

# CertifiedWoodUpdate

FSC General Assembly Edition

29 June 2011



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# MAINSTREAMING FSC CERTIFICATION IN THE TROPICS

A JOINT OPPORTUNITY!



In three tropical timber programs (The Amazon Alternative, The Borneo Initiative, Congo Basin Program) the Dutch Sustainable Trade Initiative (IDH), FSC Netherlands and partners work towards a large increase in the area of FSC certified tropical forest.

These programs make certification more accessible for concession holders and support responsible trade through the creation of market links. All stakeholders throughout the certification process and supply chain are involved in the programs: market players, certification bodies, forest consultants, governments and various NGO's.

The Borneo Initiative



## THE BORNEO INITIATIVE

At present, an area of 600,000 ha (± 2%) of forest is FSC-LEI certified in Indonesian Borneo. The Borneo Initiative aims to increase this to 4 million ha by year 2013, and further to 5 million ha by year 2015. The program is considering expanding to include other areas within Indonesia (Kalimantan, Papua), as well as other countries in the region (Malaysia, Papua New Guinea).

With an Indonesian moratorium on forest conversion just announced, the signing of Voluntary Partnership Agreements (VPA) with the European Union, and the Lacey Act in the United States, most international markets will be closed to illegal timber. As a result, companies are more likely to buy sustainable wood products. Now is the time to act by joining forces towards more certification!

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## THE AMAZON ALTERNATIVE

4 million FSC certified hectares of natural tropical forest by 2013, plus related sustainable trade.

Focus of TAA lies on developing and strengthening the FSC certified timber production and value chain in Brazil, Bolivia and Peru.

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## CONGO BASIN PROGRAM

4 million FSC certified hectares of natural tropical forest by 2015, plus related sustainable trade.

Focus of CBP lies on developing and strengthening the FSC certified timber production and value chain in Gabon, Cameroon, Republic of Congo and Democratic Republic of Congo.

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## LINKING EUROPE

In addition to the tropical timber programs, a new program called Linking Europe is under development. This program focuses on stimulating demand for sustainable timber in Europe. Working together with key-accounts, governments and existing initiatives, the Dutch Sustainable Trade Initiative (IDH) aims to increase the market share of sustainable timber in three countries in Europe.

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In this Special Edition, we report directly from the 2011 FSC™ General Assembly on the official business and unofficial "word on the street". Newsletter design and layout by FSC Denmark. Join us online! [www.nepcon.net/newsletter](http://www.nepcon.net/newsletter)

Feedback on articles? [communications@nepcon.net](mailto:communications@nepcon.net)



## Today's main topics

Timber traceability and the certified industry are in focus in this issue. On page 9, we report from Monday's side event on FSC's ambitious project to develop an online timber traceability system. FSC plans to take a huge stride towards enhanced integrity and elimination of fraud with this project. Credibility enhancement measures often involve new restrictions or procedures, which are generally not popular among the industry. But certificate holders are welcoming this initiative, expecting important benefits rather than burdens from it.

Jamie Lawrence of Kingfisher explains why traceability is a hot topic in the retail business (page 5). What can retail do for FSC, and vice versa? Learn more about this on page 8. And not only retailers, but also timber traders are scrambling to secure supplies matching the growing demands for certified timber products. On page 7, you can learn how DLH works to expand the certified product range and grow new markets.

The featured FSC Mover & Shaker of today's issue is FSC's Knight in Shining Armour. You can meet him diligently defending his view on page 6.

On page 10, Charles Thwaites from FSC-UK describes the challenges and benefits (!) of co-existing with PEFC on the British Isles.

In his editorial (page 11), NEPCON's CEO Peter Feilberg points out that somebody needs to swallow hard, to seriously bring smallholders into the FSC system.

Enjoy your reading!

Your NEPCON & Rainforest Alliance team

## Is Controlled Wood controllable?

The Controlled Wood standard is once again the topic no 1 of the General Assembly. There is general agreement that the system is far from perfect. Can it be fixed? Or is it better to rethink the whole concept?

**Controlled Wood** The discussion on the future of Controlled Wood (CW) at the FSC General Assembly 2011 centers around two major pathways: Short-term fixes and long term, major changes.

### Fixing the system...

During meetings and events, stakeholders have presented several suggestions and thoughts on how the existing system can be fixed to ensure improved enforcement of the requirements.

The most obvious problem is related to the risk assessments done by certified companies, including great variability in the assessments of the same area as well as too frequent designation of low risk. According to a review of the Controlled Wood system carried out by FSC-IC, certification bodies are not reviewing the contents or rigor of the risk assessments properly. A suggested solution to this is to speed up the process of developing national risk assessments.

Field verification audits in areas of with unspecified risk are required and may be carried out by the companies themselves. The standard requires qualified personnel do the auditing, but downstream industries often do not have sufficient capacity for this.

The most "radical" solution suggested by FSC members is to require full scale CW forest management certification for any sourcing in areas with "unspecified risk". A less rigorous option is to require the field audits to be done by accredited certification bodies.

Another difficulty is the requirement to track incoming material back to the "forest level". Those who are using the standard in practice – the auditing bodies and certified companies – find this impossible for downstream companies.

This topic is very controversial, since many companies are using "alternative" methods of tracking the origin, so strict enforcement of the requirements will cause many companies problems. While there is no "fix" for this problem, a possible way of restoring some credibility to the CW system would be to restrict the option of field verification to companies close to the forest level.

The idea has been suggested but did not gain large support. Yet, it remains a hidden problem, which will continue to undermine the credibility and robustness of the system if not dealt with in an open and honest way.

### ....or rethinking the Controlled Wood concept?

Addressing the above issues would clearly help restore trust in the CW system. But the fundamental questions remain: does CW actually help increase the certified forest area? Does the system push companies to increasingly source FSC-pure material? In other words, is there a permanent place in the FSC system for CW, or should it be seen as a temporary tool, to be phased out over the long term?

Some motions on the table for this GA suggest a limited time period for companies to use CW. This may seem like a good compromise; but with tens of thousands of certificate holders, each with a different deadline for phasing out CW, such proposals would likely create too much complexity when it comes to the passing along of claims down through the supply chain.

A complete phasing out of CW has been mentioned, but this has not been seriously discussed yet at this GA. Without an alternative in place, this would effectively mean abolishing FSC Mix product groups and returning to the FSC Pure products. This is seen as an impossible path to take by the majority of the economic chamber members.

The most difficult questions surrounding CW thus remain largely unexplored. Time will tell, if this GA will be successful in tackling some of these issues in a way acceptable to the global FSC community.



Kingfisher is Europe's leading home improvement retailer and the third largest in the world  
© Kingfisher

## Kingfisher: Traceability top agenda for retailers

As forest resources are depleted, timber supply resilience becomes a pressing issue. Knowing where the timber comes from is the first precondition for securing this.

**Traceability** Jamie Lawrence, Corporate Responsibility Manager at Kingfisher, says: "Traceability is perhaps the single most important issue within retail today. This is because retailers need to identify where their timber products are coming from, to secure their future supplies. Security of resource supply is very high on the agenda. Do we have a secure supply chain? Can we get enough timber? If the deforestation rate continues at the current level, then there will simply not be enough timber resources globally to meet the needs of the growing world population and the emergence of large affluent consumer segments in many countries. I see a supply deficit as a real threat. It is coming down the track in 5-10 years' time from now".

"We have seen this happen with several tropical timber species already. Twenty

years ago, timber species such as Teak and Sapeli were common in the home improvement retail business. Now they have almost disappeared. Why? Because the prices have gone up. Why? Because the supplies have gone down. Why? Because the forest areas with Teak and Sapeli have diminished".

"This is the pattern we are going to see for the timber business as a whole, due to the diminishing supplies and the growing number of affluent consumers in the world. Adding to the deforestation, some products such as conglomerates and chipboards compete with the growing biomass industry for resources. So prices look set to increase for many timber products, not just tropical hardwoods, unless the supply situation improves. We can expect to see buyers move increasingly away from

timber to alternative materials such as metal and plastic.

**"I see a supply deficit as a real threat. It is coming down the track in 5-10 years' time from now"**

If you recognise that as a challenge, then you need to think about where your material is coming from. Traceability is absolutely fundamental to the financial basis of the retail businesses, and that goes for all kinds of natural resources – timber is just one of them. Most companies are stating that they expect to grow, and this is an important message to investors. But how can you expect to grow, if you are not sure about your future supply situation?"

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April 11 - 13, 2012

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www.brasilcertificado.com.br

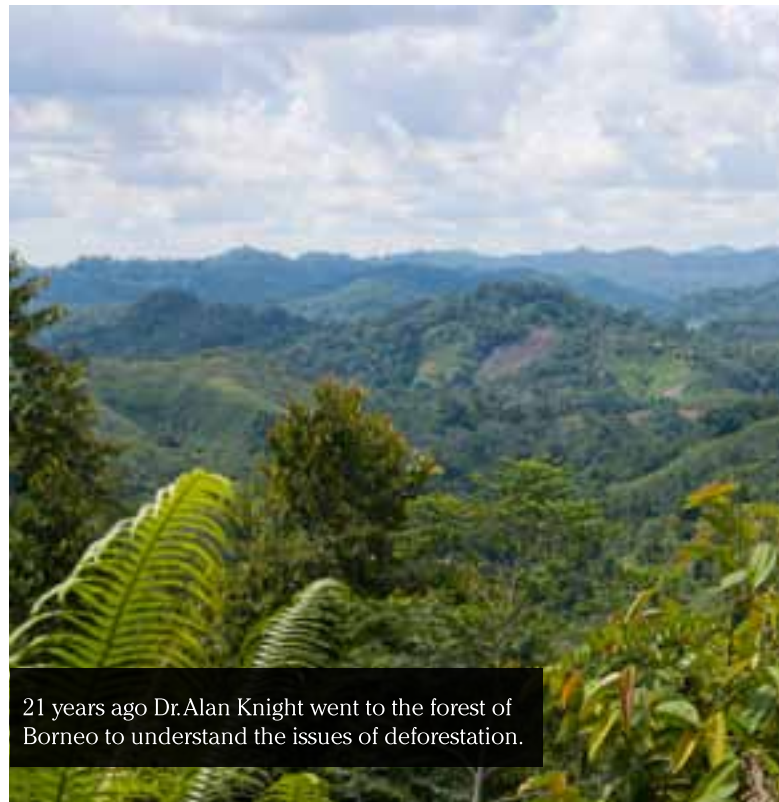


## Thank you FSC!

The staff of Rainforest Alliance and Nepcon would like to thank FSC International for organizing a very well-organized event these days. We know that it has been hectic making ends meet, but the result is a smooth-running FSC General Assembly 2011, where we can focus on the things that are really important: safeguarding our forests throughout the world!

Also we, the team behind Certified Wood Update, would like to especially thank the communications team of FSC International for sharing their pictures and resources with us and making this newsletter possible.





21 years ago Dr. Alan Knight went to the forest of Borneo to understand the issues of deforestation.



The FSC provocateur, Alan Knight

## FSC movers & shakers:

# FSC's Knight in shining armour

Dr. Alan Knight has been at the forefront of sustainable development for over 20 years ranging from peat dilution strategy, paint labelling, to supplier environmental auditing and corporate sustainability. Above all his contributions to the sustainability sphere, he still considers the development of FSC as his greatest contribution.

**Feature** “Being a part of the group of twenty to thirty people that helped start FSC has probably been one of the largest ideas and ironically one of the first things I did in my career. If I was in a rock band, FSC would have been my best selling single; the one that has been so different and so special”.

Knight became involved with the creation of FSC while working as the Environmental Manager for B&Q, the UK home and improvement retailer owned by Kingfisher. His journey began at a pivotal meeting with the Marketing Director at B&Q, when Knight started asking key questions about where the wood was coming from to supply the retailer and was not satisfied with the quality and integrity of the answers he was receiving.

“What I did back then was a bit unusual because it was 21 years ago. I went into the forest myself to find out what was going on. It was one of the first times a retailer had been in the forest of Borneo to understand first-hand the issues of deforestation and what the truth was behind the allegations”.

## Back to the source

After the Borneo trip, Knight quickly realised that it would be unrealistic for him to fly around the world checking on all of B&Q's sources with a one page questionnaire asking suppliers about their management plan.

## If I was in a rock band, FSC would have been my best selling single

“There was no way that a retailer could sufficiently develop the standards, principles and criteria for all the worlds' forests, nor would they ever have the expertise or the time to check for themselves. Even if I could do all that work, who would believe us anyway? I was a part of the problem because B&Q was part of the timber trade. And so the independence mattered as much as the expertise and the time required”.

When Knight reached out to individuals with the idea for third party certification, it turned out that several groups including Rainforest Alliance were already

developing the concept. After a meeting convened by WWF in 1990, Knight found himself on the first interim board of FSC, overseeing the first draft of the P&C, drafting the constitution, governance structure, and proposals that would enable 200 people to vote FSC into existence at the first General Assembly in Toronto.

## Agility and speed is strength

Knight believes that barcode technology linked to smartphones is only two three years away from being developed to trace a product back to the forest. Though technology may be able to take over certain aspects of the certification process, Knight believes the real value of the FSC system resides in the standard-setting process, and that it is crucial for FSC to decouple the enforcement and communication process from the standard. “FSC was created by a group of individuals that wanted change, but it has settled in to the status quo before winning the fight. If they continue to stay in the status quo they will continue to become more irrelevant. What matters most is the standard-setting process. That's where FSC needs to give itself permission to be more nimble,

otherwise the standard and the standard-setting process will get thrown out with the bathwater – along with the labels and audit process”.

## Future trends in retail

“Tracking and verifications, label proliferation; you can tolerate it and there are a lot of different schemes out there. I'm hearing more and more voices that while the major brands want to intervene, they wish there were fewer schemes”. “FSC needs to have a better public policy. Voluntary standards fill the space that policy will do a better job at. Some believe that voluntary standards are becoming a lazy alternative to public policy. FSC needs to have a clear idea of where it stands in the public policy arena, where they stand and where they stand”.

## Knight's supernatural power

When asked what supernatural power would help you most in the course of your daily work, Knight answered, “An ego disappearing wand would be my supernatural power. I wish I could rid the world of ego. I sometimes worry how much ego and need for personal self-esteem drives people to hang on to arguments that stand against the intellectual arguments we need to have”.

## FSC needs to give itself permission to be more nimble

## What you might not know

When asked what one thing people should know about his work but don't, Knight explained, “whilst people like to see me as provoker of new ideas, being a freelance consultant working with varying companies and governments, some of my ideas are better informed than the style of my presentation may suggest”. Read the extended interview online at [www.nepcon.net/newsletter](http://www.nepcon.net/newsletter)

Read the extended interview online at:

[www.nepcon.net/newsletter](http://www.nepcon.net/newsletter)



Buyers are queuing up for FSC certified Acacia timber

## DLH: Pioneer trader in FSC plantation species

Malaysian Acacia plantations can help drive a promising new market for FSC certified plantation products. DLH and the Vietnamese wood industry are key players in the development of FSC plantation wood for furniture worldwide. Today, 75% of DLH Vietnam's trade is FSC-certified.

**Plantations** “I hope that the next Malaysian Acacia plantation will soon become FSC certified. A lot of customers are queuing up to buy the wood, including some large ones”, says Moray Iles, chief representative of DLH Vietnam.

The company's marketing strategy for FSC certified plantation wood has turned out almost too successful; now there is a pressing need to increase supplies due to growing demands for the products.

“We spent several years developing plantation species, and we pioneered the marketing of FSC certified plantation wood, with Eucalyptus as the main species. We promoted it heavily to factories, letting them know that there were regular volumes available at a good quality compared to price. Our FSC Eucalyptus trade quickly became very successful”, explains Mr. Iles.

## Next success story: Malaysian Acacia

“In Malaysia, our effort is focused around Acacia, where the market remains under-developed to lack of certification of the plantations; we saw a clear potential and worked with some of the plantations to convince them to get FSC certified. In 2007, a large plantation in Malaysia – Sabah Softwoods Berhad - achieved FSC certification and we started to market Acacia wood. Two plantations are now certified. Originally, they were both planted for woodchip production. But since then, the market has changed and new technology has enabled use of Acacia wood for plywood and timber”.

The Japanese company Sojitz is buying the woodchips while DLH buys solid wood from the larger plantation, Sabah Softwood Berhad. The two companies pulled together, as both

were keen to have the plantations certified.

“If we get the Acacia market going, this could nearly double our FSC import”, says Mr. Iles. “Plantation products are turning into a huge success worldwide, due to the fact that plantation wood is cheap, plentiful, versatile, and reliable”. The wood is used for a wide range of purposes, including furniture sold by large consumer stores such as IKEA and Wal-Mart, but also high-end “antique reproduction” furniture.

## “If we get the Acacia market going, this could nearly double our FSC import”

## Mandatory requirements drive the market

Mr. Iles highlights the impact of European and US companies' policies that are increasingly making FSC certification mandatory for their suppliers. “Companies having mandatory requirements in place for FSC certification of tropical wood products include influential market players such as Castorama, Carrefour, Tesco, B&Q, Kingfisher, Metro, Home Depot US, and JYSK”.

In addition to plantations in Malaysia, DLH also works to source plantation wood from other countries in Asia, South Africa, South America and the Pacific Islands.

## Malaysian suppliers of FSC certified plantation timber :

- Sabah Softwood Berhad supplies logs and woodchips from its nearly 26,000 ha concession.
- The plantation Asiaprima RCF Sdn Bhd produces Acacia logs. The operation is close to 4,900 ha area.





## Kingfisher: “Retailers could boost the FSC system overnight”

Due to their huge consumer interface, retailers have great and largely untapped power for creating awareness of the FSC label. According to Kingfisher, a special Chain of Custody certification standard adapted to retail would be a win-win solution for FSC and the retail business.

**Retailer certification** “Retail constitutes an enormous pull factor for FSC. By boosting Chain of Custody certification among the retailers, FSC could increase its visibility almost overnight”, says Jamie Lawrence, Corporate Responsibility Manager at Kingfisher, who is advocating the development of a voluntary FSC Chain of Custody standard for retail.

“Extending Chain of Custody certification more widely among retail would also benefit the credibility of the system in terms of the claims made. Volumes from the forest would be easily checked to match with volumes sold to final consumer and business not currently captured by the FSC system could verify their numerous claims about their FSC certified products, through a rigorous verification system that is capable of ensuring the claims are correct”.

**Retailers may sell FSC-labeled final products without becoming certified. Why would they need to become certified at all?**

“Some retailers feed into public procurement policies or engage in B-to-B sales, where Chain of Custody certification is required in order to forward the FSC claim. For example, an important proportion of the sales of B&Q UK go to

contractors who work for government projects such as libraries, schools, and parks. For this reason two of Kingfisher’s retail outlets - B&Q UK and Hornbach - have obtained Chain of Custody certification”.

**Extending Chain of Custody certification more widely among retail would also benefit the credibility of the system in terms of the claims made.**

“There are also reputational benefits of being certified, and certification can help retailers achieve fulfilment of internal CSR policies. With the increasing focus on legality of timber products, CoC certification may also help European retailers to ensure compliance with the EU Timber Regulation. Finally, Chain of custody certification helps retailers structure their efforts to ensure the traceability of their timber products – something that is becoming increasingly important”.

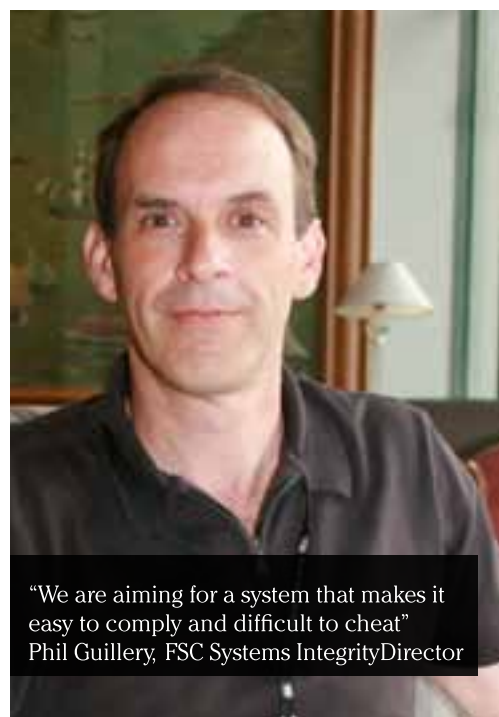
**Why do retailers need their own standard?**

“The current Chain of Custody standard is sort of ‘sawmill style’. It is uncomfortably applied to retailers”, says Jamie Lawrence.

“As an example, we acknowledge that training of relevant staff is crucial. But large retailers may have several hundred stores in one country. Rather than have 150 store managers participate in physical trainings and individually sign 150 papers, we would apply e-learning, induction training, etc. This is virtually impossible to do within the current standard unless CBs demonstrate a level of flexibility. There is a clear need to adapt the standard to be more aligned with the way retailers work”.

**“The current Chain of Custody standard is sort of ‘sawmill style’. It is uncomfortably applied to retailers**

“We are not looking for a diluted standard, but for a standard that works well for retailers. As it is, the CoC standard is prohibitive for the retail industry. With a slight adaptation, FSC could gain a huge benefit by attracting those retailers who already support FSC through in-store promotions and on-product logos to do so within a closed audit system and thereby increase engagement”.



## Online traceability system may boost FSC’s integrity

At a well-attended side event on Monday, plans to establish an online platform for tracking of timber products were discussed. This major initiative could be crucial for maintaining the integrity of FSC.

**Traceability** If you haven’t heard much about timber product tracking before, rest assured that you will hear more about it in the future.

The importance of this issue is widely recognised, and FSC has launched a major project to develop a streamlined solution. Introducing the side event, FSC’s Executive Director André de Freitas referred to traceability as the biggest priority for FSC for the next five years.

**Quick discovery of fraud**

Phil Guillery, FSC Systems Integrity Director, outlined the anticipated system - an online platform that allows efficient tracking of timber product transactions.

“Currently, certificate holders are responsible for each node in the supply chain, but we have no system to trace material through the whole supply chain. And we are drawing closer to a tipping point: more questions of fraud are going to occur – this is an inevitable consequence of having grown from a handful of certificates to thousands”.

According to Mr. Guillery, the new system will form an efficient barrier for fraudsters. Attempts at fraud will be easy to discover, enabling FSC, Accreditation Services International (ASI) – the company managing the FSC accreditation programme – and certification bodies

to crack down on such cases almost instantaneously.

“Consumers expect us to handle this quickly and efficiently. In addition, the EU Timber Regulation presupposes that products can be traced and timber labelling schemes are expected to fulfil those requirements”.

**User interface is important**

“We’re looking to build a system that will provide benefits to our stakeholders. For example, we may be able to simplify some certification requirements”, said Mr. Guillery. “For example, the purchase and sales registrations currently required for both buyer and seller will be reduced to single transaction record in the new system”.

**“The system has to change before it breaks. But we can’t afford to break the system while making the change”**

“We hope to reduce rather than increase the total costs for our users by introducing this tool. The system has to change before it breaks. But we can’t afford to break the system while making the change”.

FSC is developing the platform in partnership with Historic Futures, a leading company on supply chain traceability.

**Certificate holders: “It can revolutionise how we operate”**

The certificate holders present at the meeting mainly expressed enthusiasm for the plans. They envisaged a whole string of benefits, such as enhanced efficiency and related resources savings; improved transparency and credibility; and better market statistics.

During discussions, some technical issues were raised: how can the system handle ‘FSC credit’ products that may originate in multiple sources? What about enterprises who don’t use computers or the internet? What about data security?

CEO of NEPCON Peter Feilberg raised the question of whether the online tool might cover other timber assurance schemes used by the industry, such as PEFC, timber legality verification schemes, FLEGT licenses, and so on. “It will be a nightmare for the companies if they end up having to use a number of traceability systems”, he pointed out.

Aside from the data security, which according to Historic Futures is already fully secured in the system, the development team acknowledged the validity of the points raised and said they would explore them further.





## REGIONAL OUTLOOK



FSC UK:  
FSC and PEFC can benefit and learn from each other

## Regional Outlook: Living with PEFC

Ever since arriving at the helm of FSC UK five years ago, I have regarded our relationship with PEFC as much more nuanced than many of our stakeholders would care to admit. Perhaps this is because of a special situation in the UK.

**Relations** In the UK we have major initiatives of mutual benefit such as a jointly-agreed forest management standard – which delivers 80% of productive woodland into joint or FSC-only certification – and the securing of an exclusively certified-timber accounting system for the London Olympic Park. We hope the increased awareness of certification in general raised by publicity surrounding the opening of 2012 venues next year will be out of all proportion to what either scheme could have achieved on its own.

### Mutual benefit

These joint initiatives have led to mature and measured professional relationships between the two sets of staff in the UK. When we talk at the same events, the rule is for one scheme not to denigrate the other. Audiences invariably prefer to hear the facts on how the different schemes have been constructed, and to make their own judgment on which scheme best meets their needs.

When pushed, we will point to our NGO support and our considerably higher public recognition. PEFC counter with a greater forest area as a source of supply, and sometimes that their decision-making processes are more locally based, and therefore more attuned to the needs of the customer.

### Leading while learning

All this cautious mutual respect may sound like passing the buck, but FSC UK is not at all qualified to criticise PEFC on matters which happen beyond UK borders. Indeed, I regard my primary role in this context as defending our own reputation which may be under attack from journalists and others who wish much less well of FSC than does PEFC.

Nevertheless, we face considerable challenges from PEFC, just in terms of who can provide the sort of services that best meet customers' needs. PEFC are much better resourced at a national level than we are, and that greater local control gives the impression of faster footwork in the face of customer needs.

**PEFC had learned a lot from us in the past – we would be wise to continue to analyse their strengths**

We need to watch closely their move to include social conditions into the supply chain; this may be a mill-stone or it could catch the mood. My judgment is that they are somewhat behind us at the moment on using their standards to provide a template for the European Union's Timber Regulation due diligence requirements,

but they may find they have an advantage when it comes to demonstrating legality at source. After all, they are unlikely to endorse a forest management standard for a particular country that is unclear whether national legislation is to be followed or not.

### One system

There has been a lessening recently of questions about why the world's forests need two standard-setting schemes rather than just one. I believe that the supply-chain in Britain has learned to live with both, and the certification bodies have accommodated the situation by auditing the two systems in parallel.

Nothing I have said should give the impression of equivalence between FSC and PEFC. The schemes are very different in origin and in their governance models. Perhaps my chief contention is that PEFC had learned a lot from us in the past – we would be wise to continue to analyse their strengths, particularly in customer delivery, to ensure we are not left behind in the future.

Charles Thwaites,  
FSC UK Executive Director

## Smallholders: solution in sight?

The biggest unresolved issue within the FSC system is the lack of access to certification for smallholders: forest properties of a few hectares where logging may only occur once in several years, and where the current FSC certification system is simply not applicable.

### Small properties make up a large area

Even though each of these operations is tiny in size, put together they cover significant forest areas. Community forests are important social assets in many countries, offering a host of benefits for the local people. Until today, FSC has had virtually no impact on the management of these areas despite several attempts to enhance the smallholders' access to FSC certification.

While FSC has achieved great success certifying large public and industrial forest operations, it has failed to provide certification solutions for the small private forest properties and community forests. As an organisation considering social benefits as a core value, solving this should be a top priority.

### Link between smallholders and Controlled Wood

The smallholder issue is linked to the never-ending discussions regarding Controlled Wood, a concept fraught with difficulties and credibility issues. Controlled Wood is seen by many stakeholders as a temporary solution; but the system can't do without Controlled Wood unless the FSC-certified forest area expands considerably.

As long as there is no solution for the smallholders, supplies of FSC-certified timber will be too low in some regions, and there will be a continued need for Controlled Wood. Conversely, if Controlled Wood is phased out without finding a solution for smallholders, the small

forest operations will be placed in an even worse situation - completely excluded from the certified wood market.

There is a need for innovation and new approaches! The reduced SLIMF requirements, logger certification, and community labeling schemes all come into the equation; but it seems clear that more effort is needed to truly change status quo.

### Phase in smallholders – phase out Controlled Wood?

Greenpeace and Forest of the World have invented a concept that could form the basis for a solution for phasing in smallholders, while phasing out Controlled Wood.

The two organisations are proposing that the ultra-small forest holders without regular income from harvesting activities can sell their wood as certified - provided compliance with a simplified set of indicators for the FSC Principles and Criteria is verified by the purchaser of the wood such as logging companies, round wood traders or primary factories. Buyers need to be FSC certificate holders and carry out field verification of the smallholders' compliance on the ground. The buyers' verification audits will be checked by their certification body.

This could be one of the ways forward, although it requires a serious will to compromise among stakeholders. If we want to build an FSC system that doesn't let smallholders down, it is evident that at least some stakeholders need to swallow hard.

Peter Feilberg, CEO of NEPCo  
pf@nepcon.net

What's being said about....

## FSC and the GA

CWU\_GA\_Daily CertifiedWoodUpdate @FSC\_GA @FSC\_IC doing an outstanding job on the #FSCGA11 <http://twitpic.com/5i1bau>

CWU\_GA\_Daily CertifiedWoodUpdate #FSCGA11 @tritonlogging article on "Underwater forests – FSC's next frontier?" [bit.ly/lHnx6n](http://bit.ly/lHnx6n)

CWU\_GA\_Daily FSC\_Canada FSC Canada Jameson French relays what it was like to be one of the early proponents of #FSC among the US industry <http://ow.ly/5r7S8>

CWU\_GA\_Daily CertifiedWoodUpdate Intense side group negotiations taking place on #FSCGA11 motions <http://twitpic.com/5i137u>

CWU\_GA\_Daily CertifiedWoodUpdate Beyond timber – will FSC put a price on the wider forest values? [bit.ly/m5Wl9p](http://bit.ly/m5Wl9p) #FSCGA11



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## What is this?

Figure out what we zoomed in on here, and win the great cutboard!



### How To Win

Write down the right answer on your businesscard, and put it in the NEPcon competitionbox. The winner will be announced in tomorrow's issue.

By participating you will also sign up for the next issue of Certified Wood Update online

The object here is located at the General Assembly hotel so keep your eyes open!

**Guess and win!**



### Borneo Facts:

## Did you know?

**Borneo is one of the most bio diverse places on earth. The WWF has stated that 361 animals and plant species have been discovered there since 1996.**



My Favorite tree

**It's sugar maple. A North American high quality tree. I would say that it's the prettiest tree in the Fall**

Joseph Lawson, Forest Manager MeadWestvaco

No shade tree? Blame not the sun but yourself.

Chinese proverb

### Yesterday's Correct Answer

The owner of the nose was: Ruben Gomes, OELA

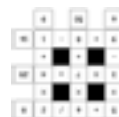


## Number Puzzle

	+		/		6
x		x		x	
	x		+		25
-		+		+	
	+		-		16
6		50		9	

Fill in the missing numbers.

Solution at the bottom of the page



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