

1. Introduction

In H1 2017 an initial governance analysis of 12 existing certification systems was carried out by the SBP *Secretariat*. Initial recommendations for an SBP governance set-up were presented and discussed by the SBP Board and with various stakeholder groups. There is general support for a structure where a *Board of Directors (BoD)* and two committees, a *Stakeholder Committee* and a *Technical Committee*, form the core of SBP's future governance arrangements. The agreed make-up of these core bodies is defined in more detail in section 4 below.

There follows an update on SBP's Governance Transition Process (GTP). Words in *italics* are defined in more detail in section 4.

2. Updates since July 2017

Stakeholder feedback: The GTP and the overall intention to transform the SBP system to become a stakeholder organisation has been presented and communicated on various occasions in the past months, including at the WPAC conference, the SFI Conference, the USIPA Conference and the FSC General Assembly. Stakeholder feedback continues to be positive.

Governance Documents: Amended Articles of Association (AoA) and Terms of Reference (ToR) for the new Board and the new *Stakeholder Committee* and *Technical Committee* have been drafted. These documents are currently under legal review and will be submitted to stakeholders for consultation in late November/early December.

Nominations Process: The SBP Board has established a nominations committee and has agreed procedures for nominations and appointments of the new Directors (future SBP Board Members). Recruitment for the Director positions has commenced, which includes the positions of an independent chair, and representatives of public interest groups, biomass producers and biomass end-users. The set of requirements and qualifications for individual nominees to be considered for the future SBP Board has been defined and is published on the SBP website.

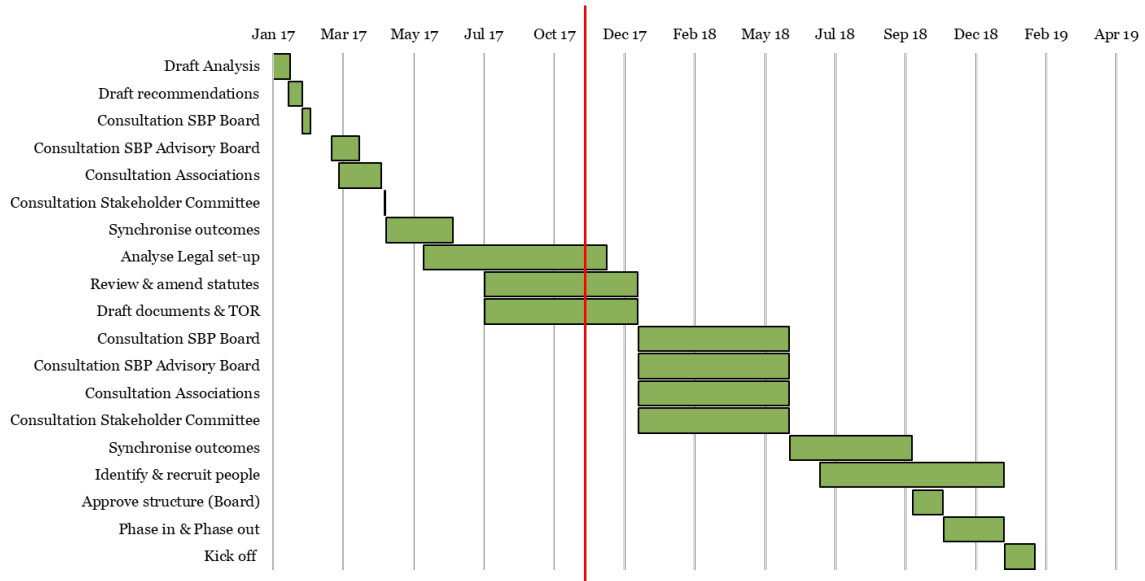
As a first step, the SBP Board has invited the Boards of AEBIOM, USIPA and WPAC to each nominate one candidate for appointment as a Director to represent biomass producers on the new Board. The search for an independent chair has been initiated, and the process for selecting representatives from biomass users has also commenced. Initial discussions with public interest groups will start early next year.

Financial transparency and independence: SBP is a not-for-profit organisation, legally based and registered in the UK as a company limited by guarantee. Until the end of 2017, SBP will be fully funded by its members (currently there are eight members, all of which are biomass end-users and are represented on the SBP Board). In 2018, funding will be through a mix of certificate holder fees and membership fees. With the introduction of the new governance arrangements in 2019, membership fees will no longer be applicable and funding will be based solely on certificate holder fees.

The budget for 2018 has recently been approved by the SBP Board and, together with financial information for 2016 and the budget for 2017, will be published on SBP's website in late November.

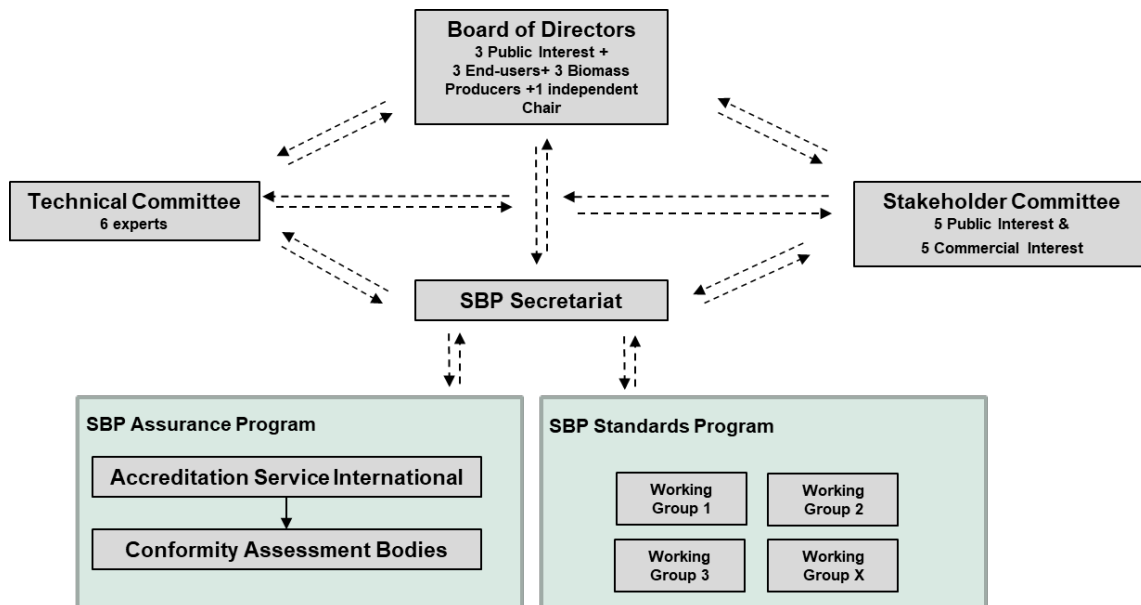
3. Timeline

With the updates since July 2017 the GTP implementation plan is on track.



4. Amended Governance Structure

Based on stakeholder input received a desired governance structure is emerging as follows:



5. Definitions

Accreditation Program

The *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

The *Assurance Program* is operated and managed by the SBP *Secretariat*. It includes activities in relation to the oversight and monitoring of the implementation of the SBP *Accreditation Program* and *Certification Program*.

Board of Directors

The *Board of Directors (BoD)* is responsible for overseeing the realisation of SBP's mission and vision, and the implementation of the new governance arrangements, as well as setting the overall strategy, direction and budget. A three-quarters majority vote is required to amend the Articles of Association, thereby safeguarding SBP's objectives. Decisions on standard setting are delegated to the new *Stakeholder Committee*.

The objective is to have a new *BoD* comprising a maximum of ten (10) Board members. There shall be three (3) Stakeholder Groups within the Board, each with up to three (3) members. The composition of the Board shall be as follows:

- One (1) independent Chair
- Three (3) biomass producers
- Three (3) end-users
- Three (3) public interest groups

The *biomass producers group* shall be made up of representatives from biomass producing companies and/or biomass producer associations. The *end-users group* shall be made up of representatives from biomass end-users and/or biomass user associations. The *public interest group* shall be made up of representatives from, for example, science, social NGOs, unions, environmental/conservation NGOs and/or other relevant public interest bodies.

The current *BoD* will initially appoint the new Board members. *BoD* members serve in a non-partisan capacity (that is, the individual is appointed to represent the stakeholder group, for example, end-users, producers etc, not the organisation the *BoD* member is affiliated to) chosen for their knowledge, integrity, expertise and support for SBP's objectives. Members of the *BoD* will have a three-year term. New members of the *BoD* following the transition will be identified by a nominations committee and appointed by the serving *BoD*.

Certification Program

The Certification Program is developed by 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 Conformity Assessment Bodies (CABs or Certification Bodies) accredited for SBP certification services.

Commercial Interest Group

The *Commercial Interest Group* is a group of SBP stakeholders that includes, but is not limited to, representatives from, for example, biomass producers, biomass end-users, biomass traders, forest managers/owners and/or other relevant commercial interest groups.

Other Committees

Other Committees are specific committees that the *BoD* may establish, for example, finance, nominations, governance, scrutiny, etc. if and when needed.

Public Interest Group

The Public Interest Group is a group of SBP stakeholders that includes, but is not limited to, representatives from, for example, science, social NGOs, unions, environmental/ conservation NGOs and/or other relevant public interest groups.

Secretariat

The SBP *Secretariat* is led by its CEO who is in charge of the daily management of SBP's operations and who 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 continuous engagement with SBP-certified companies and all other stakeholders.

Stakeholder Committee

The main functions of the *Stakeholder Committee (SC)* 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 attention to new issues/influences that may affect the system's ability to achieve its mission; and
- to address and give views on specific matters on which the *BoD* requests advice.

The objective is to have an *SC* comprising a maximum of ten (10) members. There shall be two (2) stakeholder groups within the *SC*, each with up to five (5) members. The composition of the *SC* shall be as follows:

- Five (5) public interest groups
- Five (5) commercial interest groups

The public interest group shall be made up of representatives from, for example, science, social NGOs, unions, environmental/conservation NGOs and/or other relevant public interests groups. The commercial interest group shall be made up of representatives from, for example, biomass producers, biomass end-users, biomass traders, forest managers/owners and/or other relevant commercial interest groups.

The new *BoD* will initially appoint the *SC* members. *SC* members serve in a non-partisan capacity, not as representatives of their organisations, chosen for their knowledge, expertise and support for SBP. *SC* members are appointed for a two-year term. The *SC* members will appoint two Co-Chairs, one for the *commercial interest group* and one for the *public interest group*. New *SC* members will be identified by existing *SC* members and appointed by the serving *SC*.

Standards Program

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

Technical Committee

The *Technical Committee (TC)* advises the *BoD* on technical and scientific matters, including advising on the SBP standards, maintaining documents relating to the standards, developing methodologies for certification and accreditation and reviewing and advising on the progress of certifications.

The objective is to have a *TC* comprising a maximum of six (6) members. Stakeholder groups are not relevant for the *TC*. The new *BoD* will initially appoint the *TC* members. *TC* members serve in a non-partisan capacity, not as representatives of their organisations, 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 will be identified by existing *TC* members and appointed by the serving *TC*.

Working Group(s)

SBP Working Groups 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 and as needed on the recommendation of the *BoD*, the *Stakeholder Committee*, the *Technical Committee* or the *SBP Secretariat*. A *working group* is disbanded when it has achieved its goal(s).

6. Next steps in 2017

SBP will work on:

- finalising the draft AoA and ToR;
- submitting the draft AoA and ToR for stakeholder consultation; and
- nominations of Directors for the new Board.