



## Forest Stewardship Council • Milestones



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Anders Hagman  
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## Our vision

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The world's forests meet the social, ecological and economic rights and needs of the present generation without compromising those of future generations.

## Our mission

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The Forest Stewardship Council (FSC) shall promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

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## A Message from the Executive Director

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**The impact of FSC certification became increasingly clear throughout 2009, and encouraged further work towards our shared goals. The year saw significant investment in structuring FSC to allow it to continue to grow and to ensure the quality of FSC certification. 2009 also marked the beginning of our exploratory work on FSC, forests and climate change, which indicates both potential and challenges for the organization. It was a year of growth - in the market, in the organization and in recognition of the results of our collective efforts.**



The past year began with the launch of a comprehensive review of the FSC Principles and Criteria, FSC's international standard for responsible forest management. Through a dedicated Working Group, Advisory Group, consultative forum and an inclusive platform of re-gional meetings for indigenous peoples around the world, FSC is providing opportunity to strengthen the consensus on our priorities and goals. Through this unique process, we are reaffirming our commitment to effect improvements in forest management and bring benefits to forest communities worldwide.

Significant resources were dedicated to improvements to ensure the quality and credibility of FSC certification. Notable among these are the revision of the FSC requirements for certification bodies, the launch of a new comprehensive dispute resolution system and the approval of the core elements of FSC's Policy on Association. We have also revised our system to enable greater access to FSC by family forests. This work however, is far from completed and will remain a focus area of the organization for the coming years.

FSC has also conducted a revision of how it works together with its National Initiatives. This culminated in the approval of a new framework of roles, rights and responsibilities within the FSC Network. This framework further recognizes the value and contribution of FSC National Initiatives and will be the basis for our work together in the future.

Among the organizational milestones, FSC's market presence continued with increasing growth in Chain of Custody (CoC) certificates crossing the 15,000 mark on 21 September. The milestone confirmed that businesses and consumers demand forest products that uphold the highest social and environmental criteria. An equally significant certification milestone happened when the 1,000 FM certificate was awarded to an association of forest owners in Portugal in September.

All of the achievements which marked this past year highlighted our progress toward our global goals, and push us to continue with conviction as we look towards a new year and new challenges. Thank you to all the members, National Initiatives and staff that have made 2009 a year of milestones for FSC.

Yours truly,



Andre Giacini de Freitas  
FSC Executive Director

**The collective challenges that we face in forest management are at a pinnacle, and the past year made it ever more apparent that FSC is a critical part of the solutions to our shared concerns. As we engaged with stakeholders around the globe in 2009, we were encouraged that our efforts to facilitate the global consensus on responsible forest management are bringing lasting impacts and fueling further resolve towards innovative solutions.**

Throughout 2009, FSC placed priority on facilitating stakeholder dialogues in order to connect the most urgent challenges with effective actions. In various settings, FSC Board of Directors, National Initiatives, Working Groups, and project leaders created opportunities to connect with stakeholders in Montreal, Białowieża, Yaoundé, Buenos Aires, Copenhagen, Lima, Bangkok and many other venues. While issues varied from region to region, one theme carried worldwide: together we are creating solutions to critical forest management issues.

To witness the commitment to the FSC vision and global priorities in the 'on-the-ground' efforts of our international network reinforced our momentum. The remarkable uptake of FSC certification in 2009 also confirmed that our focus remains as relevant in the market as it is in the forest. As we implemented work towards strengthening standards, policies, programs and processes, we also welcomed new global challenges in forestry with determination.



Multifaceted issues such as carbon mitigation, responsible investing, and ecosystem services have become central to forest dialogues. In discussions on legality, such as in international regulations including EU FLEGT and Lacey Act, FSC's relevance remains clear. With its effective mechanisms for governance, monitoring and credibility, FSC is providing leadership through these complex challenges. While our values and mission remain steadfast, our versatility ensures that our work is applicable in all aspects of forest management.

At the close of 2009, FSC celebrates a year of milestones in both global and local scope. It is clear that our work is having positive effect and, just as significant, that we are instituting the best processes for moving forward to embrace new and critical challenges.

With gratitude, I encourage the continued commitment of our global network and look forward to the year ahead as one of our strongest - a year where we will continue to realize our vision and mission to advance responsible forest management worldwide.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roberto Waack', followed by a long horizontal line and an arrow pointing to the right.

Roberto Waack  
Chairman, FSC Board of Directors



# 2009 Year At A Glance

## FSC celebrates the 1,000th Forest Management certificate in Portugal

FSC issued the 1,000th Forest Management (FM) certificate to Associação de Agricultores de Charneca (Grupo ACHARsgf), a small farmers association in Chamusca, Portugal. To mark the milestone, ACHARsgf hosted a celebration attended by representatives from FSC International and FSC Portugal. The event drew significant private and public recognition with representatives from Portugal's Ministry of Agriculture, industry, NGOs and the Forest Services.

## FSC Switzerland launches educational display at Papilorama - Swiss Tropical Gardens

Visitors to Papilorama - Swiss Tropical Gardens can learn about responsible forest management through a 20m2 FSC information wall located in a prominent position at the entrance of the tropical butterfly park. Visited by 250,000 people every year, Papilorama is a tropical garden with species of trees, plants and butterflies from across the tropics.

## FSC Belgium receives "Be Sustainable Award"

FSC Belgium received the "Be Sustainable Award" on 16 October for the best Belgian initiative in sustainable trade with developing countries, honored by the Belgian Technical Cooperation.

## President-elect Barack Obama's inaugural invitations printed on FSC paper

President-elect Barack Obama's one million inaugural invitations were printed on FSC certified paper. This high profile use of FSC certified paper represents a milestone for FSC, demonstrating recognition of the importance of FSC certification at the highest levels of the US government and setting a precedent for subsequent procurement decisions.

## First meeting of European small forest holders network held in Bonn, Germany

European small forest holders took part in a two-day meeting in Bonn in April to discuss the best way to network and engage in the FSC system. The meeting marked the beginning of an FSC European Small Forest Holders Network and one of the first outcomes from the FSC "Lisbon Process."

## FSC Germany receives Utopia Award 2009

FSC Germany received the Utopia Award 2009 on 28 November for its outstanding work in promoting responsible forest management. The Utopia Awards honor and support German enterprises, organizations, models and products that drive change in the sustainability sector.

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## FSC certified "Canühome" makes a splash at the Canadian National Exhibition

The "Canühome" has come to its final home at the Canadian National Exhibition in September 2009. The "Canühome" is a full-size travelling home exhibit built and furnished almost entirely out of FSC-certified wood. It serves as an educational and inspirational full-size home exhibit that demonstrates the importance, beauty and value of choosing FSC-certified products. Since its world premiere at the Green Living show in 2008, the "Canühome" has attracted over 100,000 visitors at over 10 events across Canada.

## 15,000th chain of custody certificate

FSC celebrated the 15,000th Chain of Custody (CoC) certificate at the World Forestry Congress. Nearly thirty FSC CoC certificates were issued around the world on 5 October 2009 to mark the milestone. Several countries have reached significant milestones as the number of CoC certificates surpassed the 1,000th certificate mark in Greater China, The Netherlands and Germany in 2009.



## Regional P&C review meetings with indigenous and traditional peoples start in Peru

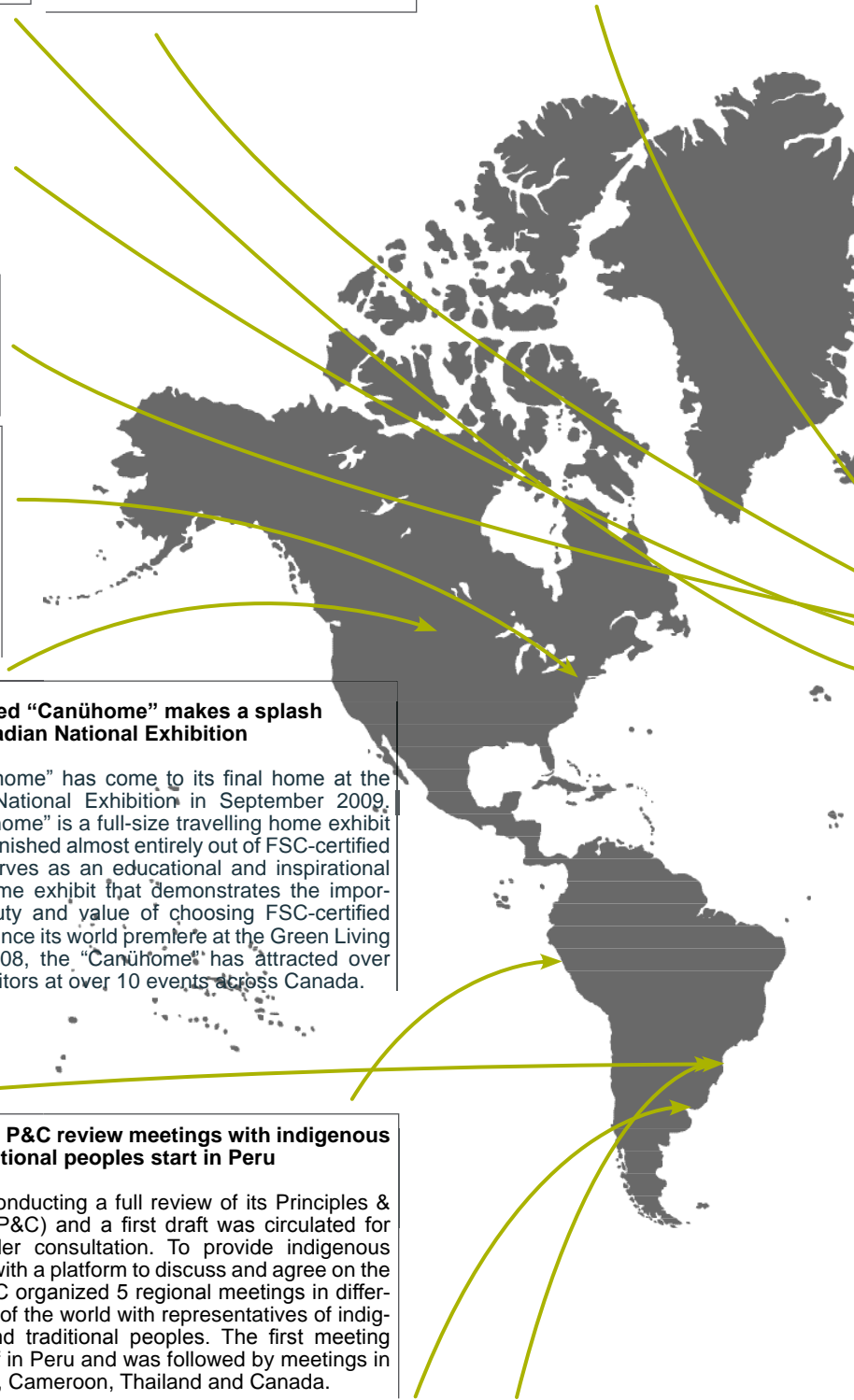
FSC is conducting a full review of its Principles & Criteria (P&C) and a first draft was circulated for stakeholder consultation. To provide indigenous peoples with a platform to discuss and agree on the draft, FSC organized 5 regional meetings in different parts of the world with representatives of indigenous and traditional peoples. The first meeting kicked off in Peru and was followed by meetings in Germany, Cameroon, Thailand and Canada.

## City of Buenos Aires commits to FSC

FSC became the preferred choice for Buenos Aires as Mayor Macri announced at the opening of the World Forestry Congress that the city is committed to procure FSC certified wood and paper products by 2010.

## São Paulo's daily newspaper Metro prints on FSC paper

With a circulation of over 150,000, Metro's decision to print on FSC certified paper has a strong and positive impact on the world's forests.



## FSC connects credible forest certification with carbon issues at COP15

FSC made its voice heard at COP-15 with a side event on 16 December and a series of publications on responsible forestry and climate change. Focusing on reducing emissions from forest degradation, the event was a joint effort between FSC, the Consejo Nacional de Áreas Protegidas de Guatemala and the Rainforest Alliance.

## FSC Denmark showcases "Home Green Home" in Copenhagen during COP15

FSC Denmark showcased their "Home Green Home" project at the Copenhagen Climate Exchange in the run up to the UN COP-15. Covering 200 square foot, the house and garden is made entirely of FSC certified or eco-friendly products. Among the 7,000 visitors, the Danish Foreign Aid Minister Ulla Toernaes and Climate Minister Connie Hedegaard expressed their enthusiasm for FSC Denmark's Home Green Home.



## National Park in the Czech Republic gains FSC certification

The Krkonose - or 'Giant Mountains' - National Park in the Czech Republic recently obtained FSC certification demonstrating the high standard of forestry practices used there. One of the biggest and most visited National Parks of Europe, Krkonose is now set to raise awareness about FSC and the importance of responsible forest management in the country.



## FSC certified children's book tells the story of forest dwellers

Picture book "The Great Paper Caper" by illustrator Oliver Jeffers is printed on FSC certified paper in China since November. "The Great Paper Caper" tells the story of forest dwellers who see their forest disappear and team up to find out who is threatening their environment. The first FSC certified book in China is an important milestone for FSC. Following the introduction of books printed on recycled paper, it signals an increasing demand among the Chinese public for environmental-friendly products.

## WRI project to bring forests away from conversion and into FSC certification

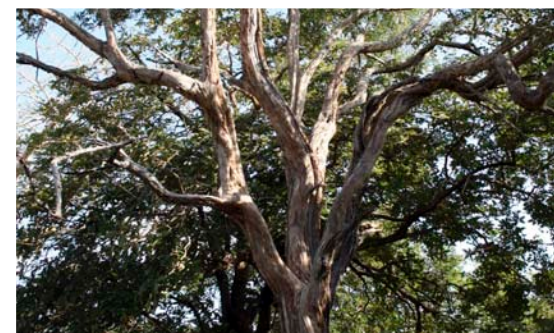
The World Resources Institute (WRI) launches an innovative project to divert new oil palm plantations onto degraded lands, and bring forests that were planned for conversion into FSC certified forestry.

## Winter Olympics go green in Russia

The Russian Ministry of Natural Resources has endorsed "green standards" for the 2014 Winter Olympics in Sochi that specifies FSC certification for construction timber. FSC certified timber will be used for all construction including buildings, transport and energy infrastructure as well as related nature protection projects in the region. The Sochi 2014 Organizing Committee declared they will further develop their "green program" to include certification requirements for all paper products for the event, including office paper, printing materials, envelopes and tickets.

## World's first harvest of FSC certified African Blackwood in Tanzania

The Mpingo Conservation Project was awarded an FSC group certificate in Tanzania for their community forests. Certificate's group members are rural communities among which the Kikole village. The Kikole community sold the world's first harvest of FSC certified African Blackwood in January 2010.





## Consultations

In 2009, FSC focused on a comprehensive review of its Principles & Criteria (P&C) – a tremendous undertaking yet critical process that supports FSC's democratic structure.

### Principles and Criteria

The 10 Principles and their 56 associated Criteria reflect the global consensus on forest management that meets the social, environmental and economic needs of the present and future generation. As the core document of FSC, the P&C form the basis for all FSC policies and standards.

#### Overview of P&C

- Prohibit conversion of forests or any other natural habitat
- Respect of international workers rights
- Respect of Human Rights with particular attention to indigenous peoples
- Prohibit the use of hazardous chemicals
- No corruption – follow all applicable laws
- Identification and appropriate management of areas that need special protection (e.g. cultural or sacred sites, habitat of endangered animals or plants)

[www.fsc.org/pc](http://www.fsc.org/pc)

Following the launch of the review on September 3, 2008, FSC formed the P&C Review Working Group in January, 2009. Sub-chamber balanced, the Working Group members equally represent the North and South and hold expertise in social, environmental and economic aspects of forest management.

A consultative forum was established in order to ensure that all stakeholders affected by the P&C Review and Revision have the opportunity to provide input. The consultative forum includes all FSC Members, National Initiatives and FSC accredited certification

### Dispute resolution

FSC launched its first comprehensive Disputes Resolution System on 1 November 2009 replacing the 'Interim Disputes Resolution Protocol' published in 1998.

Developed in line with ISO regulations and stakeholder input, the new system

will enable a consistent and timely evaluation of complaints and appeals raised by stakeholders against decisions, performances or any other issues within the FSC scheme.

Designed in a modular way, the system supports stakeholders to express concerns they may have with the operation of the FSC system.

To facilitate submission and tracking of complaints and appeals, FSC is developing a user-friendly online dispute resolution center for stakeholders. To access the dispute resolution page, please go to [www.fsc.org/dispute-resolution](http://www.fsc.org/dispute-resolution).

bodies, as well as all other stakeholders that have registered their interest.

The first draft of the revised P&C was circulated for stakeholder consultation from July to August 2009. More than 80 people and organizations engaged in this initial phase of the consultation process.

In order to provide indigenous peoples with a platform to discuss and agree on the draft of the P&C, FSC organized 5 regional meetings with representatives of indigenous and traditional peoples around the world. The scope of the regional meetings – held in Peru, Germany, Cameroon, Thailand and Canada - covered all 10 Principles and associated Criteria with particular focus on indigenous peoples' rights (Principle #3).

Based on the comments provided during the public consultation period, the indigenous peoples meetings, as well as advice from an Advisory Group of experts established to provide technical advice and recommendations where needed, the P&C Review Working Group will provide a second draft to stakeholders for another 60-day consultation in early 2010. The review and revision will be finalized by a vote of the FSC Members in the latter part of 2010.

### FSC Global Strategy

The FSC Global Strategy commits FSC to continued leadership in advancing responsible forest management worldwide.

It particularly stresses the importance of making progress with forest certification in the endangered tropical forests of the economic south and growing the market share for FSC certified products, including ecosystem services.





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## Global Strategy overview

Goal 1. Provide Leadership in advancing globally responsible forest management

Goal 2. Ensure equitable Access to the benefits of the FSC system

Goal 3. Will ensure integrity, credibility and transparency of the FSC system

Goal 4. Products from FSC certified forests will create more business value than products from non-FSC certified forests

Goal 5. FSC will strengthen its global network to deliver on goals 1-4



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## Forest Carbon and Climate Change

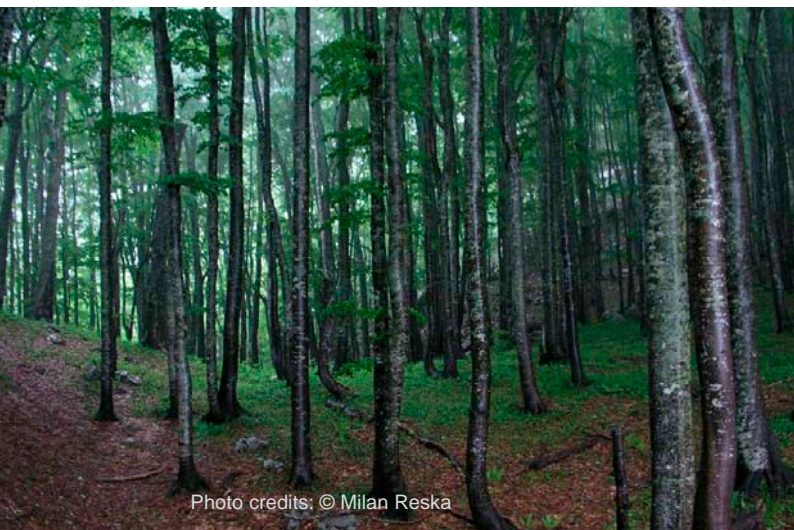


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### Motion 43: exploring FSC's potential role

At the FSC General Assembly 2008, Members passed Motion 43 that requests FSC to explore its potential for engaging in forest-based carbon initiatives.

FSC released two calls to the FSC membership to apply for participation in the FSC Forest Carbon Working Group (FCWG). In July 2009, the FSC Board of Directors approved the selection of 12 candidates and established the FCWG to explore the roles that FSC governance, policy and forest certification can play in climate change mitigation frameworks.

With two representatives for each sub-chamber, the Working Group makes sure that actual and potential views of all FSC stakeholder groups receive due consideration.

FSC made its voice heard in Copenhagen with a side event on 16 December 2009 and a series of publications on responsible forestry and climate change.

Focusing on reducing emissions from forest degradation, the COP15 event was a joint effort between FSC, the Consejo Nacional de Áreas Protegidas de Guatemala and the Rainforest Alliance. Panelists discussed the pivotal role that improved forest management plays with respect to REDD and how FSC certification ensures forest management according to the highest social and environmental standards.

**“FSC certification ensures that forests are managed responsibly, thereby avoiding overexploitation and the associated negative impacts on climate and long-term livelihoods.”**

**Richard Z. Donovan,  
Senior Vice President  
and Vice President of  
Forestry, Rainforest  
Alliance**



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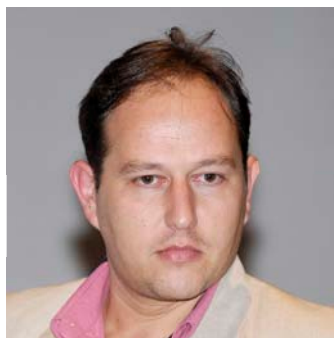


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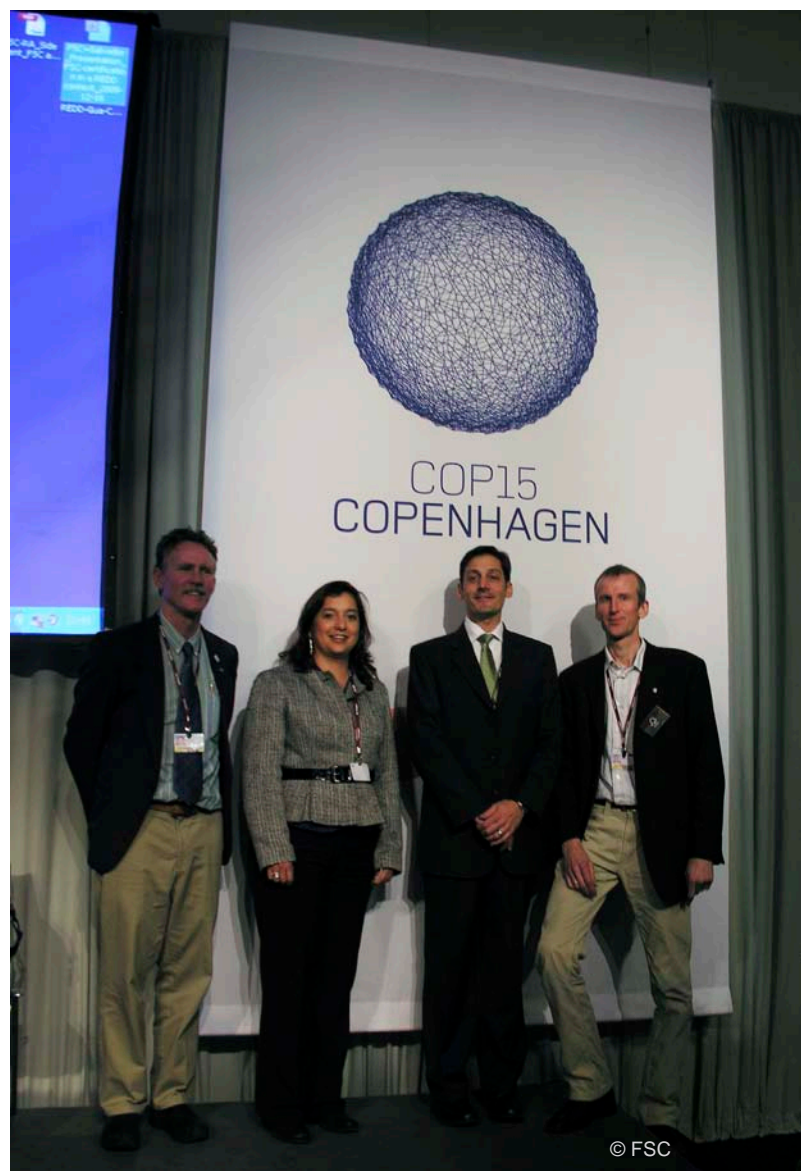


**“FSC leads the field in the promotion of social and equity standards for forestry operations.”**

**Ben Vickers, Senior Program Officer, RECOFTC**

FSC also presented a case study from Guatemala highlighting that FSC certification lowers forest degradation in community concessions more effectively than neighboring protected areas.

To learn more about FSC and Climate Change, FSC at COP15 and to find resources on the connection between carbon mitigation and credible forest certification, visit [www.fsc.org/cop15](http://www.fsc.org/cop15)



# Environmental effects

## Milestones



Photocredits: © FSC

The year 2009 was a year of milestones for FSC. In September, FSC celebrated the 1,000th Forest Management (FM) certificate marking tremendous movement towards its mission to further strengthen the positive impact that FSC generates at the forest level.

The 1,000th Forest Management certificate was issued to Associação de Agricultores de Charneca (Grupo ACHARsgf), a small farmers association in Chamusca, Portugal. The certificate, valid from 21 September 2009 to 20 September 2014, covers 4,535 hectares and harvesting of timber and non-timber forest products including coniferous and non-coniferous wood, nuts, and natural cork.

The past year was also marked by significant achievements in North America. The area of US and Canadian forest certified to FSC standards surpassed the 100 million acre (40 million hectare) mark in June 2009, representing a 40 percent growth since January 2008. In the past four years, the area of FSC certified forestland in the US and Canada nearly



“The Government of Portugal is strongly committed to increasing forest certification. With the highest social and environmental requirements in the forestry sector, FSC certification is a very good example for responsible forest management. The Ministry of Agriculture strongly encourages forest owners in Portugal to follow the example of ACHARsgf and achieve the certification for their operations.” António Manuel Soares Serrano, Minister of Agriculture, Rural Development and Fisheries of Portugal

tripled. In the Canadian Boreal forest alone, FSC certification has resulted in the protection of some 7.5 acres (3 million hectares) of forestland previously intended for logging.

In 2009, FSC certified forest area reached 20 Mln ha in Russia due to significant growth since 2005. At current, 15 of the 20 biggest Russian forest companies are FSC certified. Around 75 per cent of certified forests are located in the European part of Russia while 15 per cent is in Siberia and 10 per cent in the Russian Far East.

At the end of 2009, over 117 million hectares of forests around the world are certified to FSC standards, and FSC Forest Management certificates are issued in over 80 countries worldwide.

“Responsibly managing forests can halt deforestation and degradation. That is important for millions of people who depend on forests for their livelihoods. The FSC trademark on timber and paper is a guarantee to consumers like us that they come from responsibly managed forests.”

Adrie Papma, Director, Operations and Alliance Building, Oxfam Novib





## Standards

In April, FSC endorsed a new standard to improve the development and approval of FSC national and regional forest management standards. Prior to the FSC Board of Directors' approval of "FSC-STD-60-006 Process requirements for the development and maintenance of Forest Stewardship Standards", only FSC accredited National Initiatives (NI) could develop and submit a national standard to FSC for approval. Now national and regional standards can be developed and approved by FSC without the need to accredit an NI.

The approved FSC-STD-60-006 will greatly enhance the quality of national standards and

efficiency of their production. Many countries have made progress in the development of national standards in 2009:

Currently, national standards are proposed or under development in Australia, Bulgaria, Chile, China, Congo Basin Region (covering Cameroon, Democratic Republic of Congo, Gabon, and the Republic of Congo), Croatia, Estonia, Fiji, France, Germany (revised standard), Ghana, Honduras, Italy, Ivory Coast, Kenya, Kosovo, Latvia, Madagascar, Mexico, New Zealand, Portugal, Slovakia, South Africa, Sweden (revision), Switzerland, Ukraine and the United States (revision).



"The draft standard is a huge progress in terms of the implementation of the rights of indigenous peoples, the "free, prior and informed consent" is very clear and might become a powerful instrument for forest peoples." Christoph Wiedmer, Director, Suisse Society For Threatened Peoples.

## Principles and Criteria

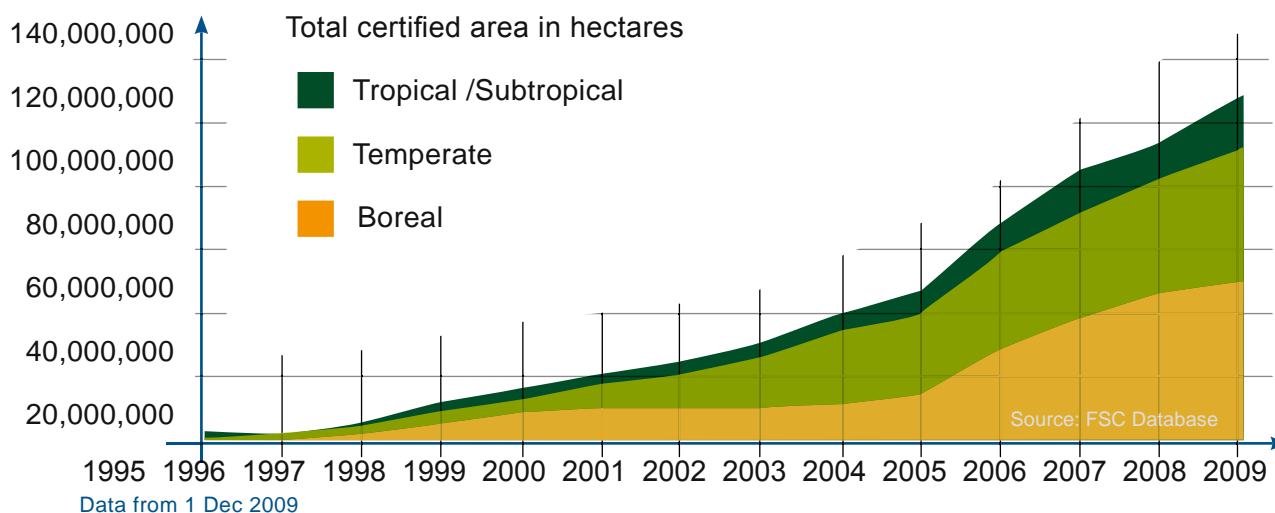
Under FSC certification, civil and indigenous rights are respected, areas of high social and environmental conservation value are maintained or enhanced, natural forests are not converted, highly hazardous pesticides and genetically modified trees are prohibited, and harvesting must meet national laws and international treaties.

## Management of tropical forests

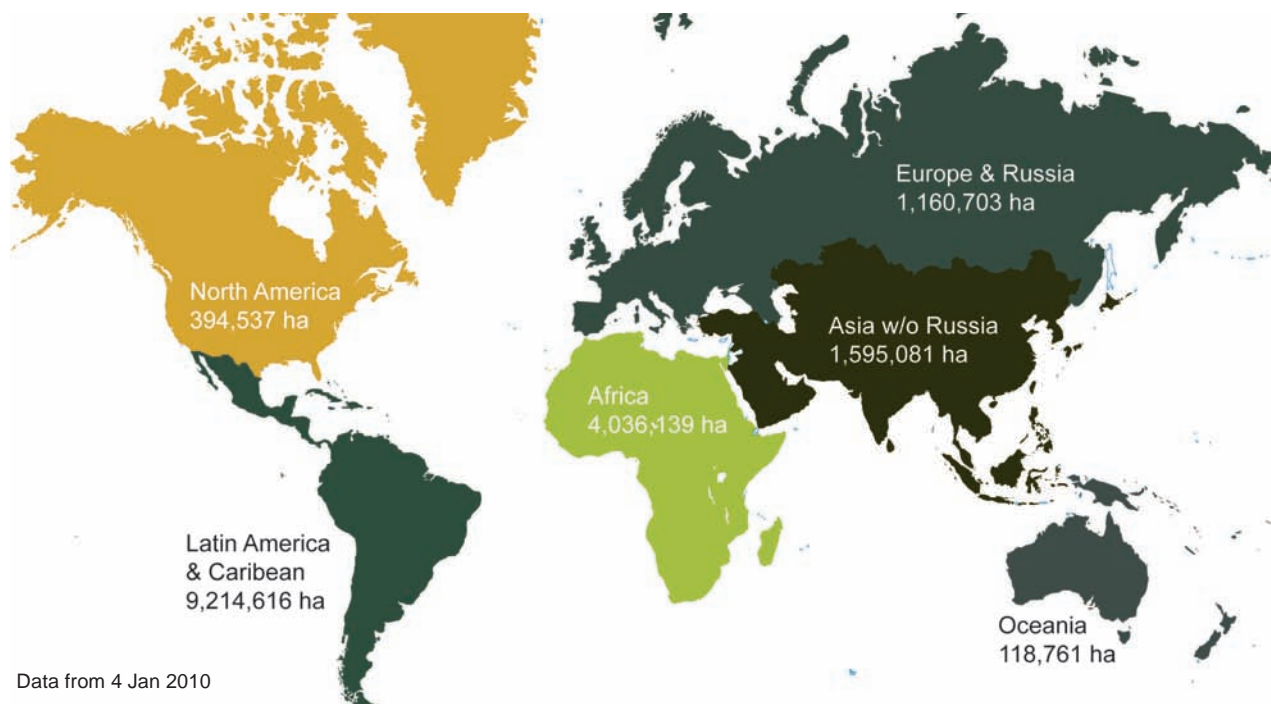
The number of hectares of tropical forest certified to FSC standards grew throughout 2009. Tropical forests are particularly rich in biodi-

versity, are vital to the existence of millions of indigenous peoples, and possess a unique set of social and environmental attributes.

## FSC certified forest area growth



## FSC certified tropical and subtropical forest area worldwide



Several companies operating in the Congo Basin achieved FSC certification in 2009 contributing to a significant increase of FSC certified forest area in the region. Rougier, a specialist in African tropical timber, achieved FSC certification for an area of 688,262 ha, the major part of its forest concessions in Gabon. The company controls the entire supply chain from logging and milling through logistics to trading. This means that the entire timber chain from the forest to the final client is tracked and certified.

Precious Wood Gabon, a subsidiary of Precious Woods Holding Ltd., achieved FSC certification for its 617,700 hectares forest concession in Gabon. The certification of the company's Gabonese operations means that all the international subsidiaries of the Precious Woods Group engaged in forestry activities are now FSC certified, including its previously

certified concessions in Brazil, Costa Rica and Nicaragua.

PALLISCO – a subsidiary of the French forestry company PASQUET Group – achieved FSC certification for six forest management units covering an area of 341,708 hectares in Cameroon. As part of PALLISCO's efforts to mitigate the social and environmental impacts of their logging operations, the local population is involved in decision-making and indigenous peoples' rights to use forest resources are respected.

Industrie Forestière d'Ouessou (IFO) achieved FSC certification for its forestry concessions covering 1.16 million hectares in the Republic of Congo. The FSC certified forest is a refuge for a diversity of endangered and protected mammals and home to more than 2,000 indigenous peoples.

IFO encouraged their participation in forest management decisions through special participatory techniques that took illiteracy into account. GPS satellite technology was used to map areas of cultural and ecological importance in close collaboration with the local community and eco-guards patrol key areas to control the illegal poaching of rare or endangered animals.

**"We are proud to manage the largest FSC certified forest in Cameroon and to actively participate in conserving the Congo Basin forest massif."**

Mr. Vincent Pelé, Certification, Environment and Communication  
Manager at PALLISCO-CIFM



## GEF Project

FSC's Global Environmental Facility project developed tools and incentives to help small forest managers, communities and non-timber forest products (NTFP) collectors in the tropics to identify and protect biodiversity in FSC certified forests while continuing to meet their own management objectives.

The project tackled some of the challenges of certification in the tropics where management is technically difficult and the political and institutional support for responsible management has been historically weak. The project has also addressed the fact that certification in the tropics is more cost-effective for large companies compared to smaller forest enterprises.

Through the GEF Project, High Conservation Values (HCV) were identified in small and low-intensity managed forests in the tropics and biodiversity management plans as well as standardized indicators were developed to protect these values and monitor biodiversity. In addition, training workshops were conducted in Brazil, Mexico and Cameroon to build biodiversity and HCV management capacity.

Through stakeholder consultation and field testing, locally appropriate certification standards to assess HCVF and biodiversity management in small and low-intensity managed forests were developed for Brazil, Mexico and Cameroon and are being evaluated for endorsement.

To increase access and reduce barriers to certification for small and low-intensity managed forests in the tropics, the project developed user-friendly guides that can be adapted to local conditions and are available in English, French, Spanish and Portuguese at [www.fsc.org/fscpublications](http://www.fsc.org/fscpublications)

The "FSC step-by-step guide - Good practice guide to meeting FSC certification requirements for biodiversity and High Conservation Value Forests in Small and Low Intensity Managed Forests" explains simple ways to protect and integrate forest biodiversity and HCVs into management of productive natural forests.

The "FSC user-friendly guide to FSC certification for smallholders - Make more out of your forests!" provides an overview of what FSC certification is and highlights examples of actual and potential economic, social and environmental benefits.

The "FSC guide on the interpretation of FSC principles and criteria to take account of small scale and low intensity" guides standards development groups on how to take account of small-scale and low-intensity forests when developing or updating the FSC forest management standards.

Find resources from the GEF Project online at [www.fsc.org/fscpublications.html](http://www.fsc.org/fscpublications.html).



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### Smallholders



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Certification of small and medium size forest management units, owned by private owners, is currently one of the major bottlenecks for

increasing FSC certified area. The challenge is particularly significant in Europe, with its 16 million small forest holders owning some 55 percent of European forests.

FSC's efforts to encourage smallholders to seek FSC certification are guided by the FSC Global Strategy which identifies ensuring equitable access to the benefits of the FSC system as a

priority. FSC increased its activities related to smallholders and community-based forestry in 2008 when key players from the global North and South gave life to the "Lisbon Process," a new initiative to increase access and participation of smallholders to FSC certification and its benefits. Fueled by further 'smallholders' meetings at the 2008 General Assembly, the membership approved several motions related to continue to increase support for small forest owners.

In April 2009, European small forest holders took part in a two-day meeting in Bonn to discuss the best way to network and engage in the FSC system. Organized by FSC IC, FSC Switzerland

and the Aargau Forest Owners Association (Aargauischer Waldbewirtschaftsverband), the meeting marked the beginning of an FSC European Small Forest Holders Network and marked one of the first outcomes from the FSC "Lisbon Process." Participants identified a strategy to engage in the FSC Principles and Criteria Review process and highlighted the need for increased efforts at the national level to mobilize smallholders around Europe.

In May 2009, the document "Guidance on the interpretation of FSC Principles and Criteria to take account of small scale and low intensity (FSC-GUI-60-001 V1-0 EN)" was approved. The document was designed to support the development of forest management standards (national, sub-national and certification body generic standards) that take better account of the realities of small and low intensity forest use and management.

The Swedish economic association Södra offered members the opportunity for FSC certification starting in July 2009, by giving them a price premium for their FSC certified timber. As participants in the FSC European Small Forest Holders Network and with more than 50,000 members, Södra owns just over half of all privately owned forest in southern Sweden. Södra is also playing an active role in the revision process of the Swedish FSC forest management standard by recommending ways to adapt the standard to the needs of small-scale forest operations.

### Ecosystem services

Communities in the Global South typically experience considerable difficulties to compete in the international timber trade. A project to look at income-generating opportunities from a range of ecosystem services was presented for funding to the Global Environment Facility through the agency of UNEP.

Targeted at Chile, Indonesia, Nepal and Vietnam, the project has been provisionally approved and is expected to become active during 2010. Testing how FSC certification could be expanded in the context of ecosystem services, the project is of particular importance for small operations in the South.

### Smallholders

Smallholders are those who own, manage or use forests which are considered smaller in relation to others in their region, and those who apply low intensity harvesting practices to timber and/or non-timber forest products. FSC is committed to providing resources to assist smallholders with FSC certification. For up-to-date resources and information, visit [www.fsc.org/smallholders](http://www.fsc.org/smallholders).



## Group Forest Management

In 2009, FSC approved a new set of standards for Group Forest Management certification aimed at group entities – an individual or body representing a group of forest properties assembled specifically for Group Certification.

The new requirements significantly reduce certification costs for group members while maintaining the credibility of FSC's certification process. With clearer and more stringent requirements, the standard helps improve the quality of procedures, training, communications, record keeping, internal monitoring and chain of custody.

In August 2009, a complementary accreditation standard for certification bodies was approved that reduces costs for SLIMF members participating in Groups with large scale operations, and redefines sampling requirements to the benefit of very small forest holders.

A new requirement of the standard considers impacts on High Conservation Values (HCV), land use or tenure disputes, and short rotation cycles when evaluating groups with more than 5,000 members.

## Certification of Forest Contractors

The Certification of Forest Contractors (CeFCo) project started in May 2009 to explore the option of shared responsibility for meeting FSC standards among smallholders and forestry contractors (e.g., loggers).

The project will develop and test a policy for the certification of forest contractors and small forest operations in selected European countries. The certification of contractors could help reduce costs and procedural barriers to certification for small forest holders, thereby easing a current bottleneck that exists between supply and demand of FSC certified material in the region.

The project will develop a concept for the certification of forest contractors and small forest operations in selected European countries. The potential to certify contractors would enable smallholders to outsource work towards FSC certification, and ease a current bottleneck

that exists between supply and demand of FSC certified material in the region.

The concept of contracting a certified forest service enterprise offers individual forest owners assurance that the contractors are complying with all relevant FSC rules. It also reduces the costs and work load of being FSC certified, especially if the use of certified contractors is combined with Group Certification.

FSC is carrying out the project in partnership with the European Network of Forest Entrepreneurs (ENFE) and Nature, Ecology and People Consult (NEPCo), with funding from a 3-year grant from the EU Executive Agency for Competitiveness and Innovation (EACI). Continuous updates on the project will be available on the project website: [www.cefcoproject.org](http://www.cefcoproject.org).

## Dual certification pilot project

In April 2009, FSC and FLO (Fairtrade Labeling Organization) launched a dual certification pilot project to differentiate products from smallholder and community-based forest enterprises in developing countries in the marketplace in order to bring more benefits to these producers.

The 18-month pilot project aims to develop Fairtrade standards for timber, build producer capacity, develop market linkages, and test the dual certification system. A decision will be made regarding the future of dual certification based on the results of this pilot test.

“We expect that small forest owners will find that it is more profitable in the long term to invest in forest management than in conversion of forest to cattle grazing land.” Mr.

Berty van Hensbergen, Chairman SSC Group, MD Wildhorus LTD



The FSC logo and on-product labels have become a common sight on an ever growing assortment of products around the world. In 2009, an increasing number of companies and organizations have shown their support for FSC by using or selling FSC certified products.

A new online resource guide for paper users in the US recommends that buyers should look for the FSC logo. The **Environment Paper Network (EPN)** launched WhatsInYourPaper.com to assist and guide consumers and companies to use “environmentally superior paper”. EPN is a coalition of environmental organizations joined to support socially and environmentally sustainable transformations within the pulp and paper industry.

**Tetra Pak** has labeled 2.3 billion cartons with the FSC logo in 2009 compared to 200 million in 2008. This is a tremendous achievement considering that the world's first FSC labeled Tetra Pak carton was launched in the UK in November 2007. Tetra Pak's efforts have made it possible for consumers in the UK, Ireland, Brazil and other markets to find the FSC label on iconic juice and milk brands.



“Promoting FSC to consumers worldwide is a natural step in Tetra Pak's commitment to support

socially and environmentally sound forest management. Through these efforts we aim to strengthen demand for FSC certified products and help increase the positive impact of certification at the forest management level. In return, the FSC label is an excellent way for us to communicate that our products are based on renewable material from responsibly managed forests.” Mario Abreu, Director, Forestry

and Supply Chain Environment Support, Tetra Pak

**Kingfisher** reported a rise of two percent in sales of FSC certified timber to 47 percent of the group's total timber sales from February 2008 to 2009. FSC certified kitchens, garden furniture and flooring can be found in over 800 Kingfisher owned stores in eight countries in Europe and Asia. Kingfisher's main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix.

**Whole Foods Market**® started to offer FSC certified paper bags at its checkout counters. The US retailer's decision sets a tremendous example for its industry peers. Previously, Whole Foods Market was the first national retailer to offer 100 percent recycled paper bags at its checkouts. FSC certification on paper bags made from 100 percent post-consumer reclaimed material is another first for the natural and organic foods retailer. Post-consumer reclaimed material typically comes from corrugated boxes that might have held food or other products that have been shipped to various retail outlets.

**B&Q UK** announced that it will only buy FSC certified material when seeking tropical hardwood plywood, in line with its progressive procurement policy. From September 2009, all tropical hardwood plywood in B&Q's stores in the UK is FSC certified. Certification for the store's entire supply of tropical plywood is a global first as historically it has been difficult to secure FSC certification for this volume

Dutch newspaper **“Het Financieele Dagblad”** (FD) is one the first daily newspapers in the world printed on FSC certified paper. With 2.5 million

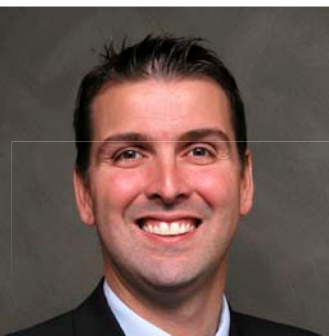
kilos of paper used every year, FD's decision to be published on FSC certified paper is a landmark for FSC. FD was awarded last month with the Dutch FSC Award 2009 for their commitment to responsible forest management.

The **Canada Green Building Council (CaGBC)** launched the LEED Canada for Homes standard in March 2009. LEED for Homes is a voluntary rating system that promotes the design and construction of high performance homes that create less waste, are healthier and more comfortable for the occupants and use less energy, water, and natural resources. FSC certified wood products are recognized in the LEED for Homes standard under the Materials and Resources 2 (MR2) credit for “Environmentally Preferable Products (EPPs).” A total of 8 points is available under the MR2 credit, with 6.5 of these potentially available for products that are FSC certified.

Conglomerate of fashion and luxury brands **Gucci Group** announced in November 2009 its intent to source only FSC certified or recycled products by December 2010 for all paper categories used by the Group – from copy paper to shopping bags – alongside reducing the amount of paper it uses and eliminating fiber from High Conservation Value and controversial sources.

**Telecom Italia** is printing and sending out bills on FSC certified paper via Postel since February 2009. ENEL Servizi, a subsidiary of major Italian electricity company ENEL, was awarded FSC CoC certification in December 2009 for their printing activities.

Mayor of Rotterdam Ahmed Aboutaleb signed a covenant with FSC Netherlands in July to promote sustainable forest management as a means of combating catastrophic climate change. The **City**



“Wood and wood products from sustainable sources are a key to meeting

the demand of the emerging green building marketplace. FSC certified materials meet the high social and environmental criteria for forest management and assures consumers that their wood purchases come from sustainable sources. The FSC standard is recognized as one of the leading standards globally. FSC supports specific LEED credits for new building construction and enables the LEED Canada for Homes program to provide leadership in green-ing home building industry.” Ron Lemaire,

Vice President, Market Development, Canada Green Building Council

**of Rotterdam** commits to the procurement of FSC certified materials for the construction and renovation of buildings and public spaces. The City will also encourage contractors and other parties to follow its example. With the covenant, Rotterdam joins Amsterdam, The Hague, Utrecht and 22 other cities committed to procuring FSC certified materials.

**Domtar Corporation** in the US reached a significant milestone with the sale of its millionth ton of FSC certified paper. This achievement is a direct result of the commitment Domtar made nearly a decade ago to pursue FSC certification for all of its forests and facilities. Today, more than 40 different locations in Domtar’s supply chain are FSC certified, as are its 15 pulp and paper mills and more than 15 million acres of the forests

from which the company sources its fiber.

The non-residential building department of the **Koninklijke BAM Group**, the Netherlands’ largest construction company, was awarded a multisite FSC CoC certificate. The certificate will affect the entire value chain because the BAM Group will work with FSC certified subcontractors.

**Compañía Chilena de Fósforos** launched FSC certified matches into the Chilean market. The wood of the matches is FSC certified while the paper of the outer box is only certified in some models. Compañía Chilena de Fósforos also manufactures FSC certified paint paddles and ice cream sticks.

FSC certified wood and paper products became the preferred choice for the **City of Buenos**

**Aires** as Mayor Mauricio Macri announced at the opening ceremony of the World Forestry Congress on 18 October 2009 that the city is committed to procuring FSC certified wood and paper products by 2010.

Retailer **Conad** is using FSC certified paper bags in the Food & Gastronomy Divisions of all stores in Italy since November 2009. The company announced its intent to fully convert to FSC certified paper by the end of 2010. In terms of sales,

turnover and market share, Conad is the largest cooperative of independent entrepreneurs in Italy.

**Kimberly-Clark (K-C)** announced a stronger procurement standard that outlines the company’s intent to secure all of its wood fiber from environmentally responsible sources. The revised policy gives preference to FSC certified wood fiber and sets as a target to ensure 40 percent of its North American tissue fiber is either FSC certified or recycled by the end of 2011 – an increase of more than 70 percent from 2007 levels, representing 600,000 tons of fiber.

**PAK 2000** – a leading supplier of paper bags and packaging products to fashion brands such as Versace, Prada,

“Using the natural and renewable resource wood as main component distinguishes the beverage carton fundamentally from other drinks packaging. In the procurement of raw materials, SIG places the highest value on responsible source of origin. Our worldwide FSC certification and the FSC label on our carton packs emblemize our engagement to maintain the ecological, social and economic value of forests. At the same time we are also meeting the growing need for environmentally sound packaging solutions which are in great demand of food manufacturers, retailers and consumers.”

Michael Hecker, Group

Environment, Health & Safety,  
SIG Group



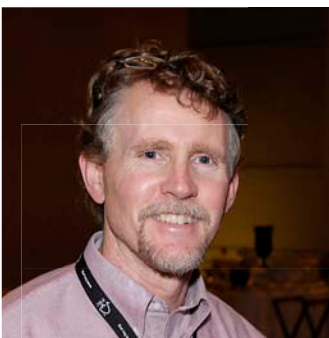


Valentino and J.Crew – announced in December 2009 that it will develop and implement a “leadership” paper policy in the first quarter of 2010. In addition to a strong preference for FSC and recycled products, PAK 2000 has pledged to phase out all fiber from controversial sources and High Conservation Value Forests from its paper products within 180 days.

the demand for FSC certified corks. The Co-operative announced that its brand wines packed at UK bottler Kingsland Wines will be sealed with FSC certified cork in 2010. French winery Les Vignerons Catalans and South Africa’s Graham Beck Wines adopted Amorim’s FSC certified cork to seal some of their wines. UK retailer Sainsbury’s also announced in December 2009 that its own brand wines will be sealed with FSC certified corks by the end of 2010.

environmentally responsible fiber for newsprint and other papers. The Canadian daily newspaper commits to increase the use of post-consumer recycled material and eliminate fiber from “ancient and endangered forests” such as the Canadian Boreal or the tropical forests of Indonesia and the Amazon.

Belgian energy company **Electrabel** signed a letter of intent with FSC Belgium announcing their plans to use FSC certified paper only from 2010. This involves a yearly usage of more than 3,000 tons of FSC certified paper, including 4.4 million copies of a quarterly magazine distributed to most Belgian households.



“The National Wildlife Federation encourages US consumers to look and ask for the FSC logo when

buying wood products. Increasingly available throughout the US, FSC certified products support socially and environmentally beneficial forest management.” Eric Palola,

Senior Director, Forests for Wildlife, National Wildlife Federation

**SIG Combibloc** launched FSC certified beverage cartons for fruit juice and ice tea beverages nationwide in Germany. The fruit juice drinks and ice teas in beverage cartons marked with the FSC label are now available in all German branches of the Lidl chain. In cooperation with SIG Combibloc, Lidl will promote the certified products by listing the FSC certified drink cartons in the non-carbonated soft drinks product range, raising awareness of the FSC label and promoting responsible consumption.

Portuguese cork producer **Amorim** experienced a significant increase in

The **National Wildlife Federation** released its third annual Garden Furniture Scorecard which catalogues US retailers selling FSC certified garden furniture. Consumers can expect to find a wider variety of styles and prices of FSC certified garden furniture this year, according to the National Wildlife Federation’s survey of major retailers. The scorecard helps US consumers to make informed choices when purchasing garden furniture.

FSC certified products are now standard offerings for meetings and events at

**Marriott** hotels in Europe. As part of a wider environmental strategy, the international lodging company launched its “Green Events” concept during the IMEX worldwide exhibition for meetings and incentive travel held at the Frankfurt Marriott Hotel in May 2009. Among the products revealed to meeting and event planners were 100 percent FSC certified writing pads, flipcharts and stationary items.

The **Globe and Mail** announced a new procurement policy that gives preference to FSC certified paper for their virgin fiber needs. The policy outlines the company’s intent to source

“Pearson was the first global publisher to disclose its paper purchasing policy. This makes clear a commitment to FSC as part of our wider approach and Penguin in the UK has led on FSC certification. We look forward to furthering our policy in other markets in the future.”

Robin Freestone, Chief Financial Officer, Board member responsible for corporate responsibility, Pearson plc





## FSC Global Development - strengthening market-driven change

Nearly thirty FSC Chain of Custody certificates were issued around the world on 5 October 2009 marking the 15,000th FSC Chain of Custody (CoC) certificate. The growing number of FSC CoC certificates signals that consumers and businesses are demanding forest products that benefit people and the environment.

clients, improving their company's reputation, bringing them business value and helping them retain market share and clients.

Several countries reached important market milestones in 2009. In the US, the number of FSC CoC certificates increased fivefold in the past five years and grew from 2,653 to 3,510 during the course of 2009. In Greater China, FSC Chain of Custody (CoC) certification is booming with over 1,250 companies certified to supply FSC labeled products compared to 200 in 2006.

Growth of CoC certificates continued in the United Kingdom with 1,943 CoC certificates in January 2010 compared to 1,610 in January 2009. Germany surpassed the 1,000 FSC CoC mark with 1,105 FSC CoC certificates in January 2010 compared to 819 in January 2009.

The Netherlands' 1,000th FSC CoC certificate was issued in December 2009 during the celebrations of the NI's 10th anniversary. Japan and Canada neared the 1,000th CoC certificates mark with 955 CoC certificates in Japan and 901 CoC certificates in Canada in January 2010.

### 2009 Market Survey

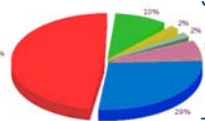
#### FSC certification brings me access to new clients

Strongly agree 16.38%  
Agree 53.11%  
Uncertain 19.21%  
Disagree 3.95%  
Totally disagree 1.69%  
No answer 5.65%



#### FSC certification gives me improved company reputation

Strongly agree 28.81%  
Agree 51.41%  
Uncertain 9.60%  
Disagree 1.69%  
Totally disagree 1.69%  
No answer 6.78%



#### FSC certification brings me maintenance of market share / client retention

Strongly agree 14.69%  
Agree 43.50%  
Uncertain 25.99%  
Disagree 5.65%  
Totally disagree 1.69%  
No answer 8.47%



#### FSC certification brings me business value

Strongly agree 13.56%  
Agree 50.28%  
Don't know 15.82%  
Disagree 9.60%  
Strongly disagree 2.82%  
Other 2.82%  
No answer 5.08%



The milestone is relevant to the diversity of companies and countries where FSC certification has become a driving factor in market success. FSC certification is increasingly seen as an important business strategy.

Results from the 2009 FSC global market survey show that a significant percentage of businesses see FSC certification as giving them access to new

### Brand recognition

Awareness of the FSC logo increased steadily worldwide. In Switzerland, a study by the Link Institute on behalf of WWF Switzerland showed that spontaneous recognition of the FSC label by Swiss private consumers has doubled from 12 per cent to 24 per cent within four years. Prompted recognition is at 67 per cent and 77 per cent of respondents said that they have seen the FSC logo in shops and stores.

Recognition of FSC among the Brazilian public increased to 22 per cent in 2009 from 1 per cent in 2006, according to a poll by the Instituto Datafolha. The study showed that 81 per cent of the population would prefer certified forest products, and are willing to pay a little more than for non-certified products.

Recognition of the FSC logo increased in the UK. In the January 2009 survey 24% of those questioned had seen the logo before, up from 19% in 2007. There has been a clear increase in the number of people knowingly buying FSC products, from 11% in 2007 to 19% in 2009.

To learn more about FSC market developments and the types and distribution of global FSC certificates, please go to [www.fsc.org/facts-figures](http://www.fsc.org/facts-figures).

To learn more about national developments, please contact our National Initiatives.

## FSC Membership

FSC is a membership association. Each member, whether organizational or individual, represents their interest based on their professional activities. The diversity of interests is reflected in the three chamber structure that forms the membership: economic, environmental and social. Everybody who supports the idea of improved forest management around the world can become an FSC member. Representing a larger number of people, the vote of organizational members weighs more than the vote of individual members.

“The FSC is the only forest certification scheme meeting our requirements for preferred sources of timber. An important basis for this is their participative approach to stakeholder involvement.”

Anders Hildeman, Forestry Manager, IKEA of Sweden AB

## New members elected to the FSC Board of Directors



Two members were re-elected to the FSC Board of Directors in 2009: Mario Abreu (Tetra Pak International, Economic North) and Roberto Waack (AMATA S/A, Economic South). One member for the Economic South will be elected in early 2010.

## FSC Governance

FSC has a unique governance structure that is built upon the principles of participation, democracy and equity. FSC is governed by three chambers with equal vote and power that make decisions cooperatively. The three chambers represent environmental, economic and social interests. Each of these chambers in turn is divided into sub-chambers representing the North and South. This guarantees equal weight of vote and influence for the different interest groups as well as for representatives from different parts of the world and economic power.

FSC has three levels of decision making. The General Assembly of FSC members is the highest

decision-making body in FSC. Every three years members gather from around the world to participate in the General Assembly.

It is a dynamic forum in which different interest groups work together in an equitable way to raise valuable concerns and find solutions that define the future of the organization. The Board of Directors is accountable to the FSC members. It is made up of nine individuals who are elected by the members from each of the chambers for a three-year term. The Director General, appointed by the Board of Directors, runs the operations of FSC on a day-to-day basis with the support of a multicultural professional team.

Membership information from 31 December 2009							
Chamber:	North			South			Grand Total
	Individual	Organization	Sub Total	Individual	Organization	Sub Total	
<b>Economic</b>	58	124	<b>18</b>	93	61	<b>154</b>	<b>336</b>
<b>Environmental</b>	33	99	<b>132</b>	175	35	<b>210</b>	<b>342</b>
<b>Social</b>	25	32	<b>57</b>	74	20	<b>94</b>	<b>151</b>
<b>Grand Total</b>	<b>116</b>	<b>255</b>	<b>371</b>	<b>342</b>	<b>116</b>	<b>458</b>	<b>829</b>

## Monitoring and Evaluation

In 2009, FSC published a compilation of findings on the outcomes and impacts of FSC certification in and beyond the forest, one of the first outcomes of the M&E program. FSC undertook a review of scientific and professional literature from over 180 references including independent reports, academic journals, books and NGO analyses. The full report “FSC’s impact in the forest – a literature review of independent research” was released in August 2009.

The report uncovers strong evidence that FSC can positively impact workers and communities, shift governance processes globally and change economic and environmental conditions in the forest. Read the full report and summary online at [www.fsc.org/fscpublications](http://www.fsc.org/fscpublications).

The Monitoring and Evaluation Program

### Monitoring and Evaluation Program

FSC established the Monitoring and Evaluation Program (M&E) in early 2008 to assess how FSC is delivering against its mission by analyzing the impacts of certification on sustainable forest management.

The Monitoring and Evaluation Program promotes external research on the impacts of FSC certification and assists researchers in getting access to information about FSC. Researchers are invited to share their findings with FSC and get in contact with M&E Program Manager Marion Karmann at [m.karmann@fsc.org](mailto:m.karmann@fsc.org)

continues to work closely with ISEAL and other organizations to develop a joint “Code of Good Practice for Assessing the Impacts of Standards Systems”. This Impacts Code is a credibility tool that has been designed to provide an international reference for credible social and environmental standard systems like FSC.

FSC is also partnering with ISEAL and other organizations to set up a databank of certification schemes in forestry, agriculture and fisheries. The updated version of the FSC databank now contains impact indicators so that Certification Bodies can directly describe how FSC certification has improved forest management.

The ISEAL Alliance is the global association for social and environmental standards. Working with established and emerging voluntary standard systems, ISEAL develops guidance and helps strengthen the effectiveness and impact of these standards. FSC is a full member of the ISEAL Alliance since 2002.



Photo credits: © Jurie Senekal FSC

“In my work with the FSC on the ISEAL Impacts Code, I have found the organization to be open and accessible, and particularly responsive to change. I would suggest that the FSC is an organization that has a culture of learning at the core of its business ethos.”

Paddy Doherty, ISEAL Impacts Manager





## ASI Updates

During the 2009 calendar year ASI implemented a number of structural changes to its operations to better reflect the needs of a growing organization within the sustainability stewardship sector.

From November 2009 a new Managing Director, Mr. Sam Ponder was recruited to assume full responsibility for ASI as an independent entity and to take the organization onto the next phase in its development. One of the key actions included the establishment of the ASI Advisory Committee which held their inaugural meeting in November.

The Advisory Committee is made up from representatives of the scheme owners, Conformity Assessment Bodies and the Accreditation Committee Chair. The ASI Advisory Committee provides general guidance to the management of ASI and an independent oversight of ASI accreditation activities.

In 2009, ASI also enhanced its quality management system and strategic planning focusing on the development of quality measures, independence of accreditation decisions and streamlining administration and reporting systems.

At the end of 2009, there were 23 Certification Bodies (CB) accredited to perform FSC evaluations and issue FSC certificates with 8 applicant CBs. The number of ASI assessments completed was 134 in over 30 countries (including 28 short notice assessments).

**Sam B Ponder**  
has been leading  
Accreditation  
Services International  
(ASI) as Managing  
Director since 1  
November 2009.



Mr. Ponder has thirty years of business experience in a variety of sectors including agricultural production, supply chain management, economic development and the not-for-profit. Mr. Ponder was instrumental in conceptualizing and initiating the Water Stewardship Initiative (WSI).

## ASI Audits 2009

	Surveillance	Accreditation
Forest management	24	2
Chain of custody	68	4
Office	25	11

ASI-Accreditation Services International GmbH is a global accreditation body that oversees and supports implementation of FSC standards. ASI is a proven leader in quality assurance; setting and overseeing procedures, evaluating and accrediting Conformity Assessment Bodies (CAB) competence, credibility, independence and integrity in carrying out conformity assessment activities to assure that they are qualified to hold their clients in line with standards developed by the scheme owners (currently FSC and MSC).

Operating successfully since 2006 in the field of accreditation, ASI became an associate member of the ISEAL Alliance in 2007. ASI operates a quality management system consistent with the requirements of ISO /IEC Guide 17011.



Photocredits: © Carlos Ruiz Garvia



## Global Development Updates

Over the course of 2009, FSC GD improved the certificate database system and furthered work on a new trademark standard for publication in January 2010.

An improved version of the certificate database was launched in November 2009. The new features introduced make it a more powerful search tool, including:

- Ability to search for certificate holders by county/state within a country
- Ability to search for sites within multi-site certificates (chain of custody)
- Ability to search for members within Group Certificates (forest management)
- Introducing the date a certificate was first issued - promoting a certificate holder's long-term commitment

A new portal for FSC Certificate Holders (CH) was launched with access to the online label generator as well as other useful resources.

A new department was created in the course of 2009 to deal with Corporate Relations and Market Development. GD developed a strategy for effective engagement with key customers and increased focus on building committed long-term relationships with business clients based on mutual benefit.

GD conducted a 2009 Global Market Survey and made it available to FSC certificate holders and non-certificate holders in 8 languages.

To support the increasing numbers of FSC products in the marketplace and the growing popularity of FSC amongst consumers, FSC GD embarked on a process to define and develop a clear, straightforward and single-minded positioning for the FSC brand at a global level.



**Zoltan Paksy** has been leading FSC Global Development (FSC GD) as Managing Director since 1 October 2009. Mr. Paksy previously served as CEO of Saatchi & Saatchi Budapest for 8 years, managing international accounts and a team of over 75 people. Mr. Paksy has served as Chair of WWF Hungary Board of Directors since November 2008. He is also a founding member of the Hungarian Association of Business Council for Sustainable Growth.



FSC Global Development (FSC GD) was established in late 2007 to further develop the FSC market and strengthen recognition and integrity of the FSC logo and labels.



## PPP-NI Project

The FSC “Public and Private Partnership project to strengthen FSC National Initiatives” (PPP-NI) has entered a new phase in 2009. FSC

representatives traveled to key countries in each region to meet with National Initiatives, partners and government representatives. The meetings gave new life to the project in South America and the Congo Basin, as well as an opportunity to review progress in China. The PPP-NI was also expanded to include 4 countries in Central America.

The project brought substantial benefits to participating NIs. Project funding supported the legal registration and endorsement of most participating NIs as well as their activities in 2009. Guatemala presented its application to become a working group and a contact person for Costa Rica

was identified. Business plans were also developed for a number of South American and Congo Basin NIs.

NIs in South and Central America received training on the FSC certification system and standards. Programs were designed to train future trainers enabling NIs to secure a sustainable source of future income. China's FSC Working Group also received training on FSC certification and the development of a national standard.

In the Congo Basin, the NIs participated in high profile stakeholder consultations for a sub-regional standard. NIs in Central America also laid the foundations for a sub-regional initiative and the development of regional standards.

FSC Bolivia organized a workshop to raise awareness about FSC certification among government institutions and the public. An 18 page edition of a foreign trade journal was subsequently produced, dedicated to the benefits of forest certification in Bolivia.

## PPP-NI Project

The PPP-NI project enters final implementation in 2010. The coming year will see the development of a fundraising strategy for NIs and the creation of stronger links between NIs and stakeholders. The prospects of improved North-South market linkages will be examined. An FSC African regional facility will be set up to oversee the activities of NIs in the Congo Basin.

The ultimate aim of the PPP-NI is to increase the influence of NIs on policy decision-making and reforms of regulatory and institutional conditions by making the organizations more effective locally. The project covers 13 National Initiatives in the Amazon Region, the Congo Basin, China and Central America. A three year initiative between FSC, GTZ and IKEA, the project delivers directly to Goal 5 of FSC's Global Strategy - to strengthen FSC's global network.



Photo credits: © Milan Reska



Photo credits: © FSC



## National highlights around the world

At the end of 2009, the number of FSC National Initiatives (FSC NIs) around the globe is 57. There are 15 NIs in Africa; 8 NIs in Asia; 23 NIs in Europe and Russia; 9 NIs in Latin America and 2 NIs in North America. Of those, 5 NIs were accredited during the course of the year: Nicaragua, Ghana, Fiji, Sri Lanka and Kenya.

**Several National Initiatives conducted marketing campaigns in 2009 to raise awareness about FSC in their country.**

**FSC Russia** in collaboration with WWF Russia and several other partners launched a campaign to increase recognition of FSC in Russia. The campaign will run until May 2010 and is packed with round table discussions, training sessions, and press events.

**FSC Czech Republic** launched a consumer campaign under the slogan "Love wood, protect the forest!" The campaign aims to increase recognition of the FSC logo among Czech consumers, estimated at 9 per cent in June 2009. The campaign will run until March 2010 and make use of online marketing, a consumer contest and ads on public transport throughout the country.

**FSC Belgium** launched a large-scale public campaign to raise awareness about FSC among Belgian consumers. The campaign has been increasingly visible at a large number of points of sale, including several retailers

and DIY stores. Translated to 'Responsible logging, responsible buying', the campaign title is a word play in its original languages, French and Dutch, that links 'responsible forestry' with 'responsible haircuts'.

**Activities carried out by NIs took place literally across the globe.**

**FSC UK** helped launch near 50 FSC Friday events across the UK by schools, organizations and community groups to celebrate the day. An estimated 123,000 people were exposed to promotional materials at displays, shows and Green Fairs with a further 3,600 being reached through FSC Friday events.

WWF-India celebrated the first International FSC Friday at the India Habitat Centre in New Delhi, bringing together public organizations and leading representatives from the wood, pulp & paper, handicrafts and publishing industries. Bulgaria's FSC Working Group hosted a round table meeting on FSC forest certification in the country. The forestry division of the Primary Industries and Resources Agency of the Government of South

## FSC National Initiatives

FSC National Initiatives promote FSC in their countries. They can be a Contact Person or Working Group. They are vital to supporting standard development by engaging stakeholders from environmental, social and economic interests in an active dialogue to find consensus on national definitions of responsible forest management.



**Preferujte výrobky se značkou FSC. Pomůžete zabránit necitlivé těžbě dřeva.**

Zhruba polovina dováženého tropického dřeva pochází z nelegálních zdrojů, např. v Amazonii je až 80 % stromů pokáceno nezákonně. České lesy na tom nejsou zdravotně také nejlépe – mají sníženou schopnost zadržovat srážky a odolávat kalamitám. Máte-li rádi les, můžete pomoci něco změnit. Preferujte výrobky se značkou FSC, která je zárukou šetrného původu zahraničního i českého dřeva.

Ministerstvo životního prostředí  
České republiky

Projevy lesů chráněných podle zákona o ochraně přírody a krajiny  
Přírodní památka Mlýnský náhon  
www.czechfsc.cz

Bližší informace u FSC ČR – české pobočky mezinárodní nevládní organizace Forest Stewardship Council (FSC), která více jak 15 let dobývá lesy na kontinentech a v Jižní Americe. FSC s podporou ekologických organizací pomáhá chránit mýslivost a přirozené lesy v České republice i jinde po světě.  
FSC Trademark © Forest Stewardship Council, A. C. All rights reserved. FSC-SECR-0038  
FSC ČR, o. s. Poděbradova 111, 612 00 Brno | tel.: +420 545 211 383 | info@czechfsc.cz





## National highlights around the world (cont.)

Australia (PIRSA) held a morning tea with a log-shaped cake to raise awareness about FSC and responsible forest management. The event will continue to be held annually, with updates at [www.fsc.org/fscfriday](http://www.fsc.org/fscfriday).

FSC Director General Andre Giacini de Freitas visited FSC Australia in occasion of the **FSC Australia Responsible Forest Management Awards** in Melbourne on 14 October. Winners of the prestigious award best reflect the spirit and intent of the FSC system through their management practices, their contribution to FSC certification and promotion of FSC certified products.

**FSC Belgium** developed a new online guide for FSC suppliers. The guide provides information on FSC certified suppliers for all product types and includes all 450 Belgian FSC CoC certified companies. Available in French and Dutch, the guides can be accessed at [www.ikzoekfsc.be](http://www.ikzoekfsc.be) or [www.jecherchedufsc.be](http://www.jecherchedufsc.be)

For the fourth year in a row, FSC-certified printers and products came out on top at the Environmental Printing Awards held in Toronto, Canada on 12 February. Of the 26 awards presented, 18 of the awards were presented to FSC-certified printers and paper manufacturers, including all three of the Most Environmentally Progressive Printer in Canada awards.

In **Denmark**, architectural student Jonas Pedersen won the first prize of the Danish

FSC Design Award that includes a trip to an FSC certified forest in Nicaragua and the opportunity to create a prototype of his winning design, a wardrobe made out of FSC wood. The competition calls for carpenters, interior designers and architects to design a product using FSC certified material and consider sustainability issues in production.

**The FSC Working Group (WG) in Ghana** raised awareness about forest certification among communities in the Western and Brong Ahafo Regions of Ghana. Over 792 individuals in 16 communities were educated on social responsibility agreements and communities' roles and responsibilities in the implementation of forest certification.

**FSC Italy** conducted an awareness campaign in Italian schools and 2,500 awareness kits were distributed to students across the country. Carrying the name "SOS Forests", the kits contained material about forests, forest management and FSC certification. Participating schools were then asked to produce posters, drawings, texts, etc. on forestry and responsible forest management. FSC Italy partnered with IKEA-Italy, Giunti Editore, Almaca and Greenpeace Italy to carry out the initiative.

**The FSC Working group in Kenya** raised awareness about forest certification at meeting and events of the Kenya Forest Working Group, a consortium of leading organizations in Kenya's forest and environment sector. This



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has contributed to an increase in the number of Kenyan companies requesting training in FSC certification and to an exceptional response rate to the national draft FSC standard open for consultation.

**FSC Nepal** raised awareness about responsible forest management and FSC certification among forest communities in Nepal's Parbat district. Activities were carried out on the ground and communities were provided with safety equipment like helmets and climbing ropes. Upon receiving training, the Jahuri forest community gave one-day orientation trainings to 17 other communities in the district.

**FSC Netherlands** celebrated the 10th anniversary of their foundation with close to 200 representatives from NGOs, businesses and government at an event in The Hague on 26 November. Highlights of the event included presentation of the FSC Award 2009 to the Het Financieele Dagblad for printing on FSC certified paper and the issuance of Netherlands' 1000th Chain of Custody (CoC) certificate.

**FSC Poland** presented the FSC certification system at DREMA/Furnica 2009, the biggest wood products fair in Poland. FSC was represented through a stand and the distribution of promotional material including articles that were published by Polish furniture magazines. The event was a success and the stand was very popular with visitors at the fair.

**FSC Spain** carried out a range of activities in 2009 within the framework of the campaign "Madera Justa" ("Fair Wood"). The campaign promotes forest conservation and livelihood improvement among rural communities in the South through fair trade and the responsible use and consumption of forest products. Activities included the first General Assembly of the campaign on 11 March and stands and presentations at conferences, Trade Fairs and events throughout Spain.

**FSC United Kingdom** developed a map of the FSC certified forests in the UK. Maintained and updated on a regular basis, the user-friendly map enables the viewer to zoom in and see a clear satellite image of the area. The map contains useful information about particular pieces of woodland including name, size and species of the forest along with its FSC certificate number and contact details. The map is available at [www.fsc-uk.org/ukforests](http://www.fsc-uk.org/ukforests).

**FSC US** announced the winners of the 5th annual Designing & Building with FSC Awards on 12 November 2009. The Awards honor designers and builders who are committed to using FSC certified wood. The new CityCenter in Las Vegas earned first place in the commercial/institutional category while Keith Waters & Associates and WD Flooring LLC won the first place in the residential category for their Portico on the Green residence in Minnetonka, Minnesota. The amount of FSC certified wood used in both of these top honors projects is 87% by cost.



Photocredits: © FSC Denmark



Photocredits: © MGM CityCenter



Photocredits: © Anders Hagman

## Financial Information 2009 & 2008

Forest Stewardship Council and subsidiaries

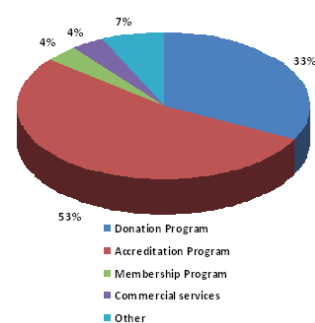
Consolidated Statement of Activities in USD for the years ended 31 December 2009 and 2008

Incoming Resources	2009		2008	
Donation Program	649,093	6%	2,484,027	33%
Accreditation Program	10,255,689	88%	4,065,572	53%
Membership Program	326,648	3%	277,495	4%
Commercial services	294,947	3%	274,904	4%
Other	146,679	1%	524,936	7%
<b>Total incoming resources</b>	<b>11,673,056</b>	<b>100%</b>	<b>7,626,934</b>	<b>100%</b>
<b>Resources Expended</b>				
Operating expenses	6,652,739	96%	5,862,676	98%
Depreciation on intangible and tangible assets	277,006	4%	77,388	1%
Taxes	1,012	0%	20,075	0%
<b>Total resources expended</b>	<b>6,930,757</b>	<b>100%</b>	<b>5,960,139</b>	<b>100%</b>
<b>Surplus (loss)</b>	<b>4,742,299</b>		<b>1,666,795</b>	
Exchange rate				
	1 EUR =	1,4347 USD	1,4140 USD	
	1 USD =	13,0437 MXN	13,7738 MXN	

2009



2008



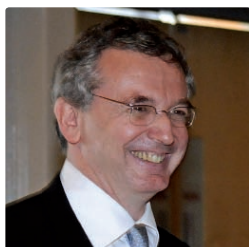




## FSC Board of Directors 2009

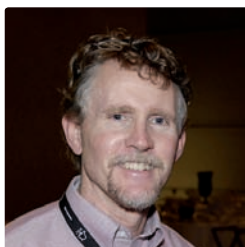
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Orsa Florestal  
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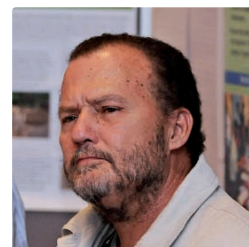
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FSC wishes to thank the following partners who made financial donations to FSC during 2009. Without their support, our work in promoting improved management of the world's forests would not be possible.

African Dawn Wines

BMZ – Bundesministerium Für Wirtschaftliche Zusammenarbeit

(German Federal Ministry for Economic Development Cooperation)

CIFOR

Freshfield Foundation

GTZ – Deutsche Gesellschaft Für Technische Zusammenarbeit GmbH

(German Society for Technical Cooperation)

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