



FSC objectives e-conference

An independent threaded e-conference on the future objectives of the
Forest Stewardship Council, FSC
October 7 – November 1, 2002

Final synthesis report: themes and opinions from the discussion

<http://www.fscobjectives.org>

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This report is an output from a research project partly funded by the United Kingdom Department for International Development (DFID) for the benefit of developing countries. The views expressed are not necessarily those of DFID. ZF0185 Forestry Research Programme. DFID-FRP contact: j.palmer@nrint.co.uk

Preface

The opinions voiced during this e-mail conference reflect how far FSC has come in delivering its mission...and how far there is to go.

I am thankful for the support from all FSC members and FSC friends who participated in this conference as organizers, as contributors, and as observers. First of all, I wish to thank the group of people who gave birth to the idea and to John Palmer and the United Kingdom Department for International Development (DFID) for their financial support of this e-mail conference. I also would like to thank Dineke Romeijn and Treemail for the efficient organization, Hannah Scrase for the introductions to the threads, Sue Hulme for the summaries, Mark Temple for the Spanish translations, and Euforic and ETFRN for providing the discussion platform.

The contributors have made an effort to not only present new ideas but also summing up opinions that have been heard in private over several years. While some of these ideas have been voiced before, the uniqueness of this e-conference is that it provided a forum for these thoughts to be aired publicly and in a structured manner.

The task now facing the FSC membership and staff is to sort through this valuable input, and agree on practical operational and financial priorities. It is my hope that this can be accomplished during the General Assembly of FSC members in Oaxaca later this month. I look forward our continued discussions in Oaxaca, and to positive results as, together, we set FSC on a course for the future.

My sincerest thanks for your continued support.

Åsa Tham
Chair of FSC AC

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Background

The Forest Stewardship Council will be ten years old in 2003. FSC has commissioned several studies on strategy over the last few years, but these studies have been specifically excluded from reviewing the FSC's main roles and objectives. It has been argued that one success of FSC has been in holding together in a single organisation a wide range of philosophies about the management of natural resources including forests. This cohesion has been obtained at least partly by discouraging open discussion of the fundamental objectives of FSC and the relations between major categories of stakeholders.

In its first decade, FSC has developed a coherent range of quality assurance procedures and solved a great range of problems in many countries, with almost unbelievably small resources. FSC now has to decide on its major objectives for its second decade, together with the structures and mechanisms most appropriate for the achievement of such objectives. Different stakeholders in FSC have promoted quite ambitious strategies and directions in which the organisation might develop. A more business-like approach is essential in order to fund these developments. It is important for the future of FSC that the membership as a whole, and non-member FSC stakeholders, gain a better understanding of the major factors which affect the operation of the FSC and the evolving business environment with which FSC must engage; because commercial operations are critically important for a market-based instrument like forest certification.

The status of FSC funding has reached a point at which lack of finance is seriously compromising the ability of FSC to carry out its basic functions. A radical change in funding mechanisms is essential, because donor development agencies will not routinely support what has been promoted as a market-based instrument.

The FSC general assembly (of members) in November 2002 could provide an opportunity for decision making on the nature of the FSC in its second decade. This preliminary electronic conference offered a platform for discussion to all stakeholders, members and non-members, so that the general assembly itself can be devoted to decisions on just a limited number of previously discussed and substantially agreed options.

An informal group of interested FSC stakeholders met in London on 26/27 June 2002 and the idea of a conference of this nature was developed at that meeting. Some members of the group constituted an informal steering group for the conference. The Executive Director of FSC agreed at the London meeting that this conference would be helpful to FSC planning. It was not practicable for the secretariat to organise and operate such a conference itself.

The United Kingdom Department for International Development (DFID) has a formal commitment to promote forest certification. The Forestry Research Programme (FRP) of DFID has funded several research projects in order to improve the livelihood opportunities for small-scale forest-based enterprises through forest certification. DFID is naturally concerned that the current funding problems of FSC and the debate over its major roles are resolved in such a way as to continue to benefit small-scale forest-based enterprises. A financially threatened FSC will not deliver what DFID wants and expects.

FRP therefore provided the bulk of the funding, for an electronic conference in which the majority of FSC membership and other FSC stakeholders could be involved and with mechanisms to enable those without web access to participate.

The discussion was hosted on the joint European Tropical Forest Research Network (ETFRN) – European Forum on International Cooperation (Euforic) web discussion platform, and facilitated by Treemail.

Themes and opinions from the e-conference discussion

By Sue Hulme

Introduction

The FSC e-conference discussed three interlinked threads:

Thread 1: If we were reinventing FSC today knowing what we know, what would it look like? OR, what do we want FSC to look like in 5 years time?

Thread 2: How can FSC really start to deliver on its mission in the South?

Thread 3: Is FSC too narrow in its approach?

159 people registered for the FSC e-conference, 23 (15 %) people actively participated in the debate by submitting opinions, which is a normal percentage for e-conferences. This report presents the broad themes and opinions expressed, and does not give statistical information.

Executive Summary

The majority of participants advocated that FSC should stick to its core mission of forest certification, but possibly look into developing modular certification, for example, legal verification. A minority argued that FSC should diversify now to offer a greater range of services, such as carbon trading.

Participants suggested a wide range of measures that FSC could take to ‘reinvent’ itself, particularly with a view to better delivery in developing countries:

1. Become more professional, with a clearly defined and widely publicised strategic goal, and achievable targets.
2. Develop a federal structure, with strengthened, funded National Initiatives, to help increase FSC’s presence and visibility around the world.
3. Redefine the Board’s role as a strategic body rather than a hands-on management team.
4. Reappraise the membership structure to become more inspirational and less governing while keeping the three-chamber structure. All members should reaffirm their commitment to FSC’s strategic goal and targets.
5. Increase promotion and marketing of FSC and certified products especially in developing countries. Aim to help raise interest and awareness of certification, and link producers with markets. Possibly initiate training programmes in partnership with other organisations.
6. Undertake a radical rethink of FSC’s funding. Suggestions included funding from retailers and bodies such as the World Bank and European Union.
7. FSC cannot be all things to all people, increase strategic alliances with, and lobbying to, global, national and local bodies to assist FSC in its mission, especially to provide enabling conditions in developing countries.
8. Facilitate certification in developing countries through:
 - Lowered certification costs, possibly through links with funding agencies;
 - Introduction of phased or “stepwise” certification;
 - Increased accreditation of southern certifiers.

Other views expressed:

- Community forestry, protected areas and non-timber forest products were considered to be valuable tools for promoting FSC certification by some participants.
- The move toward mutual recognition with other certification schemes was controversial and should be carefully considered before any steps are taken.

Thread 1: If we were reinventing FSC today knowing what we know, what would it look like? OR, what do we want FSC to look like in 5 years time?

A large number of varied suggestions were made about how FSC could change or be reinvented to better meet its goals and achieve its mission.

1. Suggested changes to FSC's ethos and approach:

As a successful enterprise, FSC needs to be able to provide its services in a timely and professional manner. FSC needs to operate at the speed of business and avoid institutional paralysis. FSC must provide services that are reliable and maintain a predictable policy framework. While some business sectors appear to thrive on chaos, the forest products industry requires predictability and a reasonable level of certainty. FSC must be (and be seen to be) a stable organisation managed by talented individuals delivering consistent policy and continuity of service.

FSC as it stands is not working like a larger organisation works. In order for FSC to move on it **MUST** work in the commercial world and act like a commercial organisation.

2. Suggested changes to FSC's structure:

a) The FSC Board needs to be more strategic:

The structure of FSC needs to be redesigned to allow leaders to make decisions and take action consistent with the strategic goal. The Board should set strategic direction and ensure that programs are being delivered, they should not micro-manage day-to-day operations. The role of the Board should be well defined and the Board should be relieved of operational responsibilities, freeing them to concentrate on achievement of the strategic goal.

FSC needs to ditch its current Board structure and establish a Board that is more capable of delegating authority and enabling people to achieve targets. People panic if you suggest that FSC should be run more like a company, yet even NGOs have strong people at the top that delegate authority – why not the FSC? FSC must get the systems in place to deliver on its mission, and that means getting the right people, it means putting financial resources in the right place to deliver on the core objective and it means restructuring the FSC Board so that decisions can be taken by others and quickly.

b) National Initiatives, the secretariat and a federal structure:

One person representing FSC in Asia? Two in Africa? If it weren't so tragic it would be hilarious. FSC needs to have a vision for what it wants to achieve and set targets for the number of certified hectares in tropical forests. It needs to decentralise and the push to get Regional Coordinators is a good move. FSC has to get National Initiatives going and support them more strongly.

Challenges in the coming decades will require a strong FSC presence and hard work around the world. This must be done through supporting and strengthening the national initiatives and developing certification bodies in the South. The idea of organising those national initiatives into a federation seems good. Historically federations have proved to create stability.

National initiatives have a critical role to play and, were they to be sufficiently financially supported, could provide the kind of devolved or federal structure advocated. The importance of a change in the structure of FSC in this way is that such an organisation should be more acceptable to those in the forest industry and elsewhere who currently do not recognise the mandate and independence of the FSC to set forestry standards.

FSC needs a corporate structure including a Board focussed on strategic issues, a Secretariat managing global affairs and National Initiatives managing affairs at the country or continent scale.

3. Need for a defined strategic goal and achievable targets:

The strategic achievement of FSC has been to act as the catalyst that gave rise to certification and provided a template for what an acceptable scheme looks like. The strategic goal for FSC over the next five years is its transformation from a catalyst to an enterprise. To achieve this FSC will want to agree now to a strategic goal that has clear, achievable outcomes in mind. There are countless things that FSC can do to improve, and numerous day-to-day problems that have to be addressed, but more than anything else FSC needs a clear strategic goal and the leadership and will to achieve its purpose.

It's back to basics and look at the FSC mission and re-design the way the organisation is run in order to most effectively deliver that mission. The organisation has blown in the wind. Does the FSC have a Three-Year Plan with targets and strategies to achieve them? What are the FSC's targets? It is doubtful if there are any and if there are, they're certainly not well publicised.

FSC needs to be more proactive and needs to have a vision that would include targets, and short- and medium-term plans.

4. Views on the FSC membership:

The three chambers must stay as they are; they reflect the "three pillars of sustainability". All sectors fit under these headings.

The primary role of the membership is to ensure that FSC maintains a multi-interest base. At present there are serious problems related to member accountability, as well as the roles and responsibilities for members. Could the role of the FSC membership become one of inspiration, ideas and support and less one of governance?

In order to have sufficient input from environmental and social interests in the decision-making process about economic activities (forestry operations), the 3-chamber structure was devised. Although the system has benefits it also has shown a number of weak spots. One of these is the tendency of the chambers to be too inward looking and too self-absorbed with the issues concerning themselves. This tendency has the potential of splitting FSC into opposing factions fighting their own narrow interests, rather than a forum for different interest groups to present their arguments and to find a common practical solution. It is time for each of the three chambers to reformulate not only their own role in the overall FSC organisation, but also indicate how they see the roles of the other chambers and what they expect of them.

It was a calculated risk for FSC to fully engage the industry that it was seeking to change. Not only would FSC encourage these companies to pursue certification, it would grant them member status, voting privileges, and allow them to enter into negotiations over the very standards they would have to meet. This "full engagement" with large industry has brought with it many benefits; additional expertise and resources, and overall "buy-in" to the program.

Through the involvement of prominent industrial players, the international profile of the organization has been lifted and links to retailers facilitated. However, it has come at a cost. Along with those practising low-impact forestry, FSC has attracted companies most desperately in need of improving their environmental image. The “industrial forestry” component of FSC is often at odds with the goals of the rest of the organization. From FSC policy development, to accreditation of certifiers, to regional standards development, this element has often impeded progress. FSC should continue to fully engage the industry it seeks to change. But it is time to reaffirm that first and foremost, members must be committed to the organization’s principles and criteria.

5. Need for increased promotion and marketing:

For almost ten years FSC has worked to establish an answer to one question: What is responsible forestry? The answer to this question varies from place to place, but in general, the FSC has set the standard. Good, step one is done, the marketing claim can be substantiated. Now is the time for step two: let the market know that this option is available. Even environmentally minded people do not know the FSC exists or what it stands for, and certainly do not recognize the logo when they see it.

The FSC logo can be the ‘it’ word for sustainability providing it is promoted in the right places with the goal of producing global demand for responsible forestry. It is important to get certified and labelled product into the shops and at the same time educate the public. One is no good without the other. If demand is sufficient for certified products, then bad forestry practice will disappear in the rush to supply demand.

On the marketing side, it would seem to be in FSC’s interest to promote (via a strategic partnership?) demand for certified products in key domestic, developing country markets.

6. Review the relationship with other certification schemes:

Conflicts between the different certification schemes have probably hampered quicker expansion. The existing certification schemes should better work together, while keeping their identity, to help develop certification systems in other parts of the world rather than compare their respective credibility and look for increasing market share. If the objective of certification is sustainable forest management, FSC and the other certification schemes should join their efforts, agree of framework conditions for mutual recognition and share their experience with southern countries. This would result in a win-win-win-win situation: beneficial for forests, forest owners/managers, forest-based industries and consumers. No need to re-invent FSC. Just look together with the other credible certification schemes in the same direction: the expansion of sustainable forest management.

Mutual recognition was first created in order for other, less credible certification schemes to be seen as equivalent to FSC, to borrow from FSC’s public acceptance and to confuse the buying public by saying that really, they are all the same anyway, when in fact, they are not the same at all. In the end, they are all trying to co-opt the language of true sustainable forest certification and pretend it is all the same thing.

FSC MUST change and MUST change now. It cannot be out there feeling that it is the biggest of its kind and cannot be touched. If it does it will find that it is in second place behind organisations like the Pan European Forest Certification (PEFC).

Is FSC’s target to survive and beat other schemes? There has been a lot of neurotic energy put into worrying about other schemes in the past few years.

7. Radical rethink of FSC funding needed:

If the majority of organisations selling FSC products really wanted to show support why not pay for that support and offer say 0.10p on every FSC item sold, to the FSC. People will pay for the knowledge that an item comes from a certified source, just look at the organic industry!

There is a need for a radical rethink in the way FSC is, or can be financed. One way of approaching this is to look at the benefits of certification both locally and globally and to whom they accrue. Licensing the FSC label is a good idea since it focuses on the retailers, who can arguably be said to be gaining the most in market terms. There are also national, international and global benefits from responsible forest management and it is reasonable to expect the beneficiaries to contribute to the costs. In this way international, regional and national bodies such as World Bank, EU, and governments might be persuaded to directly support FSC (as well as other certification schemes if they wished).

Thread 2: How can FSC really start to deliver on its mission in the South?

Suggestions for how FSC could improve delivery in the South covered many of the same issues as above, but also some new aspects:

1. Increased strategic alliances and stronger lobbying:

- Strategic alliances: FSC can join the efforts coming from the International Tropical Timber Organisation (ITTO), the World Bank, the Food and Agriculture Organization of the United Nations (FAO), and some local NGOS to improve forest management around the world.

FSC will need to develop a strong lobbying leverage to be able to influence governments to adopt certification as part and parcel of routine forest management. Although FSC may not be the “UN of sustainable forest management” in the next five years, it will certainly get stronger by forming strategic alliances or partnerships with other key players such as governments, NGOs and the private sector.

It is that FSC devote some energy to establishing key partnerships with organisations that can work on establishing building blocks or enabling conditions necessary for certification to really blossom in developing countries. These enabling conditions include better forest governance (including forest surveillance), improved forest management rights and responsibilities for local communities, and testing and implementing best-practice silvicultural systems in natural forests. It is clear to many, that if these enabling conditions are not in place, the FSC mission will not be realised on a large scale in these countries.

2. Better FSC presence in the South and greater participation:

Strengthening and increasing the number of National Initiatives (NIs) and contact persons in the South should go a long way to improving FSC’s delivery. Yet, if these NIs are going to become the base of FSC, study of how they might operate in the South, including an analysis and better understanding of current initiatives, is sorely needed. As the setting in the South is fundamentally different from that in the North, the Southern NIs cannot be expected to operate in the same way as their counterparts in the North. Operating costs will generally be higher and cannot be borne by the members of the NIs. FSC will need to develop a strategy for long-term support for these NIs.

- Decentralized actions: FSC could implement more meetings, and more technical and commercial workshops in the South, rather than the North.
- Reinforce National Initiatives: FSC could directly reinforce 5-6 national initiatives in the South and promote new certification bodies based in the South.

The decentralised, federal structure makes sense in many ways. However, the major stumbling block would seem to be funding National Initiatives in the South. If FSC opts for this new structure, it must develop sustainable financial strategies to cover the operational costs of these initiatives. If FSC is going to become a true global force, it must expand and the means for ensuring this expansion must be secured. It would seem that much of this expansion should be at the personnel level: FSC simply needs to employ more people. This expansion must also occur regionally, especially in target areas. Establishing an office in central Africa, for example, is a step in the right direction, but two people posted there on short-term contracts will not suffice.

FSC should be a participative process whereby if FSC wants to be present in the South it should include people and organisations in the South on an equal basis. If it is an authoritarian relationship, which it is seen as now, FSC and certification will be seen as just a method of the North to bar fair trade.

Besides the vital and necessary links with world bodies, FSC needs to establish more direct contacts with 'grassroots' groups like indigenous NGOs. It is the natives on the ground that know their land rights and suffer if these are infringed by outside forces.

The establishment of local certification bodies would be, especially in Latin America, an important step in creating an incentive for good forest management and also in increasing the certification bodies' knowledge and awareness of the complex social realities of each region.

3. Better communication, training and outreach:

Lack of interest in FSC and certification is as important a problem as access. Awareness raising and communication regarding FSC needs a huge boost in the South. The messages should not only focus on what FSC and certification are, but also on the advantages of certification. Producers, users and managers must have an incentive for working towards FSC certification, and this incentive will be strongly linked to understanding certification's advantages of added value and long-term viability. Language will also be an issue; English/Spanish will not work in some places.

There is need for an effective communications strategy to broadcast the message about certification, its benefits, the FSC, etc. in order to create awareness particularly in rural areas, schools, among policy makers, the general public and the private sector. At the same time, there will need to be a compendium of *consumers* of certified forest products worldwide [to complement information of suppliers of certified products] and such information should be made readily accessible to all countries.

FSC could promote more training and technical assistance in good forest management practices in the South, involving local organisations.

FSC should put a lot of money into education and into the extension of good management practices. This should be a two way process, so that local practices are also acknowledged and local people are included.

FSC could support and initiate training and management development programmes to assist forest owners and companies to improve their forest management concepts and practices. FSC could engage in alliances with funding agencies and training institutions.

A local producer asked why he cannot sell his products because they are not certified, while foreigners from the North can sell the same furniture easily. Of course it is a matter of knowledge [of certification] and relationships [with certified markets]. But FSC should assist these people to get the same chances.

4. Simpler certification, lower costs and greater financial benefits:

Lowering costs and simplifying the process of certification are critical issues in the South. A step-wise approach is needed in the South where management practices are generally lagging far behind those in the North and where, consequently, attaining certification will be a medium- to long-term undertaking. Subsidies, fundraising and strategic partnerships seem to be strategies that can partially address the cost issue, as is the model of getting companies that want certified products to pay some of the costs linked to improved forest management. The answer to the issue of high costs linked to northern certifiers is obvious: FSC needs to

promote/facilitate the process of establishing accredited certifiers based in the South. FSC needs to investigate these options and establish and implement a cost-reduction strategy.

FSC is not accessing rural areas where poverty and illiteracy are high, making certification simple, and at fair and reduced cost. Why have a mass paper chase when it could be made simple?

Stepwise or phased certification could be designed to recognise various stages of accomplishment; that is different levels of compliance with the FSC standard. Certificates for different levels could be recognisable in the marketplace. If the next level has not been reached within a certain period of time, the certificate could be withdrawn. Forest owners and companies are more inclined to begin and continue a process where the rewards are close and reachable in a relative short time.

FSC will need to have better controls on how much the process of certification will cost. Certification will have to be affordable in order to attract larger numbers of new entrants. In the past, exorbitant prices charged for certification have excluded many potential entrants into certification schemes.

It continues to be extremely difficult for owners of small and medium-size forest areas to join the FSC. Unless there is a difference in the purchase price their income is not even enough to cover the cost of implementing FSC standards, and certainly not to pay for audit costs.

The challenge for FSC is to create a forest certification process where local people benefit from fair prices for certified products (timber and non-timber). Forest certification does not necessarily imply higher prices, but in some cases it can be a key tool to negotiate positions and prices in the market.

The cost of the certification assessment process could be borne by public funding. One or more assessment funds could be managed by a variety of funding agencies, which could act as broker between the forest company that wishes to be certified, and the certifiers.

Could FSC work with organisations like the World Bank to improve forest sectors, enabling organisations to seek funding so they can be part of the FSC family?

5. Focussing on community forestry, protected areas and non-timber forest products could help FSC move forward in the South:

If community forestry was introduced alongside certification the whole community could benefit. FSC could initiate a programme and then put all the monies back into the region, for say, the first five years. Such a programme could be included in projects run or coordinated by organisations such as the UK Government's Department for International Development (DFID), the Global Environment Facility (GEF) and the Food and Agriculture Organization of the United Nations (FAO), focussing on good forest governance.

FSC will need to promote certification for other forest products than just timber if the full potential of sustainable forest management and markets are to be realized. In particular, certification for wood products such as carvings and non-wood products such as organic honey could be scaled up and promoted especially among local communities.

Certification of forest reserves or protected areas could be a future niche for FSC. In southern Africa a number of forested areas have been demarcated and set aside as forest reserves, but management of these areas has ranged from "no management" to "laissez-faire management". In consultation with governments and other key stakeholders, FSC could promote certification of these areas.

Thread 3: Is FSC too narrow in its approach?

The majority of participants argued that FSC should remain true to its core focus, and should not diversify. The following statements represent their views:

If forest certification had successfully achieved its primary objective (promotion of sustainable forest management), enlarging the scope of FSC could be considered. We are still far from there. 90% of the certified forests are located in the northern hemisphere. It only represents a very tiny part of the global forest areas. The number of CoC certificates needs to increase. Much more work needs to be done in the existing framework.

One can often spot a failing enterprise by a tendency to diversify away from its core business. This happens when problems with the core business seem insurmountable and a decision is made to “re-invent” the business. To achieve the strategic goal of transforming from a catalyst to a successful global enterprise FSC must focus on its core business of forest certification. It is enough to do this and do it well. At this point FSC is losing momentum on many fronts, and while it seems to deliver on its mission in one place, in another it lacks traction. The FSC brand needs to be in the hands of consumers in every key region of the world, providing them with the confidence that the forest from which the product originated is well managed. Accomplishing this is an enormous undertaking. But this is what FSC set out to do. FSC must remain focused on the core business of forest certification and avoid distractions.

It is terrifying to hear people talking about FSC getting involved in poverty alleviation schemes, carbon sequestration, all sort of other things rather than its core function – setting the standards for good forest management and managing the process by which forests are assessed. Such comments assume that the organisation is doing its current job so well that it is time to broaden the scope. This really isn't the case. FSC should work better at delivering the things it was set up to do before flying off wondering what else it might be able to do. There is a lot of need out there that needs addressing, more than enough to occupy the current FSC for the next 20 years.

Because the [FSC] certification programme is intransigent and because it takes time to fulfil the ten principles there hasn't been a surfeit of FSC rubber-stamped certification. The FSC scheme is performance related and follow-up auditing very comprehensive. Time will show that people embrace FSC's standards and are prepared to pay the price for good stewardship of natural resources. If FSC starts diversifying into more lucrative fields it may lose its focus.

FSC should remain focused on its present goal and establish the Principles of Forest Stewardship. FSC should really concentrate on these and not lose its focus as a lot still has to be done in Southern countries. Here even the most basic principles are still far from being known by most of the people or the people near the forest.

Scope expansion is both an opportunity and a danger. This takes careful strategic management. At some future point FSC could consider carbon certification. Right now there are other, higher priorities.

FSC should spend most of its energy (re) focussing on its core business of forest certification. This core business is a huge task and most agree that current FSC efforts need to be redoubled as a larger impact from FSC certification is sorely needed.

It is not a good way to add value is through diversification, or to bolt on environmental services to FSC certification. FSC does not have the capacity to carry out its present mission effectively. Why dilute things further by trying to be all things to all people? FSC should not

be associated with carbon trading. It is not responsible forest management to encourage fast growing, largely exotic tree species to produce carbon credits for recalcitrant carbon-producing companies to carry on 'business as usual'. The inclusion of environmental services such as watershed management and biodiversity conservation should be contemplated only in so far as this helps to promote the FSC brand and the value of certification to producers. FSC forest and chain of custody certification should remain the focus. Add value by creating demand and then licensing use of the label.

During the last ten years FSC has demonstrated that its mission is correctly focused. Forest certification is a new concept that is driving forest management around the world, but it still has a long way to go. FSC cannot expect to achieve sound forest management worldwide within just one decade or even two decades, it will take much longer.

Some of these participants suggested that FSC could engage in limited expansion of the existing focus without fundamentally changing direction:

Certification of downstream processing and life-cycle analysis seem to be the next logical step in diversifying FSC's certification mission. Many companies are in favour of using recycled materials and it is important that the origin of the recycled material introduced is established for percentage-based certification. And this, together with downstream processing could become an integral part of the life-cycle analysis certification process.

A stepwise approach giving recognition to efforts taken towards achieving all principles and criteria is not possible under the present FSC scheme. FSC could look at standardising each step, for example to be an 'ISO' type, where fulfilling all steps would result in full FSC certification. In this way FSC could then encourage small or community forest owners to embrace certification.

Right now, FSC should consider a focus on modular verification, particularly for developing countries. A legal and chain of custody module (principles 1, 2 and 8, or at least the chain of custody part of it), a social module (principles 3 & 4) etc. A modular approach would allow forest managers in developing countries to "get in the FSC door", demonstrate commitment etc.

Of the potential diversification list offered by Scrase, verification of timber legality seems to be the most pertinent and could easily be linked to a governance program implemented by a partner organization.

No or only minor diversification is feasible. There are some calls for some diversification into things like certifying recycling or verifying legality (which does fit into the developing thoughts on a stepwise progression towards certification).

A minority of participants argued that FSC needs to diversify more radically. Ideas about the direction in which to diversify ranged widely.

If FSC does not move forward and move on it will not be around in 20 years. FSC must keep evolving and offer services that meet the needs of the companies currently using FSC and the new companies wanting a certified product. Things like carbon certificates could be part of the remit for FSC and a good add-on as it is a global issue that wins votes. With recycled products the FSC would be wise to build a partnership with another organisation and have a new FSC logo to promote this. FSC should not be a certification body but an add-on item which helps companies sell its products, so the more FSC has online the easier it is for to plan ahead. Could it be that FSC are short of funds because they do not offer added value products and services to the commercial world on a global platform? Carbon note trading is happening now, so why not utilise this and gain funds through its transactions?

FSC is clearly associated with forest management, but there is an emergence of the “stewardship” model of natural resource management. FSC should be involved in the development of a “Global Stewardship Council” that concerns itself with the management of a range of resources (e.g. minerals, marine and terrestrial animals, water etc.) These need to be codified and harmonised, and the inclusive structure of the FSC General Assembly and “chamber” system, along with universal principles of participation, need to be developed.

If certification is to make sense in the developing world, FSC must position itself to deal with the larger issue of poverty alleviation through sustainable forest management.

FSC’s current focus on standards, accreditation and certification targets a very narrow segment of the world’s forest-dependent industries – probably less than 20%. The other 80% are outside FSC’s range of significant influence. How can FSC’s reach be extended to touch that 80% and bring them along a path toward more responsible management?

Annex 1: Conference organisation

An informal group of interested FSC stakeholders met in London on 26/27 June 2002 and the idea of a conference of this nature was developed at that meeting. Some members of the group constituted an informal steering group for the conference. The Executive Director of FSC agreed at the London meeting that this conference would be helpful to FSC planning. The informal steering group decided on the topics for discussion and prepared the introductions to the threads.

The DFID Forestry Research Programme provided the bulk of the funding and contracted Treemail in the Netherlands for the facilitation of a web-based/e-mail threaded discussion on the future objectives of the Forest Stewardship Council in its second decade. Treemail is familiar with FSC and forest certification generally.

Treemail developed the conference website. For the actual web-email conference a new platform was developed jointly with Europe's Forum on International Cooperation (EUFORIC) and the European Tropical Forest Research Network (ETFRN). Development of his platform was funded by EUFORIC/ETFRN/ DFID-FRP. The platform was built by Antenna Foundation, The Netherlands.

Sue Hulme, a private consultant who used to work for FSC UK as fund raiser and information officer and for the Certified Forest Products Council (CFPC) in the States on their certified products data base, was asked to write the summaries and final synthesis. The summaries and the synthesis are compilations of edits from the original contributions. No attempt was made by FSC or the organisers to point out errors of fact, suggestions of doubtful legality, or proposals of financial near-impossibility. Each paragraph in the summaries and the synthesis represents one original contribution, so adjacent paragraphs may reflect quite different views from different people.

Mark Temple, who has ample experience in translating conference material, has made translations into Spanish.

Announcing the conference

FSC stakeholders were informed about this conference mainly through email mailing lists, discussion lists and by announcements on websites. Announcements were sent either directly to a list or to the moderator. The mailing lists used are those that are widely read in the forestry sector. FSC members were notified by the FSC secretariat through their mailing lists.

Mailing lists that announced the conference

- The Environment in Latin America Network (ELAN)
- FOREST Mailing list on forest research and studies
- The Independent Forum on Forests (IFF)
- Forest information Update (FIU), H. Gyde Lund
- European Forest Institute (EFI) certification info service
- Society of American Foresters (SAF)
- FSC Secretariat's mailing lists
- FSC-US mailing lists
- ITTO Tropical Forest Update email bulletin
- SCI.environment
- ALT.forestry
- Foresters online

Organizations with news services on the web

- European Tropical Forest Research Network (ETFRN), circulation through mailing list, announcement on homepage, <http://www.etfrn.org>
- Europe's Forum on International Cooperation (EUFORIC), announcement on homepage, <http://www.euforic.org>
- ELDIS, announcement in news online, <http://www.eldis.org/news/announce.htm>
- Forest Stewardship Council of Canada, announcement on homepage, <http://www.fsccanada.org/>
- Treemail, announcement on homepage, <http://www.treemail.nl>
- GTZ Forest certification project, announcement in online news, http://www.gtz.de/forest_certification/english/brandaktuell.asp
- EFI-Certification Information System, announcement in calendar of events, <http://www.efi.fi/cis/english/whatsnews/events.phtml#november2002>
- EARD-InfoSys+, link to conference site, http://www.eiard-infosys.org/result_det.cfm?urlid=3660
- Forest Certification Watch, contacted, action unknown
- Forest Flash, contacted, no online announcement
- Certified wood products market, contacted, no online announcement

95 organizations representing stakeholders received the announcement through direct email. Among the organisations contacted were certifying agencies, forest research organizations, universities, NGOs working in community forestry, timber trade organizations and international organizations.

Annex 2: Introductions to the threads

Thread 1: If we were inventing FSC today, knowing what we now know, what would it look like? – Or what do we want FSC to look like in 5 years?

By Hannah Scrase

FSC has over the past ten years grown beyond expectation. When we discussed the first ideas, certified the first operations and started on the first standards, nobody really dared to imagine that in less than ten years FSC would grow into such a global network. And more – FSC has changed the global forestry debate as well as put tangible social, environmental and economic benefits on the ground. FSC, its members, its national initiatives, its supporters, its partners and its many clients have all reason to be proud of what they have created.

But is that really enough? Have we really contributed to achieving our mission? Are we still contributing to our mission? Is this contribution effective? What lessons can we learn from the past? What was our recipe for success and what were the mistakes? Where have we failed and what do we need to achieve in the future?

The current model of FSC as an international accreditation and standardization body based on a direct membership organization was developed almost ten years ago when forest certification was a new concept and when there were no other organizations to learn from. It's time FSC took a fresh look at whether the model we have is the best one to deliver our mission and promote social and environmental benefits and economic viability.

In the past ten years we have changed as much as the world around us. Forest certification is no longer an idealist concept but is operating on the ground globally. There are other forest certification schemes trying, in their own ways, to follow in FSC's footsteps. FSC itself has grown far beyond our expectations and not always in the ways we expected.

The role of FSC National Initiatives has become increasingly important but their critical role is not reflected at all levels in FSC. Members and certification bodies still relate directly to the international FSC all too often bypassing national initiatives - for example in policy development and complaint management. We need and appreciate national initiatives for bringing together stakeholders, facilitating dialogue, seeking consensus and often taking the heat. But do we really draw on their extensive experience and give them voice and vote, when it comes to tough decisions?

Other models have since been developed in other sectors such as the Marine Stewardship Council for fisheries and now under development a "Climate Stewardship Council" and a "Herb and Spice Stewardship Council" as well as the proliferation of other forest certification schemes. All these have used the experience of FSC, learned from our mistakes as well as from our strengths to design their organizations. FSC, however, is still operating under our original basic model. While FSC has gone through many developments and improvements, we haven't taken enough advantage of our own wealth of experience. We should not live in the past simply because that's how it was always done, but seek better ways of doing things which will help us achieve our mission more effectively. There are aspects of FSC that we believe are the best and we must keep them, but FSC and the world around us have changed and we must make sure we are always learning and always leading in our field.

As our membership grows it becomes increasingly difficult to manage centrally. Reaching quorum for ballots and holding General Assemblies present an ever increasing challenge in terms of effort and cost to FSC. One suggestion for the future is to move toward a model where FSC becomes a federation of its national initiatives. In such a model the members of

FSC would relate directly to the national initiative of FSC, and the National Initiatives would be the members of FSC. The members in each country would elect delegates to represent them at the international level and General Assemblies would be of the National Initiative delegates.

FSC's work to date has been largely donor funded but this cannot be expected to continue forever and is already insufficient to enable FSC to fully implement the programs that our members rightly demand. Other ways of paying for FSC's services and programmes will have to be found.

Some stakeholders question the nature of the relationship between FSC, the certification bodies and the certified operations. Some consider that there needs to be a less direct financial relationship between the certifiers and their clients. Others believe that the basic model should stay the same but that FSC should license its accreditation rather than carry it out directly, so that FSC can make use of the existing accreditation capacities in many countries. Suggestions for alternatives include:

- FSC becoming a broker between the certifiers and their clients whereby companies apply to and pay FSC for certification and FSC appoints the certification body and pays them.
- FSC becomes the certifier itself, contracts auditors directly and takes the certification decisions itself.
- FSC operates a franchise system instead of an accreditation system and certifiers become FSC franchise holders.
- Another model suggests that FSC licenses its accreditation to national accreditation bodies which use FSC accreditation standards to monitor certification bodies.

The FSC model seems to work reasonably well in many developed countries but has been less successful in many developing countries. (See Question 2 in this email conference) There may be aspects of the FSC model that could be better adapted to work in developing countries.

Questions have been raised over the years about the chamber structure of FSC. It seems to work well in many ways but also has problems and is challenged in many countries where stakeholders want to have four, five or even more chambers.

Finally it is clear to those who have been involved in FSC over the years that it is difficult to make decisions in a relevant timeframe or to deal with problems quickly as they arise. There may be changes we could make which would help to address this.

These are a few of the ideas I find myself discussing with FSC members and observers on a regular basis. They are neither all my own views nor FSC's position, but they certainly deserve serious consideration. I have put these ideas together to start this discussion but don't feel constrained by them.

You don't need to respond in detail to each issue above. Concentrate on the ones that interest you. Try not to be tied down by what we have now, instead try to think about how you would design FSC now if it didn't exist. After all we are not here to protect an institution, but to implement our mission. And think boldly!

Thread 2: How can FSC really start to deliver on its mission in the South?

Åsa Tham, Chair of FSC AC

The origin of forest certification is linked with the concerns regarding tropical deforestation, unsustainable logging and forest fires in the 1980s. Certification was conceived as a market-based instrument to promote sound forest management systems that could act as a tool to promote forest conservation and sustainable development.

Despite its original tropical focus, certification became an instrument used more by temperate and boreal forest producers than tropical ones. As of 2002, only 15% of all forests certified by FSC were in the “South”¹, which, in contrast, holds 88% of the world’s forest cover. A large fraction of the certified tropical forests are plantations. A tiny fraction is comprised of traditional and indigenous communities in tropical forest areas. Since its creation in 1993 FSC has established its world organization network based on country initiatives in certification. It should be recognized that 31 National Initiatives have been created consisting of 17 National Working Groups and 14 Contact Persons. Twelve Working groups are operational in temperate and boreal countries, the remaining five in Latin America. Of the 12 Working Groups in temperate and boreal forests only two are in “Southern” countries. In Africa FSC is represented by just two contact persons and in Asia by just one.

Some of the reasons for this situation are:

- The costs of certification can seem very high for under resourced operations in developing countries;
- Civil society is often less able to participate in stakeholder processes such as FSC in developing countries, due to a combination of lack of resources, poor communications, less strong networks of NGOs and in some countries restricted freedom;
- FSC certification requires quite formalised management processes and planning and this is not well established in some regions so there is a big need for investment in forest management before certification would be possible;
- Many community run operations in the South are not well linked with markets seeking certified products so it is difficult for them to realise the benefits of certification
- Most certifiers are based in Europe and North America, which increases the costs of inspection for operations outside these regions.

There is an urgent need to change this reality.

There is a need to:

- understand the factors that limit access of forest producers in the south to certification;
- propose actions to overcome these limiting factors.

This e-mail conference opens up a possibility for all FSC-members and friends to make a contribution to overcoming this situation so that FSC can really start to deliver for forests in the South.

¹ - Here meaning low income countries, according to UN’s definition, and thus also include non-tropical countries such as Russia.

Thread 3: Is FSC too narrow in its approach?

By Hannah Scrase

FSC started by accrediting forest and chain of custody certification in 1993-94. It was assumed at the time that this would be a huge task and that if we were successful we would be making a major contribution to improving the state of the world's forests. At the time it would have been impossible to try to take on the wider range of issues to relate to impacts of timber and paper consumption - FSC would never have got off the ground at all. Now pressure on, and opportunities for FSC to diversify are increasing all the time. We want your views on how FSC should respond.

Other related issues clearly impact on forests and on the wider environment such as certification of recycled material, verification of legality of timber, certification of protected areas, carbon storage certification, certification of downstream processing of forest products and even life-cycle analysis. FSC could take on some of these directly, could stay away from all of them, could build another organization to do this work or could build partnerships with other organisations to provide a more comprehensive range of services to customers. The opportunities include increasing our reach and impact, increasing our visibility through wider use of the trademark and increasing our income by offering a wider range of accreditation services. The risks include over stretching the secretariat's ability to ensure the quality of FSC accredited certifications and a possible dilution of focus. In addition to these general concerns there are also questions about whether some of these initiatives actually contribute to forest management and protection or may undermine it inadvertently.

Should FSC diversify into other related areas, directly or indirectly through partnerships or should we stick to our core competency of forest certification and let other organisations take on the wider related issues. There is the general question of whether diversification is appropriate and then there are questions about whether each type of initiative is something that would help FSC to deliver its mission and who should decide whether FSC gets involved as new opportunities arise.

Annex 3: Contributing participants

Some contributing participants preferred not to be listed. Their identity is known to the organizers and authors of specific contributions can be traced on the conference website, which is accessible to participants only.

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