



Chamber Priorities Overview

Economic Chamber Meetings
July-Aug 2024



Purpose of this report

This report provides a detailed overview of the priority topics identified and discussed by the members of the Economic chamber during the three meetings held in July and August 2024.

In the following slides, each meetings' deliberations have been meticulously analysed to highlight the key issues raised by members. Here we offer in-depth discussion points contributed by members under each priority topic, reflecting the diverse perspectives and focus areas that will guide further actions and decisions within the Economic chamber.





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

Chamber meetings
July-August
2024



Meeting 01

3 July, 2024

For updates on Meeting 1,
please refer to Annex 1.2 (Economic)



Meeting 2&3

17th July and 1st August, 2024

Participants

6 Morning (CEST)

53 Afternoon (CEST)

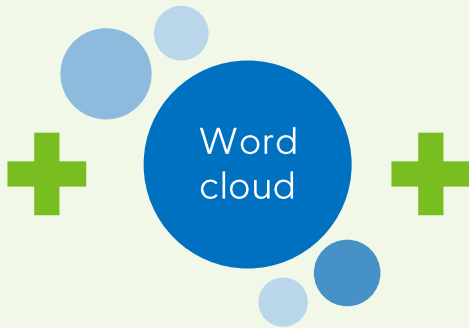
6 Morning (CEST)

44 Afternoon (CEST)



Identification of top 10 priorities for focussed discussions

Top 5 priorities and additional priorities from members



Meetings Chat Logs and Recordings

1. Simplification
2. EUDR
3. IFLs
4. Climate Action
5. Ecosystem Services
6. Value Proposition
7. Regional Adaptation
8. Traceability
9. Market Development
10. Tropical Forests

Meeting 2

Refinement of priorities. Identifying what are the problems, solutions and what other perspectives do we need to include?

Meeting 3

Identifying member's inputs into:



Solution



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**Potential Cross
Chamber Topic**



**Potential
Motion**



1. Simplification - Streamlining

Summary

Members expressed frustration with the growing complexity of the FSC system, particularly due to frequent changes and the increasing number of documents like advice notes, guidelines, and standards. They noted that constant revisions, often driven by stakeholders, make it difficult for certificate holders to fully adapt to standards before they change again. There was a strong desire for a more stable system, with suggestions to limit changes to necessary revisions and maintain a consistent standard for at least five years without interim modifications.

Members also emphasized the need for simplification and better organization of documents, with easier access to essential information. While the existing FSC platform was recognized, the sheer volume of information and the difficulty in navigating the website were highlighted as significant challenges. Suggestions included improving the user-friendliness of the website and strengthening regional channels for policy implementation and interpretation.

Concerns were also raised about the lack of progress on initiatives like Motion 55, which aimed to simplify processes for small companies. Overall, members called for a return to the core focus of responsible forest management while making the system more manageable and accessible for all stakeholders involved.

1. Simplification - Streamlining



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COMPLEXITY OF THE SYSTEM:

- I am a bit **frustrated by the system's complexity regarding the changes** that come with the advice notes and interpretation.
- We have a system to do revisions every five years, but they revise it in between. **I would really like to see a revised FSC standard that is valid for five years without any changes in between.**
- FSC International has been doing crazy things in the last months, changing the complete system with advice notes and additional documents.
- For me, **it's about the rate of change.** As a certificate holder, you only just get a standard adopted and don't get time to really adapt to it before it changes again. **slowing the rate of change to necessary things rather than changing everything during reviews.**
- FSC **could simplify everything because there are a plethora of standards and documents.**
- **It's not only about better organizing the documents but also addressing the sheer frequency of changes that come through the system.** These changes, often triggered by certification bodies, certificate holders, or other stakeholders asking for interpretations, make the normative system very challenging.



1. Simplification - Streamlining



Solution



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BURDEN OF NORMATIVE DOCUMENTS, COMMUNICATIONS AND ACCESSIBILITY:

- The increase in **FSC normative documents, advice notes, guidelines, standards, and many other complicated issues being discussed simultaneously has become overwhelming.**
- **FSC could develop a solution to provide a general rationale for all these documents, allowing everyone to easily reference any important topic and concentrate all the materials in a specific place.**
- FSC system already has the platform to be able to access policies, standards, advisory notes, however, I agree that the amount of information is incredible, and many times it has happened to me that until an auditor mentions to me that something is in a certain advice note, I have to look it up.
- Overwhelming the amount of information.
- **Simplification has to do with how we, the members, are aware of the tools that already exist** and that we only access them when they are needed.
- **It's not so much about simplifying the platform as about continuing to think about simplifying access to information.**
- **There are numerous mailing sources within FSC International,** making it almost impossible for individuals and organizations to keep up with them all.



1. Simplification - Streamlining



Solution



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BURDEN OF NORMATIVE DOCUMENTS, COMMUNICATIONS AND ACCESSIBILITY:

- Thinking about the system in a format more like mentorship or guidance could be interesting. Simplifying and improving, and making all this very understandable can help people.
- There was a process for revising how FSC develops policies, procedures, etc. FSC gets a little wonky at times because it's an actual procedure, 01001, and I was in the working group. It's complicated, but actually, my main suggestion there is that the implementation of what's there (FSC 01-001) and all these policies and procedures should have a stronger regional channel for doing that. There should be people at the regional level who are empowered and charged with interpreting and working with stakeholders in that region to better understand all these pieces on an ongoing basis.
- **The website just needs revision.** It's really wonky and slow, you lose stuff, you can't find stuff. It seems like **we're stuck in some old structure or software or something.**
- **There was a motion called Motion 55 for group certifications and nothing has happened on this motion.** That frustrates me because we had a good idea to make it simpler and better for small companies, and we did this motion and it was approved, but nothing happens.



1. Simplification - Streamlining



Solution



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Cross
Chamber
Topic



Potential
Motion



STREAMLINING AND FOCUS:

- I prefer the term "**streamlining**" to "**simplification**."
- Being FSC an initiative that has been tremendously successful worldwide and that has been able to bring together multiple stakeholders from different fields, **this platform has also been used to address many other concerns that sometimes relate to forests but do not go to the core of forest management.**
- **It is a matter of organization and courage to return to the most basic** thing that unites us: responsible management of the world's forests.

See also
Value
proposition

See also
Value
proposition

2. EUDR

Summary

Members discussed the challenges of navigating the FSC system, especially given the complexity of dealing with certified and non-certified suppliers and customers, as well as the integration of raw materials from diverse sources like recycling. There was a desire for a simpler, more universally applicable process, but uncertainty about whether FSC could offer such a solution. The conversation also focused heavily on the implications of the EU Deforestation Regulation (EUDR) for FSC's relevance.

Some members expressed concern that the EUDR could overshadow FSC standards, particularly if it introduces additional requirements that are already covered by FSC's existing framework. They emphasized the need for FSC to assert its position strongly and ensure that its standards are seen as comprehensive enough to meet EUDR requirements without the need for extra measures. The group also discussed the importance of clearly distinguishing between issues of compliance and relevance in relation to the EUDR. To address these challenges, there was support for forming a focused task group to explore how the FSC system could be better aligned with EUDR requirements, ensuring that the organization remains relevant and effective in the changing regulatory landscape.

2. EUDR



Solution



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COMPLEXITY AND THE RELEVANCE OF FSC

- **The problem is we have non-certified forest managers and non-certified customers, and processes call them chain of custody in the mix, too. We want a simple, fit-for-all process** that's, well, simple. I don't know if that's possible or if FSC offers that.
- **It's complex dealing with so many different suppliers**—certified, uncertified—and making sure the system works for everyone .
- For some processors, particularly packaging processors, **it's very complex because they're getting raw materials not just from forests but from recycling and other sources too.**
- **If we were purely FSC-like, if we were 100% FSC and selling to only 100% FSC customers**—the FSC system is probably something we would use. But at this point, we don't know.
- **The reaction of FSC to the EUDR will decide if FSC stays relevant or not** This is a big thing because FSC was overtaken by the law. For FSC, it's a problem or a challenge if there is a law better than FSC.
- **We don't control the destination in terms of what happens with the EUDR**, and I'm a little bit worried that we try to change a whole system because of the EUDR.



See also
Stream-
lining

2. EUDR



Solution



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COMPLEXITY AND THE RELEVANCE OF FSC

- **What is asked of the forestry industry by the EUDR should be completely covered by the current FSC requirements ...accepting additional standards in such a key issue as avoiding deforestation and forest degradation is something FSC has 30 years of experience in,** and I believe that the vast majority of certified organizations comply. Therefore, **asking for or accepting additional standards seems to me to be an inconsistency in such a central issue of the FSC.**
- **The FSC needs to stand up to the UDR with greater strength and aim for standard compliance to meet all FSC requirements without additional measures.**
- **EU has clearly said that they are not giving a checkmark to any specific certification.**
- **I don't know how this topic fits under the GA preparations.**
- I'm hearing a lot about this is a bunch of different things: relevancy for FSC standards, compliance, and how this is complementary to people who are already in the FSC sphere. I'd **recommend breaking some of those things out so that if this is a discussion about compliance and how FSC helps, that's really clear. If this is a discussion about relevancy and how FSC stays relevant, that's a totally different discussion,** but everything is getting wound up in the same subject of EUDR. I think **it would be helpful for members to understand what it is that you want to talk about.**

See also
Value
Proposition



2. EUDR



Solution



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THE CREATION OF A TASK FORCE OR EXPERT GROUP

- On the EUDR topic is that maybe **there's a smaller group of people that could have a discussion on this to see how the FSC, you know, the FSC has released some materials on this, and maybe it's kind of like with the people that are working with those materials having a conversation on what more the FSC needs to do here.**
- So, I do like Richard's suggestion of setting up additional focused discussions on the UDR with organizations that are interested in **looking at how we can use the FSC toolbox to advance and align the FSC system with EUDR requirements: what's working, what might need adjustment. Now that we've got the toolbox out there, I think that could be a good venue.**
- How about if people are interested in being part of the organization of a **small task group that focuses on this, and maybe we bring in a couple of other people either at FSC International or groups like Preferred by Nature, which have a very active program on this, to have a conversation just on EUDR.** Maybe that will then lead towards a suggestion for something that could happen at the next General Assembly.

3. Intact Forest Landscapes (IFLs)

Summary

Members discussed the complexities surrounding the implementation of Motion 23 (M23), particularly in the context of the FSC's work with intact forest landscapes (IFLs) and plantation-based forestry, such as in New Zealand. M23 has been a sensitive topic, receiving significant attention at the last General Assembly (GA), especially within the Focus Forest Advisory Group. This group is currently overseeing pilot tests in various countries, which are set to begin soon. Members emphasized the importance of closely monitoring the progress of these pilots, as the outcomes could significantly impact the viability of forest certification in tropical regions.

While some members noted that not all discussions need to lead to the presentation of motions at the GA, they stressed the importance of ongoing engagement from all stakeholders to ensure the successful implementation of M23. The discussion also highlighted a perceived gap in the FSC's current approach, particularly in recognizing the concept of a gradient of intactness and the role of forest restoration and silvicultural practices in enhancing forest intactness. As the United Nations Decade of Restoration progresses, members expressed the need for FSC to more strongly embrace restoration principles within its IFL process.

3. Intact Forest Landscapes (IFLs)



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



THE RELEVANCE OF THE TOPIC AT FSC AND THE NEED FOR FURTHER DISCUSSION TOWARDS THE GA 2025

- In New Zealand, **our forest industry is based around plantations and doesn't cut into intact forest landscapes.**
- There was a lot of discussion about M23 in the last GA and it is a very sensitive topic. It has been worked on for a long time, especially with the **Focus Forest Group and the development of pilot tests in different countries, which are going to start soon.**
- This is a very complex issue that has been discussed a lot. **My point is only to understand if we need to discuss this thinking about the General Assembly.** There is more going on in parallel.
- **This is a topic like others. It doesn't necessarily have to result in a presentation of motions,** but it certainly **demands close monitoring by everyone who shares the common interest of keeping forest management viable.**
- We have a lot of work happening now, but the point, I believe, is that this is a key issue that can define the viability of certification in tropical forests or not.
- Not everything has to do with the presentation of motions, but with the constant involvement of the members, the stakeholders, and **the interested parties in the process to ensure that this turns out well.**



3. Intact Forest Landscapes (IFLs)



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



THE RELEVANCE OF THE TOPIC AT FSC AND THE NEED FOR FURTHER DISCUSSION TOWARDS THE GA 2025

- **From a process perspective, the Motion 23 implementation being led through the Focus Forest Advisory Group is going well.** I think that at the GA, we will have some good opportunities for updates on how those pilots are going and discussions on where they fit in terms of the process.
- There are gradients of intactness, and FSC so far in **the IFL process has not embraced that concept of a gradient of intactness. It also hasn't embraced the idea that through forest restoration and silvicultural practices, you can actually bring back intactness to a forest.** We're in the United Nations Decade of Restoration, and I don't think that FSC has embraced that concept of restoration strongly enough.



4. Climate Action

Summary

Members discussed the role of FSC in addressing climate change, expressing concerns that expanding into this area could overcomplicate the organization's mission. Some members felt that FSC should remain focused on its core objectives rather than taking on additional topics. However, they acknowledged the growing demand for FSC to address climate issues, noting that well-managed forests can contribute to carbon storage and sustainability. There was a call for FSC to keep its approach simple by encouraging forest managers to develop basic carbon or climate action plans without delving too deeply into complex details.

Members also highlighted that FSC currently lacks the necessary expertise and resources to fully address climate mitigation and adaptation, despite significant market demand for guidance on this issue. Suggestions were made for FSC to deepen its engagement with indigenous knowledge as a foundation for any climate initiatives, possibly through the establishment of an indigenous chamber to inform decision-making. Additionally, the discussion touched on the need for FSC to consider other ecosystems beyond forests, recognizing that a broader perspective might be necessary for a comprehensive approach to climate change. Overall, members stressed the importance of thoughtful, measured steps as FSC contemplates expanding its role in climate action.

4. Climate Action



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



KEEPING THE SIMPLICITY REGARDING THE CLIMATE AGENDA

- We should think about what FSC and the market could do for the climate topic, **but I always feel that FSC deals with too many topics and should focus on its core targets.**
- It's a massive question, and as a certificate holder and forest manager, **we get a bit concerned about FSC diving into this because it might overcomplicate things.**
- **If our forests are managed well, they are sustainable, maintaining a relative equilibrium of carbon stored in the forest.** Our products can have a positive effect by storing carbon, but the transport question that Ulf brings up is very relevant for us as well.
- If FSC were to keep it simple from a forest management perspective, **we should expect forest managers to have a carbon or climate action plan without getting into too much detail.**

4. Climate Action



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



LACK OF INTERNAL CAPACITY, LEADERSHIP & RELEVANCE AT THE GLOBAL DISCUSSIONS

- **We have not developed the expertise inside the organization of the world's most reliable forest certification system on whether our certified forests make any contribution towards climate mitigation and adaptation.** There's a huge demand from the world to hear about what FSC can do about it, and as of yet, we do not have an answer. We have not hired enough people, we don't have support. There is still a huge demand from the market towards FSC, and yet no answer.
- **If the FSC really wants to have a real incursion into discussing climate change, it should establish, for example, the indigenous foundation beyond what it already does.** It seems to me that it should also have a consultation base with indigenous peoples.
- **And this catches my attention because, for example, where does the indigenous foundation get its inputs, right?** These are ideas that have occurred to me over time. For example, **the same indigenous foundation could get its inputs from a hypothetical indigenous chamber.**



4. Climate Action



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



EXPAND THE SCOPE OF THE DISCUSSIONS

- .. if the FSC really wants to have a real incursion into the topic of climate change, it should start considering **indigenous knowledge**, and I believe that would be the first step in the right direction.
- **Not only consider if climate action is going to be expanded, but we also have to consider other climates or other ecosystems.** If there is an indigenous community or a forestry group, it is not just one type of ecosystem. So, we should also think if we could grow towards other ecosystems to have real control or a broader perspective, not just the forest. **Thinking about growing to other ecosystems as a more comprehensive climate change factor.**



5. Ecosystem Services

Summary

Members discussed the potential of ecosystem services as a valuable incentive, similar to carbon markets, for promoting environmental sustainability. They highlighted that creating markets for services like clean water and biodiversity, where improvements and restoration efforts could be monetized, would encourage positive environmental actions. In New Zealand, this approach was seen as a way to incentivize better forest management, while in Nigeria, it was suggested that aligning the interests of local communities with organizations exploiting forest resources could enhance both environmental and cultural values.

The discussion also emphasized the importance of recognizing the contributions of indigenous and local communities, often seen as the "last line of defence" in environmental protection. Members advocated for greater acknowledgment of ecosystem services provided by these communities, potentially through payment systems, to support their role in climate change mitigation.

There was a call for FSC to prioritize the certification of restoration efforts, particularly within the UN Decade of Restoration. Members suggested that FSC should make restoration more prominent within its ecosystem services framework, ensuring that restoration efforts are recognized and potentially monetized. Adopting a landscape approach to ecosystem services was also recommended, as it could bridge the gap between technical validation and market value, addressing environmental challenges more holistically.

5. Ecosystem Services



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



- **If there was a market for ecosystem services like there is for carbon, that would be an incentive.** If there's a market for clean water or biodiversity, and you could show additionality by improving or restoring, and someone is willing to pay for that, it would be incentivizing (New Zealand)
- **In our standards (Nigeria), we should promote better alignment of interests between local communities and organizations extracting forest resources.** Encouraging this alignment could be a significant improvement. Additionally, promoting this **alignment indirectly supports cultural values. There's a strong link between local community interests and cultural values, and promoting this connection is crucial.**
- **The recognition of ecosystem services is also linked to the recognition of the services already provided by the communities that are the protectors.** “I call them the last line of defense”.
- **The issue of ecosystem services, and even talking a little more about payment for ecosystem services, should be the spearhead in recognition for these people who have really made a significant contribution to the issue of climate change.**
- **They may not be specific claims that have an associated value, they're more about transparency and disclosure** I think that this is another area where, just like EUDR, **it's going to be important to contextualize what it is that we are talking about.** Because in some cases, people are blurring the line between what is an added service and a claim and an audited standard and what is a transparency disclosure.



5. Ecosystem Services



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



See also
Climate
Action

- **Working on the ecosystem services reformulation and streamlining, is that it's critical in terms of the priority for climate. We need FSC to really be a leader on climate.** I would suggest that we haven't spent enough resources to prioritize restoration as part of that effort. **Restoration with traditional ecological knowledge from indigenous and traditional communities, and with assisted natural regeneration, is crucial.** I'd actually like to see FSC prioritize this area.
- **I would just like to see FSC put certification of restoration front and center during this UN decade.** It's kind of hidden under ecosystem services, and I think it needs to be more prominent. So that when people think "Oh, FSC certifies restoration," they know it does. Cool, **let's make it happen.** This could involve **adding restoration to existing certificates or creating new certificates that are focused on restoration.**
- Using ecosystem services in a landscape approach would help us a lot. The technical part of ecosystem services, the positive impacts being validated, could be translated into the market for some value chain, an agricultural supply chain, for example, or others...but we haven't managed to connect the technical with the market.
- If we do it with a landscape approach, I think it will be a boom because, honestly, we already realized that the problems are not going to be solved in isolation.



6. Value Proposition

Summary

Members discussed the challenges FSC faces in delivering value beyond market access and reputation benefits. Some forest owners, particularly those managing group certifications, feel that FSC's focus is too narrow, emphasizing industry and forest ownership over consumer engagement. They noted a lack of awareness among consumers about FSC certification, suggesting that more effort is needed to communicate FSC's value proposition, especially in the context of new standards aligned with the EU Deforestation Regulation (EUDR).

Concerns were raised about FSC's ability to align with EUDR requirements, particularly regarding its stance on deforestation. Members questioned how FSC can claim compliance if any level of deforestation is allowed, which could jeopardize exports under EUDR.

The discussion also highlighted the need for FSC to prioritize climate change in its value proposition. Members suggested that FSC should extend its expertise in forest management to demonstrate tangible climate benefits, which is increasingly demanded by the market. They also proposed exploring remote auditing, particularly for Chain of Custody, as a step towards reducing the carbon footprint and strengthening FSC's leadership in climate action.

Finally, members debated whether carbon footprint measurement should be integrated into FSC's framework or remain an optional claim, given the existing tools available for this purpose.

6. Value Proposition



Solution



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Potential Cross Chamber Topic



Potential Motion



- **FSC has faced challenges since its inception, particularly regarding the value it provides to forest owners beyond market access and some reputational benefits. We don't perceive much direct value from being FSC certified.** While I'm not as strong in my stance as others, we maintain our certification for several reasons. One of them is that it allows us to meet an international standard, which is beneficial for our business. **It gives us something to work towards and provides an independent audit, which has inherent value.**
- We hold a group certification that represents over 400 forest owners, which is quite significant. **From our experience with this certificate, at least here in Spain, I've noticed that FSC tends to focus heavily on the industry and forest ownership. I believe they should shift their focus more towards the end user—the final consumer. For example, in supermarkets and big grocery stores here, you don't really see FSC-labeled products, and the average citizen isn't aware of the FSC system or certification.**
- **The current focus of FSC is too narrow,** catering to a specific group rather than addressing a broader range of stakeholders. Not everyone sees value in what FSC currently offers. **FSC's value communication seems restricted. The way FSC communicates value is limited, and many consumers don't fully understand it.**

6. Value Proposition



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



VALUE PROPOSITION AND EUDR

- **With the new FSC standards aligned with the EUDR, how are we communicating that to consumers?** What I've seen is mostly communication directed at certifiers or other stakeholders, but not the consumers themselves. How do we convey this information to them?
- **I noticed the concern about global deforestation and FSC's value proposition in addressing it** This reminds me of the ongoing discussions around the EUDR, especially considering that the UK and the US are likely to introduce similar regulations.
- **The critical question is how FSC can claim alignment with the EU Deforestation Regulation (EUDR)** if it still permits any level of deforestation. FSC-certified companies could face challenges exporting their products due to concerns about compliance. If FSC allows deforestation—whether it's 5%, 10%, or a specific number of hectares—this could indicate that FSC isn't fully aligned with the stringent requirements of the EUDR, raising doubts about its effectiveness in preventing deforestation.

6. Value Proposition



Solution



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Potential Cross Chamber Topic



Potential Motion



VALUE PROPOSITION AND CLIMATE ACTION

- Undoubtedly, **it falls more on us in the economic chamber to continue seeking ways to contribute to the economic value of certification, which is what forest certifications and chain of custody certifications have consistently requested from us**. The question is **what economic value can be assessed or achieved in certain areas, such as paper products, but not as much in the wood sector. ...it's also important to consider how to add more value, whether through ecosystem services or the new ones being generated and in the area of climate change, which is another milestone that would be important to explore how to integrate.**
- **The main overarching theme that we need to address is climate change. The value proposition of FSC should now be centered on climate change. We've already proven that we're really good in terms of forest management; now we need to extend that to proving to all the stakeholders involved in and around FSC that we can actually deliver climate change benefits. what I suggest should be FSC's next global strategy planning. This is what the market is demanding—they want to see what FSC-certified wood or paper is doing to contribute to climate change mitigation.**
- **There's a very clear step that's being missed, and I know it's in the pipeline, but it keeps getting delayed. This concerns the travel related to auditing, especially on the Chain of Custody side. I know there are some concerns in the environmental chamber about having remote audits for FM (Forest Management), and to be honest, I generally agree with them. But on the Chain of Custody side, there are many areas— and the United States is a great example—where we are getting on planes, renting cars, and staying in hotels for what can be very simple audits.**

See also
Climate
Action and
Ecosystem
Services



See also
Climate
Action

6. Value Proposition



Solution



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Potential Cross Chamber Topic



Potential Motion



VALUE PROPOSITION AND CLIMATE ACTION

- I would like to put on record and bring into the conversation the idea that **we already have a risk matrix established through the COVID-19 derogation. Even if we can't adopt it wholesale, it can serve as a base that gets us 80% or more of the way there in establishing a risk matrix for remote auditing. This could be done under a climate crisis derogation that takes effect now, long before we get to the Chain of Custody standard rewrite..It seems like a simple, low-hanging fruit that FSC can take to reclaim a leadership role in climate change and allow us to focus on something other than FM, because we tend to get so micro-focused on FM.**
- **While the carbon footprint is indeed very important, there are already sufficient tools available to measure it, whether at the national or international level.** Therefore, **it doesn't necessarily have to be a value proposition within FSC because it's optional.** Linking it to FSC—I don't see how to make that match. **Perhaps through claims that one also measures carbon footprint, water footprint, or traces emissions, but not necessarily under the FSC schemes.**



See also
Climate
Action

7. Regional Adaptation

Summary

Members discussed the need for FSC to improve localization and regional adaptation to enhance its effectiveness and relevance. They highlighted that varying legislative requirements in West Africa and other regions necessitate the development of national interpretation guidelines to align FSC certification with local regulations. This localization effort should extend beyond Forest Management Standards to include Chain of Custody and other aspects of FSC. Establishing local committees to promote these standards and improve consumer awareness was also suggested.

Concerns were raised about FSC's resistance to regional adaptations and the inconsistent application of standards by different certification bodies. Members advocated for a more flexible approach to accepting regional variations and emphasized the importance of strengthening regional offices and marketing efforts to address local needs effectively. The discussion also touched on the need for a bottom-up approach, where regional stakeholders have a greater role in shaping FSC policies and practices.

Additionally, members debated the distribution of FSC staff and resources, suggesting a shift towards more regional presence to better understand and address local stakeholder needs. They proposed that increased regional capacity and better communication between global and local levels could improve FSC's overall impact and acceptance.

7. Regional Adaptation



Solution



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Potential Cross Chamber Topic



Potential Motion



NEED FOR NATIONAL INTERPRETATION GUIDELINES

- In West Africa, where different countries have varying legislative requirements, even under similar policy frameworks. **To make FSC certification more acceptable and practical, we need to develop national interpretation guidelines that can be used to audit certification holders in line with local regulations.** This localization adds significant value and is crucial for ensuring the standard's relevance and effectiveness in different countries.
- One major gap I see is that, in some countries, **when there's a change in policy, FSC may not be aware of these changes at the local level.** For instance, in Nigeria, there are currently no FSC certificate holders. **FSC has not been localized here in over 30 years, and this is the case in several other African countries as well. It's crucial that the FSC addresses this issue of localization to support better certification and awareness in countries like Nigeria and beyond.**
- **This localization goes beyond just the Forest Management Standards. It should include the Chain of Custody and other aspects of FSC. I'm also suggesting that local committees or groups be established in each country to communicate the value of these localized standards to both certification holders and consumers**
- **Regional differences around the world need to be better accounted for by FSC. I also fully support the idea of a risk-based approach, as I believe it's an important way to address these regional variations.**



7. Regional Adaptation



Solution



Action Point



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Potential Cross Chamber Topic



Potential Motion



NEED FOR NATIONAL INTERPRETATION GUIDELINES

- From my own experience as the chair of the New Zealand Standard Development Group, I can say that **when we submitted our standard with some adaptations, FSC was quite resistant to accepting many of them, even though our group, like all standard development groups, was balanced across chambers.** Additionally, **we had strong representation from the Indigenous community through the Māori chamber.**
- **FSC needs to be more accommodating in the processes around accepting regional adaptations and should place greater trust in its own system, including the work of standard development groups.**
- As a user of both the **forest management and chain of custody standards in Central America.** I've noticed that **interpretations can vary between different certification bodies.** I've already identified some indicators that need updates because they are not consistently interpreted. **While the standards have been field-validated, the practical application reveals inconsistencies, highlighting the need for ongoing improvement and adaptation to ensure they work effectively in practice.**

7. Regional Adaptation



Solution



Action Point



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REGIONAL COORDINATION, GLOBAL INTERACTION

- **There's a real opportunity to do something stronger at the regional level by coordinating with the various national entities.** I also believe **this could serve as a platform for resolving some of the issues we sometimes encounter, where there's a perception that different certification bodies (CBs) are implementing things in different ways** If we can have more dialogue at the regional level, guided by global standards, I think we can achieve more improvement
- **The area of marketing is something that could be more effective** because **many markets are not global; they are local or regional.** I believe **we could achieve greater effectiveness if we allocate more resources to support the value proposition through marketing at the regional level, coordinated with or interacting at the global level, but with a strong focus on each region individually.** This is especially important because **regions differ significantly, both in terms of what is grown there—whether plantations or natural forests—and the different markets that exist.**
- **Increasing capacity in the regions is also crucial. If we want to do more regional adaptation, we need stronger FSC teams and offices in the regions, particularly for marketing** and the other areas mentioned. I want to emphasize that **this is an area that needs a lot of attention. How FSC allocates resources between the global level and the regions, across different regions, and the priorities for investment in these regions to strengthen those teams, is critical**



See also
Market
Development



7. Regional Adaptation



Solution



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REGIONAL COORDINATION, GLOBAL INTERACTION

- The way changes have been implemented or leadership actions taken is challenging, especially when it's done from the membership or the region toward FSC. It used to be more bottom-up, but now it's more top-down, from FSC International to the regions, and then from the regions to the units or countries. **Strengthening this area of contribution is important, and what we are currently doing with the membership regarding work and the offices or representations is crucial to making these changes or strengthening this regional adaptation, which would be very valuable.**
- **Is there something we, as members, can do going into the General Assembly that will help make this happen? I'm not necessarily convinced that a motion is always needed here—maybe there's some other form of action we should take to bring this to a clear focus.**
- **I tend to agree that it doesn't need a motion; it needs a change in how we view FSC and where the authority, or for lack of a better term, the license to operate comes from.** For me, **the license to operate a forest comes from the stakeholders in that region, and this is something that FSC needs to start looking at in terms of what stakeholders want from their forests. This will vary from region to region.**
- **One thing I think about is staffing. How many people do we have in Bonn?** I'm not against having people in Bonn, but I just think that **the more we can distribute staff globally through regional offices and even have some global staff based in the regions, the better it will be for the system.**



See also
Value
Proposition

7. Regional Adaptation



Solution



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REGIONAL COORDINATION, INTERNATIONAL OVERSIGHT

- **It is needed is a better understanding in Bonn that, if we are to drive growth in FSC, it needs to be accepted on the ground in the countries where it operates. It may not even require changes in staff allocation or where experts are based, but it is about understanding that we need the forests and regions to succeed in addressing stakeholder needs in that region. We also need globalization so that it's not restricted to a region where there may be a strong influence from one particular sector or chamber.** We need international oversight, but I believe we need a much better understanding of what's happening in the regions.
- I believe **the issue of how teams are concentrated or distributed in the regions is valid and doesn't necessarily require a motion. However, it's not just about where people are located but also 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.**

8. Traceability

Summary

Members discussed several concerns regarding FSC's traceability and Chain of Custody standards. A major concern was the upcoming revision of the Chain of Custody standard, specifically ensuring that recycled post-consumer materials are properly declared under FSC labeling. Another issue highlighted was the gap created by the introduction of the new CFM (Controlled Forest Management) standard, which some argue disincentivizes companies from pursuing full Forest Management certification due to the convenience and cost-effectiveness of using Controlled Material from other certifications like PEFC.

Concerns were also raised about the lack of action on these issues and the underutilization of valuable expertise within FSC. The need for more involvement in the revision process and consideration of advisory roles for experienced individuals was suggested. Additionally, the reliability of traceability in certain regions, especially Latin America, was questioned, with blockchain technology proposed as a potential solution to improve transparency and traceability.

Members expressed frustration over the slow adoption of digital tools and the problem of false claims on labels by non-certified companies. There was also a call for legal measures to address misuse of FSC labels and improve the certification platform to resolve confusion between certificate validity and duration. The discussion emphasized the need for improved system integrity and digital innovation to strengthen FSC's impact and credibility.

8. Traceability



Solution



Action Point



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CHAIN OF CUSTODY, CLAIMS

- **My biggest concern regarding traceability and Chain of Custody is related to the upcoming revision of the Chain of Custody standard...how can we be more involved in the revision process? my top concern is about ensuring that recycled materials, specifically post-consumer materials, can be properly declared under FSC labeling.**
- **The introduction of the new CFM standard, replacing Controlled Wood, presents a significant gap.** It disincentivizes companies from moving toward full Forest Management (FM) certification through CFM and the Remedy Framework because it's more convenient and cost-effective to continue mixing their products with Controlled Material from PEFC certification rather than transitioning to full FM certification.
- **The two main issues—claims for post-consumer material and companies moving away from FSC CFM due to lack of incentives—are being ignored by FSC,** which is very concerning. It seems like no one is taking action. Although the speaker doesn't have time to take on these issues personally, they suggest that FSC could benefit from their insights. They feel that a lot of valuable expertise is being wasted within the FSC circle and suggest that FSC should consider involving them, perhaps as part of an advisory group.
- As a Chain of Custody auditor, **I've noticed that in some niches**—perhaps due to our Latin American context—**traceability isn't as reliable.** This goes beyond the percentage system and includes legal loopholes. **How can we simplify the process and ensure reliable traceability? Blockchain could be an interesting option to explore, as it might help establish the traceability we need.** We're looking for honesty, clarity, and trackability from our governments. How can we build this trust within FSC?

8. Traceability



Solution



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CHAIN OF CUSTODY, CLAIMS

- Regarding **system integrity**, it will definitely be a key focus as we move forward. There are several other aspects tied to system integrity. So, I **believe this will be a critical focus as we move forward into the rest of this year and into next year, leading up to the General Assembly.** To me, **traceability is a subcomponent of this larger focus.**
- **We've had the opportunity to improve our system with blockchain and various other interesting digital tools for the last 10 years, yet we always seem to be on the verge of doing it but never actually do it.** I wonder, **what's holding us back from taking a bold step and truly embracing digital traceability? We're missing another significant opportunity here.**
- "The issue is that **we simply can't trace material back to the forest, and if you can't trace material back to the forest, then blockchain is useless.** That's the problem with EUDR and their geolocation. So, I'm sure that's why things have been progressing slowly.
- When you come across products with labels, and if you go to verify, you might find that they are not necessarily certified—they are **false claims...all sanctions related to false claims focus on the certificate holder, but many of these misuses of labels are by various companies that are not necessarily certified.**

See also
EUDR

8. Traceability



Solution



Action Point



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CHAIN OF CUSTODY, CLAIMS

- "The issue is that **we simply can't trace material back to the forest, and if you can't trace material back to the forest, then blockchain is useless.** That's the problem with EUDR and their geolocation. So, I'm sure that's why things have been progressing slowly.
- Sometimes, when you come across products with labels and verify them, you might find they aren't actually certified—**they're false claims. All sanctions for false claims currently target certificate holders, but many label misuses are by non-certified companies. I'm waiting for an updated procedure that would legally penalize these non-certified companies for using FSC labels.** I've filed complaints about false claims several times, but there's no feedback or resolution because the companies aren't certified.
- **I see a significant and very difficult-to-fix error in the FSC certification platform, where there is a lot of confusion between the validity of the certificate and the issue date of the certificate, or its duration. This creates a lot of confusion because when you're asked within the certification or during an audit to verify the validity or the duration—this is another point—the validity is five years, but what appears on the FSC platform is the duration with a checkmark for validity, and that's not accurate.**

See also
EUDR



9. Market Development

Summary

Members discussed the challenges and benefits of FSC certification in the context of investment and market dynamics. One investment fund, active in Central America, highlighted that despite requiring FSC certification for its investees, the high costs associated with certification pose a significant burden. This cost issue, coupled with limited market differentiation makes it challenging for investees to see tangible benefits. Although the fund has advanced to secondary processing, the lack of market recognition undermines the value of certification, prompting calls for more support from FSC in demonstrating its importance and value.

Conversely, some members noted that FSC certification has recently shown tangible benefits, such as higher prices and market preference for certified pulp, indicating some positive market differentiation. In Mexico, while FSC certification doesn't always lead to better prices in certain industries, it offers significant advantages in forestry, wood sectors, and access to credit. Certification also provides access to payments for environmental services and reduces the contribution required for credit applications, highlighting benefits beyond immediate financial returns. The discussion emphasized the need for FSC to enhance market recognition and support to improve the perceived value of certification.

9. Market Development



Solution



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- (Investment Fund) We invest in forest management and the value chain in Central America, requiring our investees to have FSC certification as a clause in our contracts. After five years, we've advanced to secondary processing, **but the cost of certification is a burden. Many investees question its value since there's little market differentiation, particularly in the U.S., and formal compliance makes our products more expensive.** Despite our efforts, including advocacy for FSC certification, **the lack of market recognition and support makes it challenging. We believe FSC could provide more support in highlighting the importance and value of certification, as our investees bear high costs with limited benefits.**
- We've always seen FSC certification as a way to access markets that would otherwise be out of reach, which is a strong motivation for pursuing it. **While some view the high cost as a barrier, I don't entirely agree when considering the overall cost of forest management.**
- **Last year, for the first time, we saw higher prices for the pulp we were selling with FSC certification— a significant difference. Additionally, the prioritization of markets for our certified pulp was absolute. For the first time in 2023, I saw this differentiation at the product level between those certified by FSC and those that weren't. It was a change I hadn't seen before,** so I can share that testimony.
- **FSC is starting to enter preferential markets, which is a positive development** In Mexico, while certification doesn't necessarily lead to better prices, especially in the paper and printing industries, it offers significant advantages in the forestry and wood sectors. **The biggest benefit, often overlooked by communities, is that certification provides access to credit. This added value isn't always recognized because the focus is often on higher profits.** However, certification also allows access to payments for environmental services and reduces the contribution required when applying for credits or resources.

10. Tropical Forests

Summary

Members discussed the current and potential focus of FSC on tropical forests, expressing diverse perspectives on its importance and approach. Some questioned why tropical forests should be a specific priority, arguing that FSC should already be focused on them due to their ecological significance. They emphasized that tropical forests, particularly those in Mesoamerica, act as crucial biodiversity corridors and should naturally receive attention. However, the shift in industries like those in Indonesia from production to monocultural plantations such as palm oil raises concerns about the relevance of production forest management. Members suggested that FSC's emphasis should instead be on conservation, given the changing landscape.

Furthermore, challenges in Nigeria highlighted a lack of Forest Management certificates and issues with community control and interest in certification. There was a call to broaden FSC's focus to include dry forests, which are also part of the tropical ecosystem but often overlooked. Some members proposed incorporating other ecosystems into FSC's strategy, such as desert and dry forests, to better reflect diverse environmental needs and opportunities. The discussion underscored the need for FSC to adapt its focus and expand its approach to effectively address global forest and ecosystem conservation.

10. Tropical Forests



Solution



Action Point



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Potential Cross Chamber Topic



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- I think **that the whole issue of certification, the whole issue of FSC, is implicit when it comes to tropical forests.** So, as a priority for the chamber, I don't see it going forward because, to me, **tropical forests are already users of FSC. I don't see why there should be a specific focus on that.**
- **What exactly is the proposition here? Is the problem that FSC isn't working as effectively as it should be, or that not enough tropical forests or tropical lumber are being certified?**
- **I definitely support FSC as a strong mechanism to ensure that tropical forests are managed well and that the products derived from them come from responsibly managed sources.** However, **I'm unclear on why this is being highlighted as a specific priority—shouldn't it naturally be a priority, given how important tropical forests are for the planet in so many ways?**
- **Mesoamerican tropical forests act as a corridor for biodiversity, facilitating biological exchanges between the forests of North America—such as those in Canada and the United States—and the forests of South America, like the Amazon.** So, **if we want to conserve forests for all and forever, we need to focus on tropical forests because they serve as this biological corridor.** It's crucial to recognize the importance of tropical forests and give them the attention they deserve.”
- **Tropical forest management for production in countries like Indonesia is a dying industry.** That's why, I wondered what exactly we're discussing. The industry is shifting toward monocultural plantations, whether for palm oil, energy, or pulp and paper. **This shift likely explains why we're not hearing much about production forest management in these regions—it's becoming obsolete.**

10. Tropical Forests



Solution



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Potential Motion



- **If FSC wants to play an important role in tropical forests in places like Indonesia, the focus should shift more toward conservation.** Right now, **the emphasis on production forest management isn't effective because that sector is disappearing, with forests being cleared for plantations.**
- With the **Remedy Framework** and the associated processes now in place, especially **in Indonesia**, I think we need to pay more attention to these developments. **This is something entirely new, particularly for Indonesia, and it involves major companies going through this process...It's important because these processes are new, allowing companies that converted after 1994 to be part of FSC. We need to ensure that stakeholder consultations are inclusive and transparent.**
- **There's no FSC certification holder in Nigeria currently, aside from one company with a Chain of Custody certification.** We don't have any Forest Management certificates in the country. If the focus shifts to conservation, we already have ecosystem services, for example. **But if the goal is to make certification for conservation cost-effective, I doubt it would work in Nigeria.**
- **FSC currently focuses more on rainforests than on dry forests. Dry forests are tropical forests too, and they need support and recognition. Elevating the focus on dry forests could be beneficial.**
- To sum up, **the key challenges in Nigeria include the lack of real control over forests for communities, the low interest in certification, and the need to broaden FSC's focus to include dry forests alongside rainforests.** These issues need to be addressed if tropical forest certification is to become more relevant and effective in Nigeria.

10. Tropical Forests



Solution



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See also
Market
Development



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Development

- **It is interesting how tropical forests are already included in the conversation, and perhaps going deeper into this is part of FSC's DNA...** particularly strong for the Latin American region, as seen in our recent work promoting non-timber products like latex. **While pulp for paper can come from various trees, latex only comes from tropical forests, mostly purchased by buyers in the North.** It's worth **considering how we can further build on this focus on tropical forests.**
- **I would open this discussion not only to one ecosystem but also to include other ecosystems.** Just as we have forests in tropical areas or in our latitudes, we also have desert areas or dry forests, where there aren't necessarily trees, but rather shrubs. **There's currently an effort to certify non-timber products like oils, fats, and resins from these regions. Including these other ecosystems could also be an important value for FSC, showing that it's not just about forests but about ecosystems.** This would allow us to expand and grow in response to what nature is really asking for, which is the coexistence of ecosystems in different regions and even in different watersheds.