



PEFC Council

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Board Minutes

Geneva, Switzerland

Thursday 3 and Friday 4 October 2019

PEFC Council Board Minutes

Present:

- Peter Latham (Chair)
- Natalie Hufnagl-Jovy (1st Vice Chair)
- Eduardo Rojas y Briales (Day 1)
- David Ford
- Nurudeen Iddrisu
- Riikka Joukio
- Suzette Weeding
- Gerald Pfiffinger (Phone)
- Brian Kernohan (Phone)

Apologies:

- Peter Crook
- Jin Sook Lee
- Juan-Carlos Jintiach
- Geneviève Chua (2nd Vice Chair)
- Hervé LeBouler
- Eduardo Rojas y Briales (Day 2)

In attendance:

- Ben Gunneberg (CEO / Secretary General)
- Michael Berger (Head of Technical Unit / Deputy Secretary General)
- Gill Parker (Finance Manager) - Item 6 and 9.3
- Fabienne Sinclair (Head of Marketing) - Item 3.3.1
- Thorsten Arndt (Head of Communications) - Item 3.3.1 and 7.2
- Hannah Prins (Communications Manager) - Item 7.2

1. AGENDA

BOD/19/2019 Unanimously agreed:

- To approve the agenda.

Noted - David Ford and Brian Kernohan noted a potential conflict of interest with item 8.2.1 and so refrained from voting. Likewise, both Natalie Hufnagl and Peter Latham refrained from voting on item 5.2.

Three new staff members (Lise Favre, Matthew Parkan and Silvana Neva) were introduced to the Board.

2. MINUTES

Noted - Jin Sook Lee had been omitted from the draft minutes.

BOD/20/2019 Unanimously agreed:

- To approve the minutes as amended of the Last Board meeting held in April 2019 in Geneva and of the conference call held on 19 August 2019.

3. MATTERS ARISING

3.1 Follow up last board meeting

The Board noted the matters arising and, the progress report Q1-2 2019 in the background papers.

The Board noted that Mr Bill Street had stepped down as chair of the PEFC Chain of Custody and Trademark Working Group and that Ms Jin Sook Lee had expressed an interest in being the Board member to chair the working group.

BOD/21/2019 Unanimously agreed:

- To appoint Ms Jin Sook Lee as the new chair of the PEFC Chain of Custody and Trademark Working Group.

3.2 Affiliation Register

The Board noted the affiliations and for each Board Member and that from now on they would declare any amendments at each subsequent board meeting.

3.3 Risk to be considered

3.3.1 Letters from members

The Board noted and discussed at length the concerns of 16 members expressed in the two letters received. The Chairman and Secretary General and key staff would be meeting with some of the NGB chairs next week to explore some of the issues raised. The Board also agreed to arrange a conference call with the NGBs, to listen to their concerns and to get clarity and inputs on how these concerns should be dealt with. This would then feed into determining how the PEFC week meetings and agenda items would be arranged to address and progress on the concerns raised.

4. STRATEGIC DISCUSSIONS

4.1 Proposed indicators for PEFC Strategy

The Board noted the amendments made since the August call. A paper on the indicators would be circulated to members in advance of PEFC week to allow their consideration during PEFC Week.

BOD/22/2019 Unanimously agreed:

- To agree the collective indicators for measuring progress on delivering the PEFC Strategy

4.2 Members evaluation of the Board

The Board considered in detail the response received from members and agreed that some follow-up actions were required including the preparation of a high-level document / pictogram outlining the roles and responsibilities of various actors within the PEFC Council. There was consensus that the Chairman would present the results of the survey including the board's deliberations and proposed actions on them, to members during PEFC week.

BOD/23/2019 Unanimously agreed:

- "To present the survey results of the Member Evaluation of the PEFC Council Board to members at the PEFC week".

4.3 Strategic Funding - next steps

Mr David Ford (Chair of the “Strategic Funding Working Group”) reported on the progress to date of the working group. A working paper outlining the opportunities for PEFC with respect to advancing the strategy, had been prepared and needed more work. In particular, work is needed to explore how PEFC can take advantage of the opportunities. The working group would be meeting early next year to explore these issues and planned to be reporting options to the board by the spring 2020 meeting.

5. OPERATIONAL ITEMS

5.1 Workplan 2020

The Board considered the workplan for 2020 and recommended that it be presented in a more high-level manner covering changes of focus for 2020 in delivering the strategy. It was noted that, for simplicity, the workplan only covered the collaborative areas of work from the head office with respect to delivering on the three strategic pathways. The routine activities of running the organisation had not been included. It was noted that amendments might be needed to the plan, and the proposed budget 2020, based on the feedback from members at the PEFC Week.

BOD/24/2019 Unanimously agreed:

- To approve the work plan 2020 priorities, and to present it to members focused on outcomes and noting that it may be amended, as required, based on feedback from the PEFC Week

5.2 Nominations Committee Selection

Noted that Natalie Hufnagl and Peter Latham refrained from voting on this agenda item as they had served as fellow board members when Minnie Degawan was last on the board.

BOD/25/2019 Unanimously agreed:

- To recommend Ms Jan McAlpine (for three years) and Ms Minnie Degawan (for two years) to the General Assembly as members of the Nominations Committee.

5.3 Membership

5.3.1 Membership Guyana Forestry Commission NGB Application

BOD/26/2019 Unanimously agreed:

- To recommend to the General Assembly the application of the Guyana Forestry Commission as the PEFC NGB member for Guyana.

5.3.2 Ukraine Association National Voluntary Forest Cert Syst. NGB Application

BOD/27/2019 Unanimously agreed:

- To recommend to the General Assembly the application the Ukraine “Association National Voluntary Forest Certification System” as the PEFC NGB member for Ukraine.

5.3.3 Policy for Resource Challenged NGB’s requiring PEFC support

The Board considered the revised paper and supported the concept and the flexibility and time and resource savings the approach would bring. It would also provide a basis for a streamlined approach to consider membership fees from resource challenged NGBs.

BOD/28/2019 Unanimously agreed:

- To approve the “Resource Challenged member categorisation” approach as amended and to instruct the secretariat to prepare a policy paper that incorporates the overall value that the classes of members bring to the organisation.

5.3.4 One National Governing Body per Country

The Board considered paper 5.3.4 and noted the current statutory structures and the historical reasons for them. It was also noted

that over the years, PEFC had, for a variety of reasons, entered into pragmatic administrative arrangements with some members, which were now creating tensions which needed addressing. The board also noted its responsibility to keep under review both the statutes and the structure and processes of the organisation to ensure it was fit for purpose in the future.

BOD/29/2019 Unanimously agreed:

The Board noted paper 5.3.4 as setting out the current organisational structures of PEFC and agreed that there was a need to consider a range of possible structural options for the future of the organisation to be considered at a future board meeting.

5.3.5 Resignation of ISM – Fibria

It was noted that the change in membership would need to be reported to the General Assembly and noted in the minutes.

BOD/30/2019 Unanimously agreed:

- To note the Resignation of Fibria as an International Stakeholder Member following its merger with Suzano and report this to the General Assembly.

6. FINANCE

6.1 Audited 2018 Year-End Accounts

A final version of these had been considered by the Management Accounts Committee (MAC), which was recommending presentation to the General Assembly.

BOD/31/2019 Unanimously agreed:

- To agree the audited year-end accounts (Balance sheet and Profit & Loss) 2018 for presentation to the members at General Assembly.

6.2 Management Account Q2 -2019

Mr David Ford reported that the MAC had considered the management accounts Q2-2019, that PEFC was on track to deliver on the budget and he and Ms Gill Parker answered questions by board members.

BOD/32/2019 Unanimously agreed:

- To note the Management Accounts Q2-2019 as presented by the Management Accounts Committee.

6.3 Requests for reduction in membership fees

The Board noted that on its behalf, the MAC had considered and was making recommendations concerning the applications requesting a reduction in membership fees.

BOD/33/2019 Unanimously agreed:

- To note the requests for Membership Fee Reductions, approved by the MAC, on behalf of the Board for 2019.
- To recommend (as part of the budget) the requests for Subscription Fee reductions for 2020, outlined in Paper 6.3 for approval by the members at General Assembly.
- To recommend (as part of the budget 2020) a contingency be made for potential shortfall of membership fees estimated at 63,133 CHF.

6.4 Budget 2020 (including Membership fees)

The Board considered this item in light of item 3.3.1 and agreed that the budget paper for the General Assembly should provide further annotations and information concerning the allocation of budgets. It was noted that the Board would also be open to consider comments and suggestions from the members following discussions during PEFC Week.

BOD/34/2019 Unanimously agreed:

- To agree the Budget 2020 for approval by members at the General Assembly.

6.5 Remuneration Policy

The Board noted and discussed the content of tabled paper 6.5, prepared with the assistance of PEFC's HR and salary Benchmark consultants, outlining the structure and

approach used by PEFC when reviewing salaries.

6.6 Investment of reserves

The Board considered the advice of the MAC and the PEFC's bank UBS on several options provided. Following discussions on the recommendations, the MAC undertook to confirm whether the proposed investment was through a managed fund rather than through individual stocks.

BOD/35/2019 Unanimously agreed:

- To accept option two concerning balanced investments of 1 million chf with UBS.

7. GENERAL ASSEMBLY PLANNING

7.1 General Assembly Preparation and Papers

The Board noted the prepared papers for the 24th General Assembly and recommended some amendments concerning presentation.

BOD/36/2019 Unanimously agreed:

- To note and approve the papers as amended for the 24th General Assembly:
 - General Assembly Agenda
 - Minutes of the 23rd General Assembly (already approved by Board but members will need to approve it too)
 - Budget 2020 and membership fees
 - Nominations of the 1 Vice Chairman and 5 Board Members
 - Appointment of Auditor

7.2 PEFC week Overview

The Board considered how best to amend the PEFC week agenda to accommodate the members request for more discussion on communications and marketing.

BOD/37/2019 Unanimously agreed:

- To note the overview and Stakeholder Dialogue Agenda

7.3 Dates and Deadlines for PEFC Council Meeting 2020

It was agreed pull the October Board forward to 24th-25th September to allow more time for preparing GA papers and PEFC week. It was also noted that the 2020 GA was being held in week 46 in Ireland.

BOD/38/2019 Unanimously agreed:

- To approve the dates and deadlines for 2020 meetings as amended

8. TECHNICAL

8.1.1 Trademark Rules (PEFC ST 2001:2019 and Chain of Custody Standard (PEFC St 2002: 2019)

The Board considered the development of both standards and the Secretary General and Head of Technical unit answered questions concerning its development and the main changes achieved. It was noted that these changes would be communicated to members as highlights with the GA papers and in presentations during PEFC week.

BOD/39/2019 Unanimously agreed:

- To recommend to the PEFC General Assembly to approve the final drafts of the revised PEFC International standards for Chain of Custody (as PEFC ST 2002:2019) and Trademark Rules (as PEFC ST 2001:2019).

8.1.2 Requirements for CB's Chain of Custody certification (PEFC ST 2003).

The Head of Technical Unit was on hand to answer questions concerning the development of this standard.

BOD/40/2019 Unanimously agreed:

- To recommend to the PEFC General Assembly to approve the final draft of the revised PEFC International Requirements for Certification Bodies (Chain of Custody) as PEFC ST 2003:2019.

8.2 Endorsements

8.2.1 SFI Small Lands Module

Both Messrs. Ford and Kernohan refrained from voting on this agenda item. It was noted that the major non-conformity (namely a pilot testing) had been resolved, and that the PEFC NGB for Canada was in agreement for the module to be used in Canada.

BOD/41/2019 Unanimously agreed:

- To recommend to the PEFC General Assembly through a postal ballot, the endorsement of the SFI Small Lands Group Certification Module, on the condition that the three minor nonconformities identified in the assessment against PEFC ST 1003 are resolved within six months as of endorsement.

8.2.2 PAFC Cameroon

BOD/42/2019 Unanimously agreed:

- To recommend to the PEFC General Assembly through a postal ballot, the endorsement of the PAFC Cameroon scheme for a period of two years.

9. COMMITTEE UPDATES

9.1 Financing Working Group

The Chairman reported that, as a result of the work of the Working Group to date, the guidance document GD1008-2019 related to the PEFC Registration system requirements for NGBs and Certification Bodies, had been amended and sent out to consultation.

Comments had been received and these were being responded to by the Secretariat. It was expected that the final GD with the

requirement to collect the total turnover of all participants of a chain of custody certificates would be presented to the Board at its November meeting. This would allow the necessary information to be collected over the next few years to allow a fairer membership fee charging system to be introduced (estimated to be operational for 2021-2) to allow the subscription element of the PEFC membership to be significantly reduced

It was also noted that the PEFC would soon need to agree a mechanism to differentiate between certified forest areas and Trees Outside Forests areas to allow a fairer allocation of fees to both. In addition, the working group still needed to consider the CAP. Although this was a long journey, it was felt necessary to undertake it with the members in a fashion that garnered support for the changes.

10. ANY OTHER BUSINESS

There was none.

11. DATES OF NEXT MEETING –

Monday 11 November, Wurzburg
Germany

Signed:

Peter Latham - PEFC Council Chairman

Ben Gunneberg - PEFC Council Secretary General