

FIRST PUBLIC CONSULTATION - REVISION OF THE ECOSYSTEM SERVICES PROCEDURE

FSC Climate and Ecosystem Services / Forest
Management teams

24 January 2023



OBJECTIVES



1. **Present the key topics** of the draft of the Ecosystem Services Procedure that are **up for consultation**.
2. To **incentivise** the public in providing key and concise **input in the FSC Consultation Platform**.
3. To **answer questions from the public**.



AGENDA



	Topic	Time	Presenter
1	Background and Introduction	5 min.	FSC
2	Key concepts in the draft up for consultation	30 min.	FSC
3	Q&A	25 min	Public and FSC

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BACKGROUND AND INTRODUCTION



How did the revision of the Ecosystem Services Procedure start?

1. Review report recommended the full revision of the ES PRO

(consulted in Dec 2021 – Jan 2022)

FSC's Performance and Standards Unit recommended the full revision of the procedure following the regular review cycle.

2. Motion 48/2021 was approved at the FSC GA 2021

(Streamline the Ecosystem Services PRO)

When Motion 48 (which requested streamlining the FSC ES PRO) was approved, the revision of ES PRO was, consequently, also approved.

In 2022 two key motions were approved at the FSC GA

3. Motion 49 was approved at the FSC GA 2022

(ES PRO as a mitigation mechanism)

4. Motion 53 was approved at the FSC GA 2022

(Incorporate the recognition of cultural services and practices of Indigenous Peoples in ES PRO)

Who are the members of the TWG? And who from FSC is participating?



TWG

ECON

Wesley Snell

Consultancy (ETIFOR)

ENV

Jens Holm Kanstrup

NGO (Forest of the World)

SOC

Alan Smith

Individual

TECH

Ana Sofia Vaz

Research
(University of Porto)

TECH

Rachele Perazzolo

FSC Italy

TECH

Sriskandh Subramanian

Certification (The Gold
Standard Foundation)

FSC

Supervisors

Asger Olesen

(CES and markets)

Maria Melero

(FM certification)

Coordinators

Francesco Patiño

(Process coordinator)

Ulises Flores

(Technical coordinator)

Lauri Moisander

(Technical coordinator)

Two Steering Groups

a) The Performance Steering Group (PSG),

b) The Climate and Ecosystem Services (CES)
Steering Group

What are the key topics to address as presented in the Terms of Reference?

Fundamental

- ✓ Baseline setting requirements
- ✓ Smallholders and communities
- ✓ Bundling of ES impacts (Nature-based claims)

Product

- ✓ Develop and add new impacts and improved metrics
- ✓ Expand the number of market tools and claims
- ✓ Thresholds for ES claims and FM claims

Integrity

- ✓ ES claim registry system
- ✓ Rights to use and transfer claims (**demand**)
- ✓ Use of claims and credits (**supply**)
- ✓ National criteria in ES Procedure
- ✓ Requirements for CBs

Revenue

- ✓ Promotion of ES claims
- Only input from TWG (no consensus)
- Secure income from claims
 - Revenue collectors
 - New mandatory PLA

Data

- ✓ Mandatory data sharing with FSC

- Integrity** - Only input (no consensus):
- International exchanges
 - Association with external schemes

Which bodies are we engaging with?

Consultative
Forum

FSC
members

FSC
Network
Partners

FSC
international

Certificate
holders

Certification
bodies

Participate in the First Public Consultation of the revision of the Ecosystem Services Procedure!



- Open from **16 January – 17 March 2023**
- Via the **FSC Consultation platform** at **consultation-platform.fsc.org**
 - The consultation is presented in English ([link here](#)) and Spanish / French ([link here](#)).
- **Webinars:**
 - 9:00-10:00 CET, 24 January 2023, in English with simultaneous translation into Spanish and French.
 - 17:00-18:00 CET, 21 February 2023, in English with simultaneous translation into Spanish and French. ([Register here](#))

KEY CONCEPTS IN THE DRAFT UP FOR CONSULTATION

What are the key concepts in the revised draft of the Ecosystem Services Procedure? (1/3)



1 Preconditions and additional safeguards for forest managers, sponsors, project developers

It retains **Forest Management Certification** as a prerequisite for the use of the procedure. It introduces and adds clarity to **the role and requirements for The Organization, Project Developers and sponsors.**

2 Requirements for applicants for FSC Forest Management Certification

It improves clarity over how FSC Forest Management Certificate Holders and applicants for certification can use the procedure.

3 Introductory requirements for the use of FSC Ecosystem Services Claims

It improves clarity for the eligibility criteria to use claims covering topics of integrity to **regulate ownership, validity, registration, and benefit sharing.**

What are the key concepts in the revised draft of the Ecosystem Services Procedure? (2/3)

4 Enhancement of the impact demonstration process enabling quantitative and qualitative claims based on impact data

It incorporates footprint **impact data** from management units and **evaluates** the improvement of management activities **based on quantitative indicators**. This enables using claims for reporting progress for achieving science-based targets, for example.

5 Additional requirements for promotion and communication, together with rules for sponsors

It regulates the **allowed statements for promotion and communication** to avoid greenwashing, fake claims and misleading marketing statements.

6 Framework to govern the right to use claims

It frames fundamental safeguards for the use of claims involving **the mitigation hierarchy, double counting, and alignment with other trusted schemes, to ensure integrity**.

What are the key concepts in the revised draft of the Ecosystem Services Procedure? (3/3)

7

Additional requirements for Certification Bodies (CBs)

It adds requirements regarding **data sharing and FSC registry system** which represent the backbone to ensure integrity, transparency and credibility for regulating and monitoring claims.

8

Improvement of impacts and ecosystem services regarding cultural services

It covers the recognition of **cultural services and practices of Indigenous Peoples**, enabling claims adequate for such users.

9

Streamlined application of the procedure and additional possibilities for SLIMF and Community Forests

It requires a **mandatory benefit sharing mechanism** and minimum distribution of revenue to identified beneficiaries.

It allows for **SLIMF and community forests to have streamlined possibilities** to demonstrate positive impacts.

It also allows for **claims to be made with the purpose of 'neutralization'** when the impacts have been demonstrated on **SLIMF and/or community forest management units**.

Overview of topics and questions up for consultation



Topic		Questions
TOPIC 1.	Overall structure, language and clarity over terms and definitions	5 questions
TOPIC 2.	Flexible FSC Forest Management Certification to use the FSC Ecosystem Services Procedure	5 questions
TOPIC 3.	Applying for FSC Forest Management Certification and FSC Ecosystem Services Claims simultaneously	2 questions
TOPIC 4.	Safeguards for the use of claims, in-scope and out-of-scope uses	3 questions
TOPIC 5.	Remote audits to verify impacts on ecosystem services	5 questions
TOPIC 6.	Benefit sharing mechanism	3 questions
TOPIC 7.	Bundling claims	3 questions
TOPIC 8.	Inclusion of new ecosystem services and impacts	2 questions
TOPIC 9.	Closing	7 questions

TOPIC 1. Overall structure, language and clarity over terms and definitions

One of the **overall objectives** for the revision is to **improve language, structure and overall flow of the procedure.**

New terms have been defined, e.g., **in-scope/out-of-scope, mitigation hierarchy, approaches to demonstrate impact and neutralisation.**

- **Q1:** are clarity and flow of the document improved?
- **Q2:** are language and requirements clear and understandable?
- **Q3:** are requirements for different actors (e.g., The Organization, project developer, applicants, sponsor) clear?
- **Q4:** Suggestions to improve language, structure and overall flow of the document.
- **Q5:** Suggestions to improve the Terms and Definitions.

TOPIC 2. Flexible FSC Forest Management Certification to use the FSC Ecosystem Services Procedure



FM certification is a prerequisite for the use of the ES PRO.

- PRO: benefits and safeguards from the FM certification for the ES claims.
- CON: additional cost, complexity and barriers for small, low-intensity managed and communities.



Continuous Improvement Procedure (CIP)

facilitates access for SLIMF and community forests to achieve FM Certification.



TWG seeks input about a **partial FM certification** specifically for the ES-PRO:

- Partial entails that some requirements from P&C, related to timber harvesting / management and site disturbing activities would not apply.

- **Q6+7:** Is the prerequisite (FM certification) needed for small, low-intensity managed (SLIMF) and community forests?
- **Q8+9:** Is the prerequisite (FM certification) needed for MUs where there has NOT been any commercial logging activities in the forest for the past at least 10 years?
- **Q10:** Could partial FSC FM Certification provide a feasible baseline requirement for the use of the ES PRO?

TOPIC 3. Applying for FSC Forest Management Certification and FSC Ecosystem Services Claims simultaneously

As FM certification is retained currently as a prerequisite, there are two options available for applicant certificate holders:

- 1 Applicants** for FM may have ecosystem services **impacts validated (no use of claims)**.
- 2 Applicants** may request **verification of ecosystem services impacts (allows use of claims)** at the main (FM) evaluation.
 - PRO: Streamlined access to ES PRO and benefits (claims)
 - CON: no baseline of responsible forest management under FSC FM.



- **Q11+12:** Do you agree that the parallel processes for the initial FM certification process and the application of the ES PRO and verification of impacts is appropriate?

TOPIC 4. Safeguards for the use of claims, in-scope and out-of-scope uses




In-scope: direct and indirect GHG emissions within the value chain of an organization.

Out-of-scope: GHG emissions that fall beyond the value chain of an organization.

Neutralisation: measures to remove carbon from the atmosphere and permanently store it to counterbalance unabated emissions.

- **Q13:** agree with having claims for the purpose of out-of-scope in ES PRO?
- **Q14+15:** risks of claims for the purpose of out-of-scope only from SLIMF and community forest?

ES PRO introduces **requirements** for the use of **claims for out-of-scope:**

- 
- Commitment to an approved **net-zero target** in accordance with the mitigation hierarchy
 - Claims are **unique, not transferable**, not bankable, and **immediately retired** upon registration of sponsorship
 - **Claims for neutralisation** can only be used: a) SLIMF and CF; b) MU not eligible for in-scope projects; c) MU that do not supply round wood

TOPIC 5. Remote audits to verify impacts on ecosystem services



ES PRO is aligned with the revised FSC-STD-20-007 FM Evaluations, which will allow a remote audit method to be used as a part of the FM evaluation.



Consultation focuses on **two approaches** to use remote auditing to verify ES impacts:

- **SPECIFIC**: only certain impacts would require an on-site audit
- **OPEN**: CB to decide if the impact requires an on-site audit

- **Q16**: are remote audits feasible to verify all ES impacts?
- **Q17**: what is your preferred remote audit approach?
- **Q18**: for a '**SPECIFIC**' approach: what impacts to consider?
- **Q19**: for an '**OPEN**' approach: which eligibility criteria to consider?
- **Q20**: additional rationale

TOPIC 6. Benefit sharing mechanism



ES PRO includes new clauses that frame the concept of a **benefit sharing mechanism**.

Proposal: **to share 60% of income from the financial sponsorship** of any claim, after payment of any charges, taxes or similar fees, with the beneficiaries of the benefit sharing mechanism



- **Q21:** agree with a mandatory benefit sharing mechanism?
- **Q22+23:** agree with sharing with identified beneficiaries 60% of the net income from financial sponsorship?

TOPIC 7. Bundling claims



The **term ‘multiple positive impacts’** may be **included in promotional statements** when The Organization has verified impacts **in at least three of these ecosystem services: biodiversity, water, carbon and soil.**

It is expected the term provides added value to the otherwise individual claims.

- **Q24:** value for forest managers in the use of ‘multiple positive impacts’?
- **Q25+26:** value for sponsors in the use of ‘multiple positive impacts’?

TOPIC 8. Inclusion of new ecosystem services and impacts

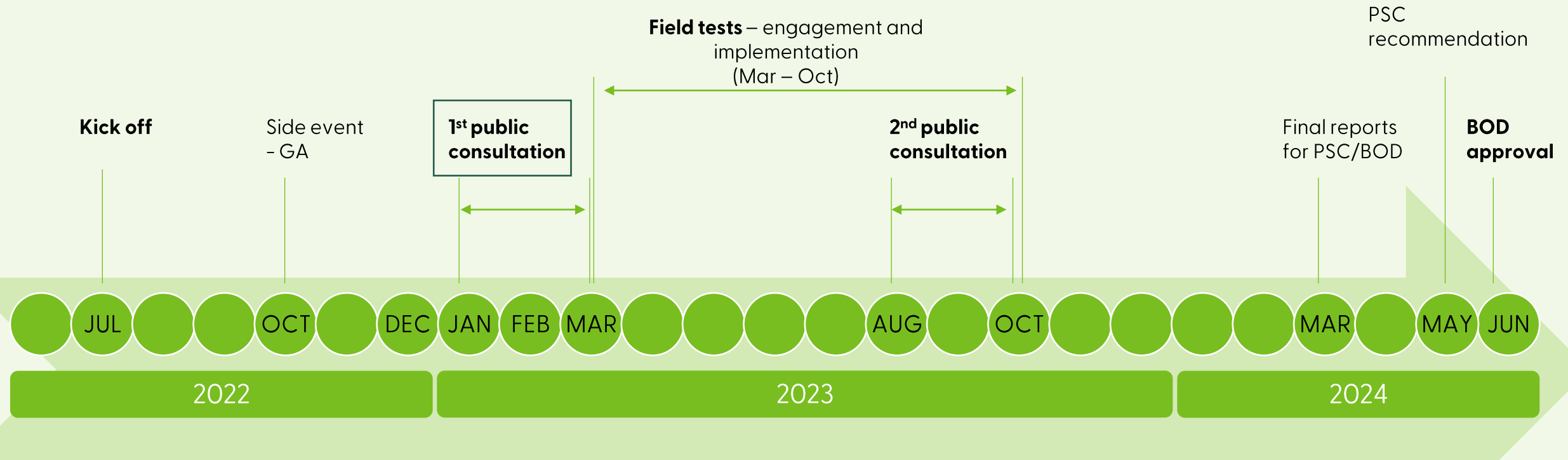
As a first effort to address Motion 53/2021, the **ES PRO** includes a new ecosystem service ‘**ES6: Cultural Practices**’ with **4 new impacts**



- Impact 21 ‘Maintenance of cultural practices’,
- Impact 22 ‘Enhancement of cultural practices’,
- Impact 23 ‘Maintenance of culturally valued populations or species,’ and
- Impact 24 ‘Enhancement of culturally valued populations or species’.

Q27+28: new ecosystem services, including impacts and indicators, and/or new impacts in current ecosystem services?

Timeline of the revision process



We invite you to participate in the coming **field tests!**

The call for applications is expected to be launched in Q1 2023.

If you are interested in participating in the field test, or being contacted to discuss about it, **please write to Francesco Patiño at f.patino@fsc.org**

Q&A



Thank you



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