

## 1. Introduction

This memo provides SBP Stakeholders with an update on the SBP Governance Transition Process (GTP). Words in *italics* are defined in more detail in section 4.

## 2. Current status and timeline

In H1 2017 an initial governance analyses of 12 existing certification systems was carried out by the SBP Secretariat. Initial recommendations for an SBP governance setup were presented and discussed with the SBP Board, the SBP Advisory Board, the SBP Stakeholder Committee and with individual key stakeholders including AEBIOM, USIPA and WPAC.

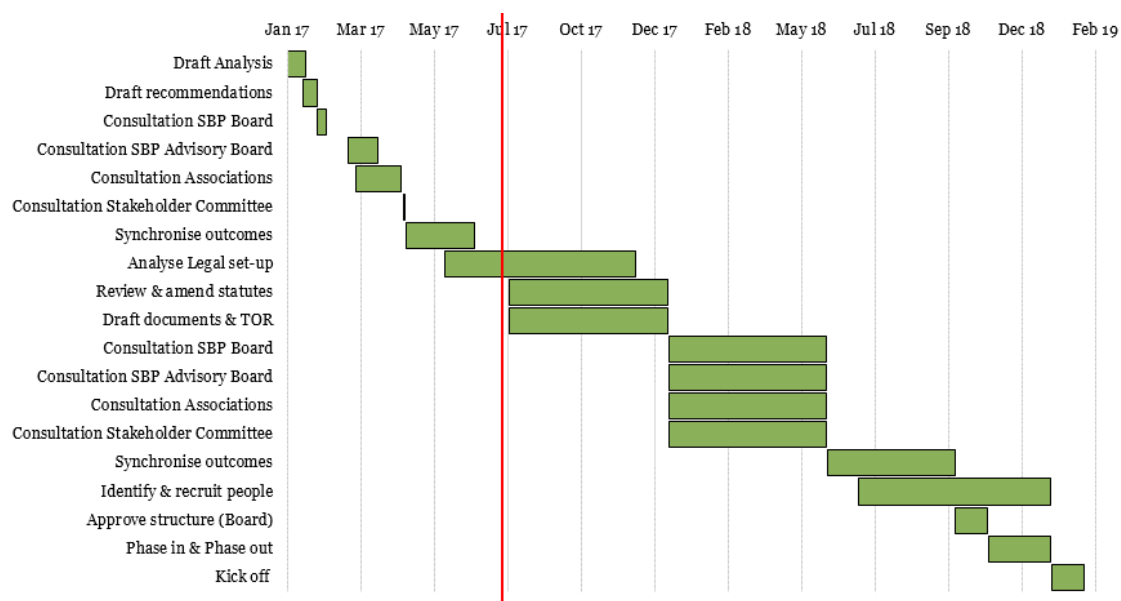
Most consulted stakeholders agreed on the overall setup of a *Board of Directors (BoD)* and two committees (a *stakeholder* and a *technical committee*) to form the core of SBPs future governance structure.

It was agreed to explore both the legal aspects around setting up a new governance structure and a BoD model with 3 seats for biomass producers, 3 seats for biomass end-users and 3 seats for *public interest stakeholder groups*. A further aspect to be explored is whether the BoD should be led by a chairperson that is independent of the three core stakeholder groups.

At the June SBP Board meeting, three items relevant for the GTP were discussed and agreed:

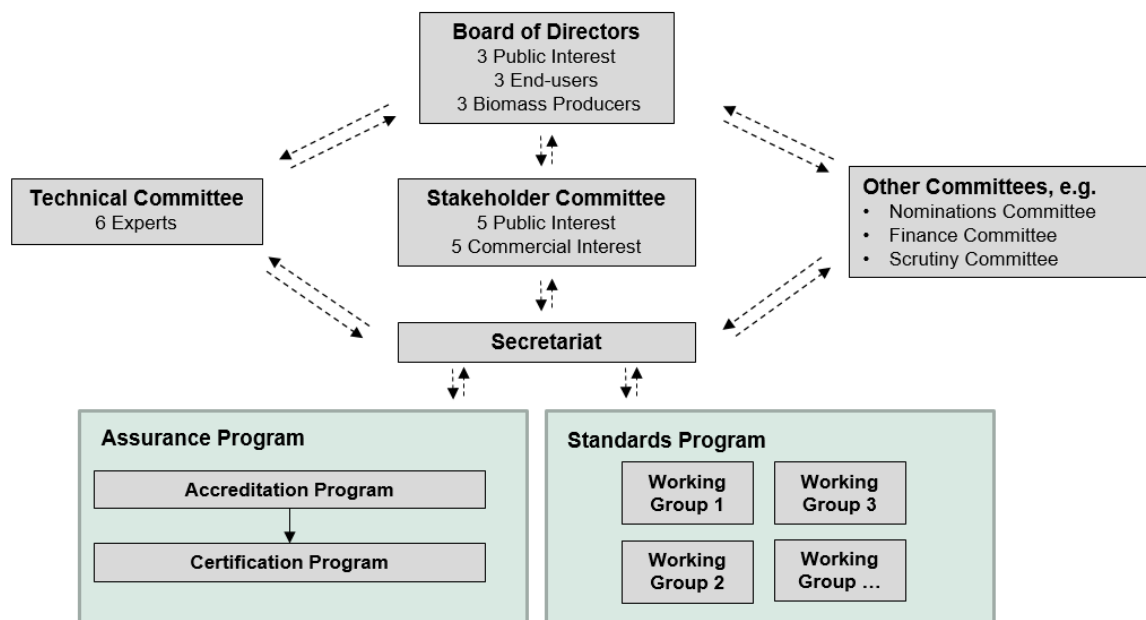
1. SBP shall maintain (based on legal advice) the legal setup of “Limited by Guarantee”, as this addresses the needs of SBP now and as a future multi-stakeholder organisation best.
2. SBPs current Articles of Association (AoA) shall be amended to define and safeguard SBPs objectives, to ensure adequate protection of the system and to establish checks and balances that reflects the multi-stakeholder nature of the future governance structure.
3. The BoD shall establish a governance setup, where standard setting decisions are delegated to a balanced multi-stakeholder committee representing SBPs stakeholders, so to comply with best practice and ISEAL codes.

With this SBP is in line with the GTP implementation plan.



### 3. Amended Governance Structure

Base on the stakeholder input a desired governance structure may look like defined in the following graphic.



### 4. Definitions

#### Accreditation Program

is operated and managed by Accreditation services International (ASI). It includes activities in relation to the evaluation and the accreditation of Conformity Assessment Bodies (CABs or Certification Bodies) in accordance with the SBP accreditation requirements.

#### Assurance Program

is operated and managed by the SBP *Secretariat*. It includes activities with regards to the oversight and monitoring of the consistent implementation of the SBP Accreditation and Certification Programs.

#### Board of Directors

(BoD) is responsible for overseeing the implementation of SBPs mission and vision, and governance, as well as setting the overall strategy, direction and budget. A 3/4 majority in voting is required to amend the Articles of Association, so to safeguard SBPs objectives. Decisions on standard setting are delegated to the *Stakeholder Committee*. The BoD consists of 3 seats for biomass producers, 3 seats for end-users, 3 seats for *Public Interest* groups and in addition may have an independent chair person. The current BoD initially appoints the new Board members. BoD members are nominated in a personal capacity (the individual is appointed to represent an interest group e.g. end-users, producers etc. and not the employer of the person) and chosen for their knowledge, integrity, expertise and basic support for SBP's objective. Members of the BoD have a three-year term. New members of the BoD following the transition are identified by a nominations committee and appointed by the acting BoD. Specific Terms for the BoD will be drafted, including defining in detail all items described above that are not covered by the Articles of Association.

### ***Certification Program***

is developed by the SBP and includes all activities in relation to the evaluation of applicant companies for SBP certification and/ or the surveillance of SBP certified companies by SBP accredited CABs.

### ***Commercial interest stakeholder group***

is a grouping of SBP stakeholders, that include but are not limited to landowners, biomass producers, biomass traders, end-users and other relevant commercial interest groups.

### ***Other Committees***

are specific committees that the BoD may establish e.g. finance, nominations, governance, scrutiny, etc. if and when needed.

### ***Public interest stakeholder group***

is a grouping of SBP stakeholders, that include but are not limited to science, social, conservation community and other relevant public interest groups.

### ***Secretariat***

is led by its CEO who is in charge of the daily management of SBP operations and reports to the BoD. The CEO is supported by a dedicated team and together they focus on the implementation of the *Standards Program*, the *Assurance Program* and the continuous engagement with SBP certified companies and all other stakeholders. The *Secretariat* is a virtually operating organisation.

### ***Stakeholder Committee***

(SC) its main functions are:

- to make decisions on and approve new and amended standards;
- to provide views, advice, recommendations and informed opinions to the BoD on the standards and their implementation and application through the program;
- to provide strategic and tactical advice on other functions of the organisation;
- to provide advice and views on existing and emerging issues which may affect the ability of the system to implement its program and achieve its strategic goals;
- to bring new issues to the system for consideration that may affect the system's ability to achieve its mission;
- to address and give views on specific matters on which the BoD requests advice.

The SC has 10 seats, 5 seats for members representing the *commercial interest stakeholder group* and 5 seats for members representing the *public interest stakeholder group*. The new BoD initially appoints the SC members. SC members are nominated in a personal capacity, not as representatives of their organisations and chosen for their knowledge, expertise and support for SBP. SC members are appointed for a three-year term. The SC members appoint a Co-Chair, one for the *commercial interest stakeholder group* and one for the *public interest stakeholder group*. New SC members are identified by existing SC members and appointed by the BoD. Specific Terms for the SC will be drafted to define in detail all items described above and not covered by the Articles of Association.

### **Standards Program**

is operated and managed by the SBP *Secretariat*. It includes activities with regards to the development of normative and non-normative documents required to operate the *Assurance Program*.

### **Technical Committee**

(TC) advises the BoD on technical and scientific matters. The main activities include advising the BoD on the SBP standards, maintaining documents relating to the standards, developing methodologies for certification and accreditation and reviewing the progress of certifications and providing advice on these. The TC has 6 seats. The new BoD initially appoints the TC members. TC members are nominated in a personal capacity, not as representatives of their organisations and chosen for their knowledge, expertise and support for SBP. TC members are appointed for a three-year term. The TC appoints its Chair. New members are identified by existing TC members and appointed by the acting BoD. Specific Terms for the TC will be drafted to define in detail all items described above and not covered by the Articles of Association.

### **Working Group(s)**

are part of the *Standards Program*. A working group is an ad hoc group of subject-matter experts working together to achieve specified goals. Working groups are established when needed and recommended by the BoD or SBP committees. A working group is phased out when it has achieved its goal(s).

## **5. Next steps**

In the next weeks, SBP will start to work on:

- Amending the current Articles of Association
- Drafting Terms for the new *Board of Directors*
- Drafting Terms for the new *Stakeholder Committee*
- Drafting Terms for the new *Technical Committee*

The mentioned draft documents will be consulted with SBP key stakeholders.