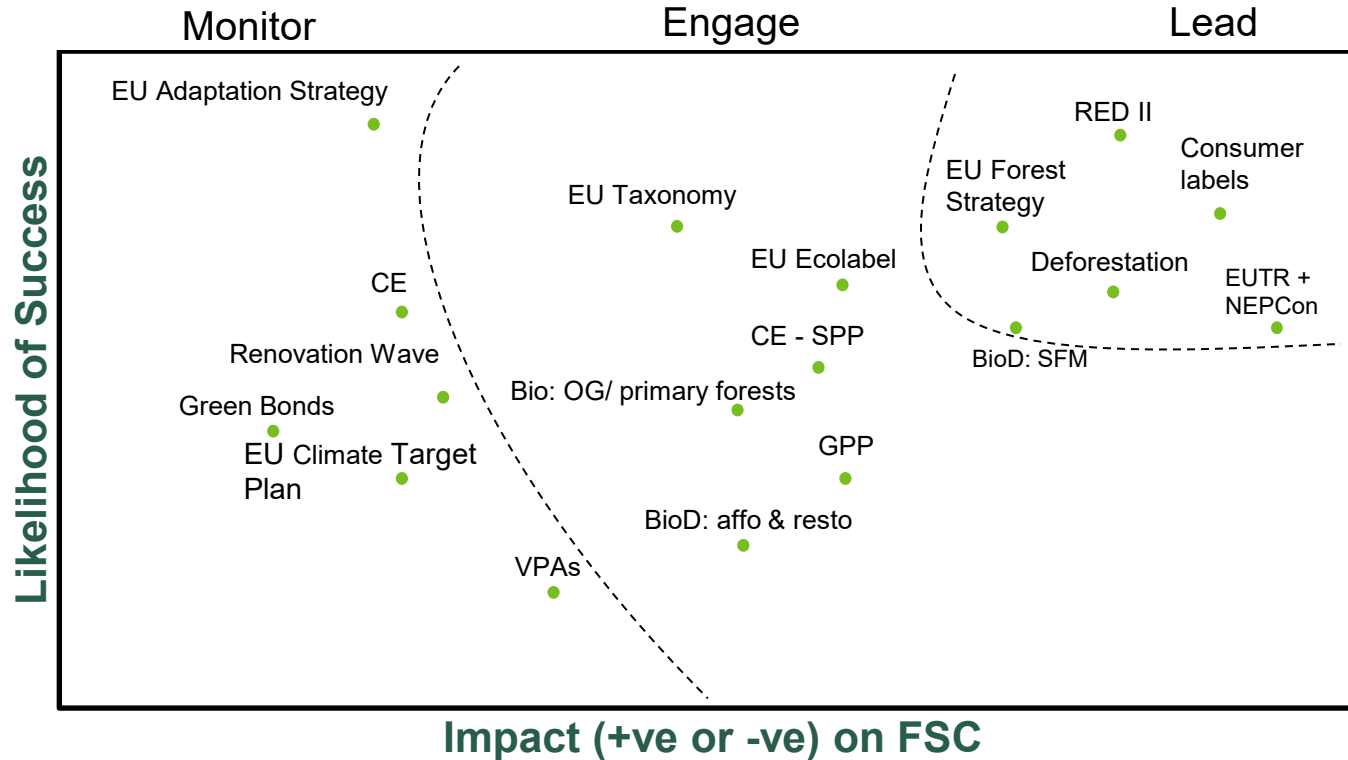


A Focused Approach to Advocacy in FSC INT



*“FSC is a **robust and credible ready-made** tool which can effectively **enable/ support/ complement** EU/national relevant policies **on the ground**, and also **complement** legality with **sustainability**”*

Leading on Advocacy in FSC: EU Priorities



2021: Regional Priorities & Network Development

REGIONAL PRIORITY	STRATEGIC INVESTMENT FOCUS
Grow market confidence in FSC's high standards and ability to confidently position FSC credibly as "the most trusted SFM solution"	48 % to traditional Value Chain Development projects, with focus on the following sectors: furniture, construction, fashion (textiles and rubber) and retail.
Grow FSC in a well-planned, credible and tactical way in non-Network Partner countries	<ul style="list-style-type: none"> • Outsourced scoping and early positioning work in Slovakia, Bulgaria, Romania and Turkey • Continuation of NP led market development work in Adria-Balkans (Croatia, Bosnia-Herzegovina, Slovenia, Serbia), Austria and Norway
Test, define and promote the FSC+ value proposition (FSC ES & Climate impact), building on existing value	13% to Ecosystem Services; focus on matchmaking payments for ES in selected NP-countries.

Key country developments

Norway: submitted application to become an Independent Network Partner

Nordics and Baltics: further coordination on shared service delivery to CHs and grow market

FSC Baltics as an option driven by the Secretariat

Things to Continue to Improve on in Europe



- **Focusing on priorities & improving co-ordination/ collaboration/ integration**
 - Operations fragmented compared to core (EU) region's integrated market & policy framework
 - Keeping diversity of stakeholder expectations on FSC realistic & measured
- **Making reputational gains from FSC's improvements**
 - Strengthen credibility across whole value chain through better balance on *"FSC system accessibility & integrity"*
 - Strengthen FSC's value, position, & relationships with relevant Environmental & Social organisations
- **Improve financial diversity & resilience**
 - Developing/ testing business model(s) to enable Ecosystem Services to become more financially sustainable
 - Improved coordination and collaboration on external funding opportunities



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