Dear members of the FSC Congo Basin Community. This is our first report of the activities that have been developed on the action points that were identified at the FSC Congo Basin Business Encounter June 2018 in Libreville. We intend to inform you regularly and invite you to participate in the processes with your own expertise.

**Convince Asian Businesses of the validity of certification (action point 4)**

This point was among other things raised because of the unique situation in Gabon where there are considerable hectares of FSC certified forests, European operators and an increasing number of Asian operators. It seems to be a good basis to have an open-minded discussion about the advantages of responsible forest management connected to FSC COC certification. The first contacts with particularly Chinese entities are very promising. There is great interest in certification of forest management (and the following COC certification), in the European approach and market developments. They express the willingness to have more understanding of how the FSC system works. One of the main concerns is the matter of scale. The demand in wood products especially in China is already huge and still growing. The existing areas of global tropical forests are not able to produce enough volumes to supply. Our Chinese counterparts have made the same analysis. So far the Chinese Government does not have a specific policy in place to ensure the legal/responsible sources of timber entering into China. Chinese timber associations seem to be willing to have a dialogue with FSC China and WWF China. FSC Congo Basin will facilitate that.
FSC welcomed the recent announcement by the Republic of Gabon which will require all forestry companies operating in the country to be FSC certified by 2022. Speaking at the FSC certified Rougier sawmill of Mevang in Gabon, President Ali Bongo Ondimba stated that Gabon has made tremendous strides in extracting value from their forests since 2009—but, a lot more will need to be done for the country to increase their global market share and be able to produce quality products.

Gabon has 15.9 million hectares of forest concessions, of which currently over 2 million are FSC-certified and has the potential to increase this area by around 13 million hectares with this announcement. In order to carry this out, Gabonese authorities have indicated that they will take the necessary measures to accompany the operators towards FSC certification by developing an action plan in the next months.

**LKTSCB (action point 2)**

On the 16th of January the first LKTS Congo basin (LKTSCB) meeting was held in Utrecht, the Netherlands. As discussed during the Libreville meeting the approach is to introduce Lesser Known Timber Species on the main Western European markets; Netherlands, Belgium, France, Germany, Denmark, Italy and UK. The concept is that after the selection of timber species by the experts of the LKTSB, the introduction and promotion will be a joint effort. In first instance by the members of the working group, but soon supported by all members of the Congo Basin Business Encounter community. The working group has identified 7 species related to the same number of market-segments. The species will be further investigated, judged and evaluated by the working group. As soon as a species is approved by the working group the introduction phase will take off. In this phase the promotion and marketing experts within LKTSCB will develop a concept, timetable and connect to the whole community in order to make promotion as effective as possible.
FSC developed, with support of the STTC, the campaign ‘Together we are FSC’. The aim of the campaign is to empower FSC certified forest owners and companies around the world to help convey the message of FSC delivering on the realization of the SDGs. Since their adoption in 2016, the SDGs have increasingly become an important guide for the world’s businesses and public authorities to show their purpose as an entity that has wider benefits for society. So the SDGs provide an excellent opportunity to communicate the wider positive benefits of using certified tropical timber in a way that is becoming increasingly widely accepted and utilized worldwide. The campaign will have multiple elements in digital and print formats which all refer to the same global platform, that through powerful visual storytelling tell the story of FSCs relevance. Marketing assets will include; video’s, social media posts, posters and other promotional materials. Within a month this campaign will be launched. We will inform the community accordingly and we will support the community in the roll out.

Payments for ecosystem services (action point 5)

Last year, FSC published the Ecosystem Services Procedure (FSC-GUI-30-006). Forest managers can follow the seven steps of the Ecosystem Services Procedure to demonstrate the conservation or enhancement of ecosystem services. Once these impacts are verified by an FSC-accredited certification body, the forest manager can use ecosystem services claims to promote the forest and attract rewards according to their own business model or plan. See more on our website.

The claims can also be used by financial sponsors to promote their support for verified impacts and by retailers and other companies to promote FSC 100% certified products from forests with verified ecosystem services impacts. Finally, buyers of carbon credits or other environmental assets from FSC-certified forests can also promote any verified ecosystem services impacts in the forest from which the environmental asset originates. All uses of ecosystem services claims are supported by FSC trademarks and are subject to trademark use approval. Click here for more information.
FSC Netherlands is currently conducting a market scan of potential buyers of ecosystems services claims and will implement pilots in 2019 to evaluate if extended FSC ES claims (e.g. ‘this product is from forest management where conservation of biodiversity is demonstrably enhanced’) have added value in the market, and to attract sponsorship for a project. If you are interested to participate in one of these pilots, please contact Liesbeth: l.gort@fsc.nl. FSC is also developing an Ecosystem Services Market brochure. As soon as it is published we will of course share that with you.