TERMS OF REFERENCE

Desk test of FSC-PRO-30-006 V2-0 D2-0 Ecosystem Services Procedure: Impact Demonstration and Market Tools

FSC

Title:	Terms of reference
Date:	07 February 2024
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INTRODUCTION

FSC is conducting the revision of the FSC-PRO-30-006 V1-2 *Ecosystem Services Procedure: Impact Demonstration and Market Tools* (ES PRO) based on Motion 48/2021 *Streamline the Ecosystem Services Procedure, incorporate more services and maximise its potential* and the result of the consultation of the review report (early 2022).

The second draft of the revised procedure (Draft 2-0) aims to streamline the structure and readability of the procedure, strengthen the verification of ecosystem services impacts, improve the adaptability for Small or Low Intensity Managed Forests – SLIMF and community forests users, strengthen the use of ecosystem services claims, introduce a revenue sharing mechanism, among others.

This Terms of Reference presents the topics that are part of the desk test, the participants, and in general, the terms and conditions of the participation.

With the objective to gather specific stakeholder input for the further improvement of Draft 2-0, FSC is inviting the following stakeholders (referred to in this document as "participants") to participate in a desk test of Draft 2-0 and provide feedback to FSC:

1. **FSC FM Certificate Holders (CH)** who already have, or are interested in obtaining, verified FSC positive ecosystem services impacts.
2. **CH managing SLIMF and community forests** (it is not necessary that these actors have verified ecosystem services impacts).
3. **Project Developers** with expertise in implementing the ES PRO on behalf of FSC FM CH, or interested to implement ES PRO.
4. **Sponsors** (external actors and/or FSC CoC certificates) that have verified positive ES impacts, or that are interested in funding FSC FM CH in verifying positive ecosystem services impacts.
5. **Certification bodies** accredited for FSC FM with expertise in auditing the ES PRO.
6. **FSC Trademark Services Providers (TSP)** with expertise in implementing the ES PRO (approving ES claims) or interested to implement ES PRO.

A desk test is an analysis where the participant is asked to review relevant sections of the Draft 2-0, analyse their clarity, coherence, and feasibility and to provide feedback through a questionnaire. The desk test does not require any implementation in the field.

The following topics are part of the desk test:

1. Impact verification requirements for the **storytelling approach**
2. Impact verification requirements for the **performance approach**
3. Ease of access for **SLIMF and community forests users**
4. Requirements and process of **auditing**
5. **Revenue sharing** mechanism
6. **Uses and claims**

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1) OBJECTIVE

The desk testing of the FSC-PRO-30-006 V2-0 D2-0 Ecosystem Services Procedure: Impact Demonstration and Market Tools, has the main objective to **obtain feedback that enables FSC to evaluate barriers and opportunities for the practical implementation of the procedure**.

2) DESK TEST METHODOLOGY AND FOCUS

Participants will receive from FSC:
   a) a questionnaire (also called a Desk Test Report)
   b) the Draft 2-0 of the ES PRO

Participants will then complete the questionnaire conducting a theoretical exercise. This means, participants will reflect about how the questions in the questionnaire, or clauses in Draft 2-0, can be implemented. To answer the questionnaire, is it not required to implement any of the clauses in Draft 2-0.

While participants may choose the questions to answer, FSC encourages to answer as many questions as possible.

Participants filling in the questionnaire shall provide accurate, complete and up-to-date information in the application form and when filling in the questionnaire.

Participants may find additional information on a particular question or topic in Draft 2-0 of the procedure.

While FSC can answer any procedural questions regarding the participation in the desk test (e.g., clarification of a question or topic, how / when to submit the answers, etc.) FSC will not provide detailed content specific questions. This is important to analyse the extent to which the requirements in Draft 2-0 are easy to comprehend, implement, audit.

3) KEY ACTORS TO PARTICIPATE IN THE DECK TESTS AND ELIGIBILITY CRITERIA.

With the objective to gather focused input for the further improvement of Draft 2-0, FSC is inviting the following stakeholders to participate in a desk test of Draft 2-0 and provide feedback to FSC:

Nr	Participant	Eligibility criteria
1	Certification bodies	Participants shall be accredited for FSC FM; and have previously audited the ES PRO, or are interested in doing so.
2	FSC FM Certificate Holders (CH)	Participants shall already have verified positive ecosystem services impacts, or are interested in doing so.
3	CH managing SLIMF and community forests	It is not necessary that participants has verified ecosystem services impacts.

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4	Project Developers	Participants shall have expertise in implementing the ES PRO on behalf of FSC FM CH or be interested in doing so.
5	Sponsors	Participants shall have already funded the verification of ES impacts or be interested in doing so.
6	Trademark Service Providers (TSP)	Participants shall have already worked with ES Procedure or be interested in doing so

FSC welcomes the application from different regions / forests from all over the world. In the selection of participants, FSC will aim to have a balanced geographical representation.

4) DESK TEST TOPICS

Topic 1: Impact verification requirements for the storytelling approach

Objective

To evaluate the applicability of clauses related to use of storytelling approach as one of the two impact verification approaches included in the ES PRO. More specifically, evaluate the applicability of technical requirements, safeguards, data quality and integrity requirements for verifying the impact in the management unit. The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks and constraints.

Targeted participants are: CH (including SLIMF and Community Forests), Project Developers, CBs, TSPs,

Topic 2: Impact verification requirements for the performance approach

Objective

To evaluate the applicability of clauses related to use of performance approach as one of the two impact verification approaches included in the ES PRO. More specifically, evaluate the clarity and applicability of technical requirements, safeguards, data quality and integrity for verifying the impact in the management unit. The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks and constraints.

Targeted participants are: CH (including SLIMF and Community Forests), Project Developers, CBs, TSPs

Topic 3: Auditing requirements

Objective

To evaluate auditing requirements considering:

1) Different impact verification approaches (storytelling & performance approach) and related technical requirements including data quality and integrity,
2) Requirements for SLIMF and Community Forests,
3) The evidence of positive impact (Verified ES Impact) and ex-ante verification of intended communication (ES claims).

The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks and constraints.

Targeted participants are: CBs.

Topic 4: Revenue Sharing Mechanism

Objective

To evaluate clauses related to revenue sharing, their clarity, and applicability. More specifically, evaluate the robustness and applicability of definitions, proposed clauses concerning necessary agreements, capping revenue for certain actors, governance set up and addressing concerns.

The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks, and constraints.

Targeted participants are: CH (including SLIMF and Community Forests), Project Developers, CBs, TSPs

Topic 5: SLIMF and Community Forest users

Objective

To evaluate ease of access for SLIMF and Community Forest users, benefits, risks and opportunities for the users.

The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks and constraints.

Targeted participants are: SLIMF, Community Forests, TSPs

Topic 6: Uses of verified ES impacts and ES Claims

Objective

To evaluate integrity and applicability of possible uses of ES claims. More specifically, evaluate the definitions, minimum requirements to make ES claims, basic components of proposed ES claims as well as requirements for organizations making ES claims.

The desk testing should consider if the clauses are easy to understand, practical to apply and evaluate benefits, risks and constraints.

Targeted stakeholders are: CH (including SLIMF and Community Forest), Project Developers, CBs, Sponsors. TSPs

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5) TASKS AND RESPONSIBILITIES

A participant that has indicated interest and been selected by FSC International Center to participate in the Desk test, shall:

1) Read the Desk test report and relevant sections of Draft 2-0 ES PRO;
2) Conduct the desk (this is, to answer the questionnaire, as presented in section 2 in this document) test using its best endeavours to provide information that is accurate and up to date;
3) Submit to FSC International Center a completed Desk test report (this is the questionnaire) using the template provided by FSC, **latest by 30 May 2024.**

FSC will use the data collected from the participants for internal purposes, to achieve the objective set out in Section 1 of this Terms of Reference. Such data will only be retained by FSC for a period of time that is necessary to fulfill the stated purposes. All personal data will be anonymised when shared with third parties. For more information about the use of personal data and the participant's rights, please refer to the Privacy Statement available on the FSC website for the revision of the Ecosystem Services Procedure: https://connect.fsc.org/current-processes/revision-fsc-pro-30-006-ecosystem-services-procedure.

By submitting an application form (see Section 6 below) and/or participating in the desk test, participants:

1) acknowledge that they have read and understood the Privacy Statement and consent to the collection, use and processing of the data to be provided in the desk test; and
2) agree to be bound by the terms and conditions set out in this Terms of Reference.

6) EXPRESSION OF INTEREST

Interested participants are encouraged to submit their Expression of Interest to Francesco Patiño, Policy Manager, at FSC International Center by email to forestmanagement@fsc.org. We encourage early submissions.

To participate in the Desk test, it is required to provide FSC with a completed application form using the template provided by FSC. Questions in the application form include, but are not limited to:

1) If the participant is a certificate holder (CH): Name, address, type of certificate, forest type (if applicable, e.g., for FSC FM certificate holders), website.
2) If the participant is not a CH: name of the organization, address, website.
3) For the person conducting the Desk test: Name, position, email, qualifications, past experience with FSC in general, past experience with the FSC Ecosystem Services Procedure.

FSC will keep the call for applicants open. The selection of participants will occur on an ongoing basis.

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FSC will communicate that the application period (for all or some type of stakeholders) is closed after reaching an appropriate number of selected participants.

7) EXPENSES AND REMUNERATION

FSC is an international not-for-profit membership organisation with limited funding.

Participation in the desk tests takes place on a voluntary, non-paid basis. For the avoidance of doubt, any expenses incurred by the participants in the desk test will not be reimbursed and shall be borne by the participants.

8) LANGUAGE

FSC will submit communications and materials in English and may provide translations to Spanish and French for communication and information purposes only. The English version of such communications and materials (including this Terms of Reference) shall prevail.

Participants may submit the Desk test report in English, Spanish or French.

9) INTELLECTUAL PROPERTY RIGHTS

Participants warrant that information provided to FSC in the desk test is not subject to the rights of third parties, and in particular, does not infringe copyrights or other intellectual property rights.

All rights in any materials (including the ES PRO Draft 2-0) which might be provided by or obtained from FSC belong exclusively to their respective owner(s), and no right, title or interest in or to any of the same is granted, transferred or assigned to the participants.

FSC shall be the sole and original owner of, and shall have sole and exclusive right, title and interest in and to, any work product of the desk test and related proprietary rights (including any materials produced and/or developed based on the information collected in the desk test).

10) TERMINATION OF THE PARTICIPATION IN THE DESK TEST

Participation in the Desk test may be terminated or withdrawn at any time by written notice of termination to the other Party (FSC International Center or the Participant) with immediate effect. If participation is terminated or withdrawal, whether by FSC International Center or the participant, data provided by the participant in the desk test prior to the termination or withdrawal will not be used by FSC International Center in the desk test and will not be retained.

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