



# CONSULTATION REPORT OF FSC- PRO-30-006 V2-0 D1-0

Ecosystem Services Procedure

10/04/2024



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**Title:** Consultation Report of FSC-PRO-30-006 V2-0 D1-0

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# CONTENT

<b>A. Background Information</b>	<b>4</b>
<b>B. Main stakeholders who provided responses in the focused consultation</b>	<b>5</b>
<b>C. Key insights obtained from the consultation responses</b>	<b>7</b>
Topic 1. Overall structure	8
Topic 2. Flexible FSC Forest Management Certification to use the procedure	10
Topic 3. Applying for FSC Forest Management Certification and FSC Ecosystem Services Claims simultaneously	13
Topic 4. Safeguards for the use of claims, in-scope and out-of-scope uses	14
Topic 5. Remote audits to verify impacts on ecosystem services	15
Topic 6. Benefit sharing mechanism	16
Topic 7. Bundling claims	18
Topic 8. Inclusion of new ecosystem services and impacts	19
Topic 9. Closing	20
<b>Thank you</b>	<b>27</b>

## A. BACKGROUND INFORMATION

FSC-PRO-30-006 V1-2 Ecosystem Services Procedure: Impact Demonstration and Market Tools ('the procedure') has as its main objectives to:

- set out the requirements for FSC-certified forest managers to demonstrate the impact of their activities on the maintenance or enhancement of ecosystem services;
- provide FSC-certified forest managers with improved access to emerging ecosystem services markets;
- improve access to finance for validated ecosystem service enhancement impacts.

The Performance and Standards Unit (PSU) drafted a review report of the procedure and put it for consultation (Dec 2021 – Jan 2022). PSU collected feedback from stakeholders, and considering this, along with existing interpretations and frequently asked questions, recommended to conduct a full revision of the procedure.

In parallel to the review process, Motion 48/2021 (Streamline the Ecosystem Services Procedure, incorporate more services and maximise its potential) was approved at the FSC General Assembly 2021 requesting a revision of the procedure.

The revision of the procedure also contributes directly to the FSC Global Strategy 2021 – 2026, with outcomes in strategy 1 (forest solutions) and 2 (transform markets).

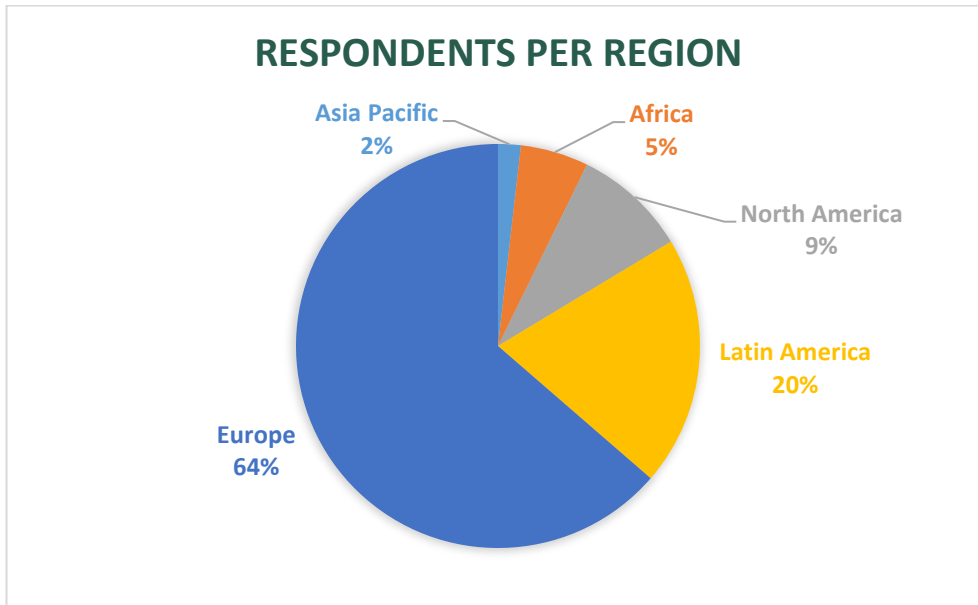
FSC had the kick off meeting with the technical working group in July 2022. The technical working group consists of six members, three members represent environmental, social and economic interests and three members are technical experts. You will find the TWG members on the current processes site of the revision of the procedure: <https://connect.fsc.org/current-processes/revision-fsc-pro-30-006-ecosystem-services-procedure>

The first public consultation of Draft 1-0 of the Ecosystem Services Procedure took place between 16 January and 17 March 2023.

## B. MAIN STAKEHOLDERS WHO PROVIDED RESPONSES IN THE FOCUSED CONSULTATION

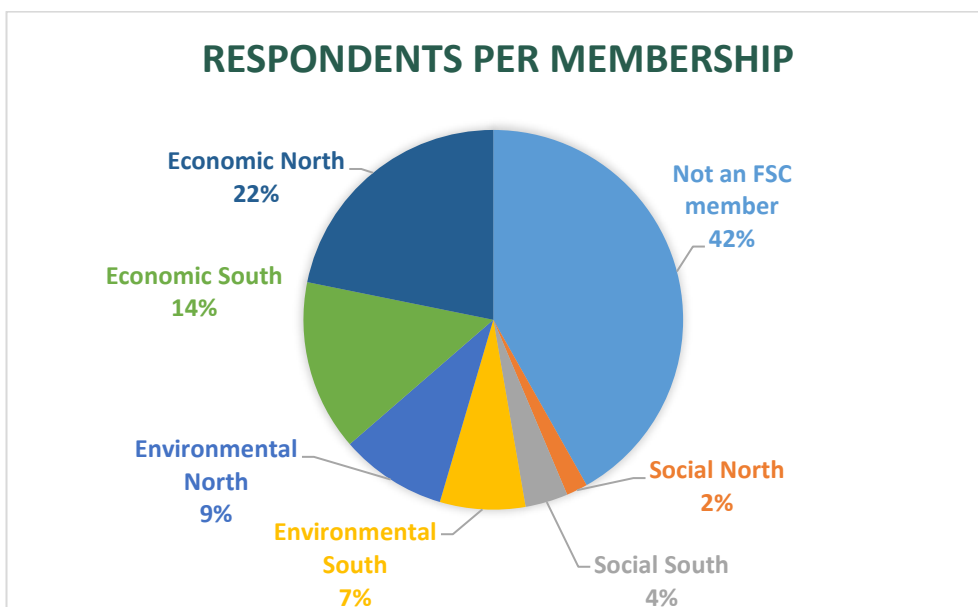
**A total of** 55 people responded to the consultation questions.

**Region:** Almost 2/3 of the respondents were from Europe (35 respondents), followed by Latin America.



**Membership:** More than 1/2 of respondents were “FSC members” (32 respondents).

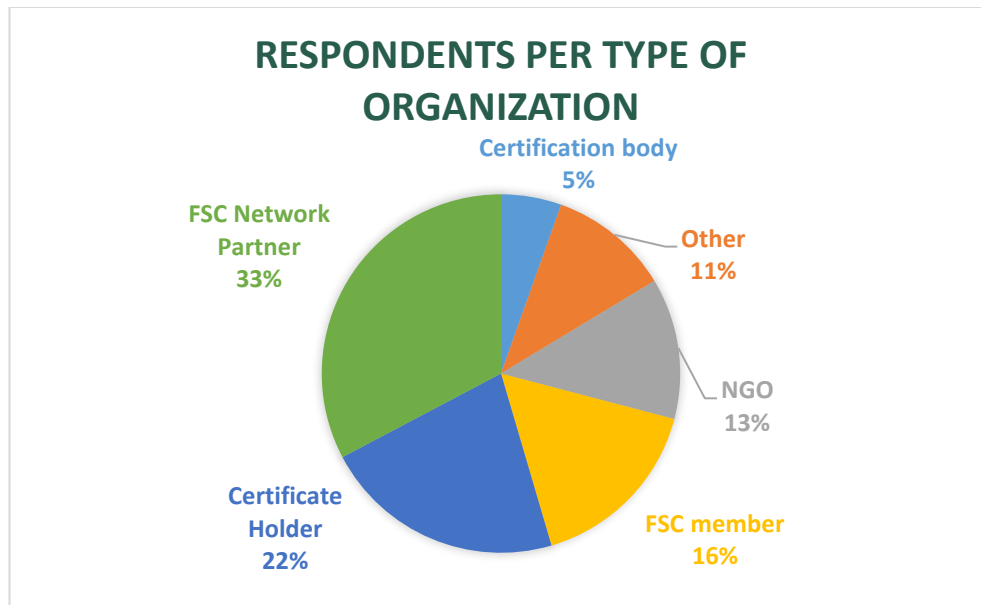
Most of the member respondents belong to the “Economic chamber” (20 respondents), followed by the “Environmental chamber” and the “Social chamber”.



**Type of organization:** Participants were asked to identify themselves regarding their type of organization. Many respondents that confirmed they are an “FSC member” also selected type of organizations like “Certificate Holder” or “NGO”. A few FSC members did not select a different type of organization and remained as “FSC member”.

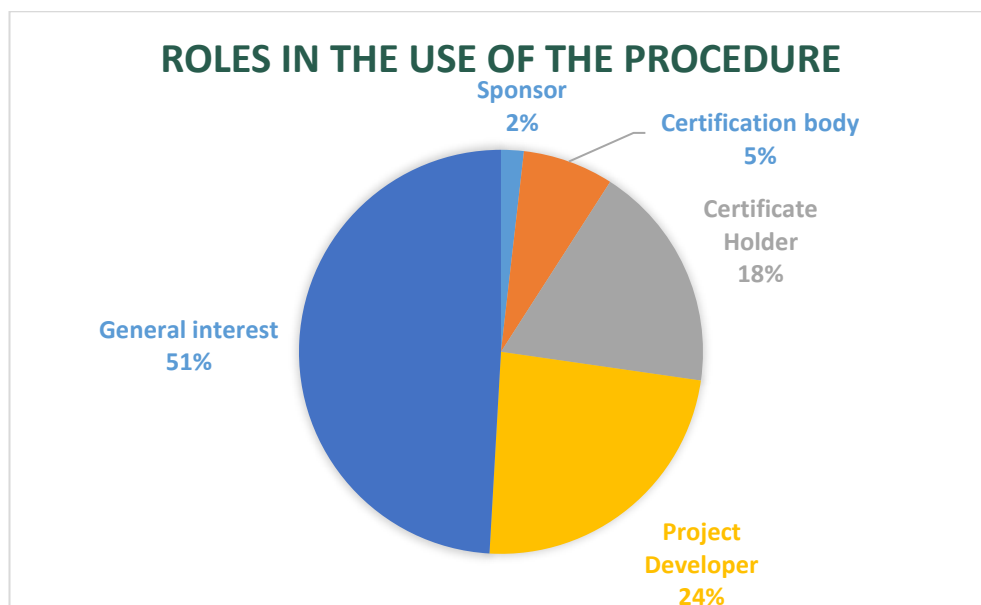
1/3 of the respondents were FSC “Network Partners” (18 respondents), followed by “Certificate holders”, “FSC members” (which did not identify themselves as other type of organization), and more.

The category “Other” includes consultants, individuals, FSC International staff.



**Roles in the use of the procedure:** Participants were asked to respond on their potential role in the use of the procedure. Similar to the above, while most “Certificate Holders” chose as a role “Certificate Holder”, a few chose “General interest”.

1/2 of the respondents chose “General interest” (28 responses), followed by “Project Developer”, “Certificate Holder”, and more.



## C. KEY INSIGHTS OBTAINED FROM THE CONSULTATION RESPONSES

Nine topics were put for consultation.

Topics	Reference to Draft 1-0
TOPIC 1. Overall structure, language and clarity over terms and definitions	Whole draft
TOPIC 2. Flexible FSC Forest Management Certification to use the FSC Ecosystem Services Procedure	Part I
TOPIC 3. Applying for FSC Forest Management Certification and FSC Ecosystem Services Claims simultaneously	Part I: General Requirements, Clause 1.2.
TOPIC 4. Safeguards for the use of claims, in-scope and out-of-scope uses	Section 2, Section 15, Annex A
TOPIC 5. Remote audits to verify impacts on ecosystem services	Annex C
TOPIC 6. Benefit sharing mechanism	Section 2
TOPIC 7. Bundling claims	Section 12
TOPIC 8. Inclusion of new ecosystem services and impacts	Annex B
TOPIC 9. Closing and general feedback about the draft 1-0	Whole draft

Each topic included close questions and open questions.

- Closed questions asked participants to choose an answer ranging from 0% agreement to 100% agreement.
- Open questions allowed for qualitative responses.

The analysis of consultation responses is shown below, per topic.

1. Each topic analysis starts with a table showing the results of the closed questions with every closed question appearing in a different row.
2. Responses are shown for all participants (Total) and also disaggregated per key categories of respondents, which are “FSC membership”, “Type of respondent” (e.g., Certificate Holder, Network Partner), and “Roles” (i.e., project developer”.) This means that there is a duplication in the answers (e.g., when an “FSC member” chose type of role “Certificate Holder”). This duplicity in the responses is needed to fully show the complete responses per key category.
3. For each category of respondents, the average rating of all participants in that category is shown. The number “0” indicates total disagreement and “100” shows full agreement. The colour coding further helps to visualise the level of agreement. Higher numbers are associated with greener backgrounds. In turn, lower numbers are associated with redder backgrounds.
4. After the closed questions, the analysis of the open questions follows. Here, FSC responses are added on how key insights have been addressed in Draft 2-0.

## Topic 1. Overall structure

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q1</b>	To what extent do you agree that the draft version of the revised procedure improves the clarity and flow of the document?	57	66	38	58	59	67	55	50
<b>Q2</b>	(...) that the draft (...) introduces clear and understandable language and requirements?	57	67	38	58	59	63	55	58
<b>Q3</b>	(...) that the draft (...) includes clear requirements for different actors (e.g., The Organization, project developer, applicants, sponsor)?	65	78	42	63	70	79	50	83

\* The total number of respondents is 55. There is a needed duplicity in the responses to fully show the complete responses per key category. See more in point 2 under “The analysis of consultation responses is shown below, per topic” (above). This note applies to all tables below.

**Question 4.** Please include suggestions to improve the language, structure and overall flow of the draft version of the revised procedure.

Consolidated key feedback	FSC Responses
1 There is no clarity of which sections / parts of the procedure target which actor.	<p>Draft 2-0 specifies in the introduction boxes in each section of the procedure, who are the targeted actors. In Part IV, where there are requirements for various actors, each section includes in the title, the actor the requirements apply to.</p> <p>In addition, Section A ‘Scope’ of Draft 2-0 includes a diagram that summarises how different actors use the procedure, and which parts of the procedure target them.</p>
2 There is no clarity between ES claims that The Organization can make/use vs ES claims a sponsor can make/use.	<p>Section 14 of Draft 2-0 specifies the components of an ES claim that any actor making an ES claim has to conform with.</p> <p>Section 15 of Draft 2-0 presents additional requirements for The Organization related to the use of an ES claim.</p> <p>Section 17 of Draft 2-0 presents additional requirements for a sponsor related to the use of an ES claim.</p>
3 Suggestion to move Section 2 of Draft 1-0 (which addresses neutralisation, disclosure of external project information, and benefit sharing) to other sections later in the procedure, to improve readability.	<p>Draft 2-0 follows as much as possible the chronological order of the use of the Ecosystem Services Procedure by forest management certificate holders.</p> <p>Draft 2-0 does not allow the use of an ES claim for purposes of compensation and neutralisation beyond</p>



## Consolidated key feedback

## FSC Responses

value chains (see Clause 14.7). It is clarified that a sponsor may use verified ES impacts for contribution towards a positive impact beyond its value chain.

Phase 2 of the revision of the procedure will address the use of an ES claim for compensation or neutralisation of residual impacts beyond value chains, as presented in Motion 49/2021 *FSC ES PRO as a mitigation mechanism to meet global market demand for net-zero and net-positive targets*. Phase 2 has already started and will have the consultation of during the conceptual phase in Q4 2024. Find more about [Phase 2 – Implementation of Motion 49/2021 on its FSC current processes' webpage](#).

Section 11 of Draft 2-0 addresses requirements regulating the revenue sharing agreement.

- 4 There is confusion about the use of the ESCD and the Digital Audit Report (DAR).

Draft 2-0 has renamed the ESCD. It is now 'Ecosystem Services Report' (ESR). Annex A of Draft 2-0 lists all the reporting requirements that are part of the ESR and that The Organization and the certification body have to conform with. FSC will provide the template to complete these requirements.

FSC is working towards ensuring an efficient integration between the DAR template and the ESR.

**Question 5.** Please include suggestions to improve the Terms and Definitions in the draft version of the revised procedure.

## Consolidated key feedback

## FSC Responses

- 1 There is no clarity on actors, roles, approaches to verify an ES impact.

Section C 'Terms and Definitions' of Draft 2-0 has been improved, updated, and simplified. Improved or new terms include 'additionality test', 'baseline value' and 'present value', 'compensation or neutralisation beyond value chain', 'contribution', 'enhancement' and 'maintenance', 'footprint', 'primary data', 'revenue', 'verified ecosystem services impact'.

In addition, guidance boxes in each Part, and in selected Sections, clarify the intent of the requirements and the key actors involved. (See also answer to Question 4)

Draft 2-0 does not refer to 'the project developer' as a direct actor in the procedure. The key actor in the procedure is 'The Organization' (person or entity holding or applying for FM certification). If The Organization chooses to engage with a project developer, The Organization will ultimately remain responsible to conform with all relevant requirements in the procedure.

Consolidated key feedback	FSC Responses
2 There is no clarity on "carbon market" related terms.	Section C of Draft 2-0 clarifies terms like ‘additionality test’, ‘compensation and neutralisation beyond value chain’, ‘contribution’, ‘insetting’.
3 No clarity on the 3 approaches (storytelling, performance, footprint).	<p>Draft 2-0 includes 2 approaches: storytelling and performance. The Introduction Section of Draft 2-0 presents early in the document the two approaches and market uses of the procedure per approach.</p> <p>Part II of Draft 2-0 specifies the requirements that only apply to the performance approach. Part II also clarifies that unless explicitly stated, the requirements in Part II apply to both the performance and the storytelling approach.</p> <p>Clause 14.5 (Part IV) of Draft 2-0 regulates the uses of an ES claim as per the approach used by The Organization to demonstrate the impact.</p> <p>The concept of ‘footprint approach’ has been removed from Draft 2-0.</p>

## Topic 2. Flexible FSC Forest Management Certification to use the procedure

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q6</b>	Do you think FSC Forest Management Certification should be retained as a prerequisite for the use of the procedure for small or low-intensity managed forests (SLIMF) and community forests?	<b>84</b>	80	92	77	89	82	83	67
	Social North		0						
	Social South		100						
	Environmental South		94						
	Environmental North		80						
	Economic South		81						
	Economic North		77						
<b>Q8</b>	Do you think FM Certification should be retained as a prerequisite for the use of the procedure if there has NOT been any commercial logging activities in the forest for the past at least 10 years?	<b>81</b>	77	89	69	86	75	70	75
	Social North		0						
	Social South		75						
	Environmental South		100						
	Environmental North		75						
	Economic South		81						
	Economic North		73						

**Question 7.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Question 6).

Consolidated key feedback	FSC Responses
<p>1 FM certification provides environmental and social safeguards that the procedure does not have.</p> <p>FSC’s internationally recognised safeguards will ensure credibility, equal treatment, equal use of FSC trademarks, when using the procedure.</p>	<p>Draft 2-0 keeps FM certification as the basis on top of which The Organization may request for an ES impact to be verified by its certification body.</p> <p>Draft 2-0 also allows an organization holding certification against &lt;<a href="#">FSC-STD-30-010 V3-0 Controlled Forest Management</a>&gt; to use the validation option.</p>
<p>2 Full FM certification may be a deterrent for the use of the procedure, in particular for SLIMF and community forests (even more if they are interested in commercialising non-timber forest products).</p> <p>Minimum FM requirements (rather than full FM certification) would also allow reaching areas that cannot be FSC FM certified.</p>	<p>FSC offers other tools that allows SLIMF and community forests to obtain FM certification, for example: the &lt;<a href="#">FSC-PRO-30-011 Continuous Improvement Procedure</a>&gt; (CIP), or the &lt;<a href="#">FSC-STD-30-005 Forest Management Groups</a>&gt;.</p> <p>FSC will share the received feedback with the team revising the &lt;<a href="#">FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship</a>&gt; and the &lt;<a href="#">FSC-STD-60-004 International Generic Indicators</a>&gt;.</p>

**Question 9.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Question 8).

Consolidated key feedback	FSC Responses
<p>1 FSC FM certification takes into account the three aspects of sustainability (environment, social, economic). These three aspects have to be secured in FSC certified forests regardless of if a product is sold or not.</p> <p>Respondents asked to keep FM certification as a prerequisite for the procedure even if there have not been any commercial logging activities in the forest for the past at least 10 years, since a 10-year timeline is negligible in relation forest management/rotation periods. Similarly, a lack of logging and intervention does not mean that the forest is in good condition.</p> <p>More reasons to retain FM certification as a prerequisite to use the procedure are summarised in the answers to question 7.</p>	<p>Draft 2-0 keeps FM certification as the basis on top of which The Organization may request for an ES impact to be verified by its certification body.</p>
<p>2 Income from the sponsorships of ES claims may assist the forest owner to pay for FSC FM certification.</p>	<p>In Draft 2-0 safeguards (and benefits) the FSC FM certification provide are kept as the basis to have an ES impact verified.</p> <p>FSC will share this feedback with the team revising the &lt;<a href="#">FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship</a>&gt;.</p>

**Question 10.** Do you think a partial FSC Forest Management Certification could provide a feasible baseline requirement for the use of the Ecosystem Services procedure? Please explain your rationale.

Consolidated key feedback	FSC Responses
<p>1 No. The Principles and Criteria (P&amp;C) is the basis that applies to all stakeholders, forests, and forest management practices.</p> <p>The P&amp;C are already adapted through Forest Stewardship Standards (FSS). Also, if parts of the FSS do not apply, they will not be evaluated. Partial FSC FM certification will undermine the credibility of the FSC system.</p> <p>Low intensity managed forests or inactive management units are already addressed in FSC normative framework.</p> <p>A new type of certification 'partial certification' would increase complexity to our labels. Consumers will have more difficulties to understand the FSC message.</p>	<p>Draft 2-0 keeps FM certification as the basis on top of which The Organization may request for an ES impact to be verified by its certification body.</p>
<p>2 Yes. For example, less requirements (e.g., less surveillance audits) make sense for forests with limited to no harvest.</p> <p>Partial FM certification could be used as an exception for specific cases like the one presented in Question 8 (no commercial logging activities in the forest for the past at least 10 years).</p> <p>Partial certification could be a starting point towards full FM certification. It would need to be defined if timber could be sold with 'partial FM certification'.</p>	<p>&lt;<a href="#">FSC-PRO-30-011 Continuous Improvement Procedure</a>&gt; (CIP) already offers a stepwise approach that starts with conformity with a selected number of criteria, leading to full conformity. An Organization certified under the CIP may also request a demonstrated ES impact to be verified.</p> <p>FSC will share the received feedback with the team revising the &lt;<a href="#">FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship</a>&gt; and the &lt;<a href="#">FSC-STD-60-004 International Generic Indicators</a>&gt;.</p>

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

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
<b>Number of participants</b>		<b>55*</b>	32	18	13	12	7	6	3
<b>Q 11</b>	To what extent do you agree with having the initial certification process and application of the procedure conducted simultaneously?	<b>80</b>	80	86	77	82	79	65	67

**Question 12.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Question 11).

Consolidated key feedback	FSC Responses
<p><b>1</b> Obtaining FM certification and getting a proposed ES impact verified at the same time is beneficial for The Organization, sponsor, certification body. This lowers certification/verification costs and avoids delays in benefiting from the use of ES claims.</p> <p>This also makes the procedure a more attractive tool in the market.</p> <p>No risks have been identified for comparative data being measured in the time before FM certification.</p>	<p>Clause 1.1 of Draft 2-0 requires that The Organization shall be an applicant for or holding FM or FM/CoC certification when requesting its certification body for the verification or validation of an ES impact.</p> <p>This way, Draft 2-0 maintains the core aspects in Clause 1.1 of V1-2, only in clearer form.</p> <p>Draft 2-0 does not include Clause 1.3 of Draft 1-0, that regulated specific requirements for ‘applicant Organizations’.</p>
<p><b>2</b> Some caution is needed since during the first years after FM certification, FM requirements might not yet be fully implemented.</p>	<p>In addition to the answer in the line above (see Clause 1.1 of Draft 2-0), if The Organization loses FSC FM certification, it also loses any verified or validated ES impact.</p>
<p><b>3</b> A few responses connected the use of the ‘footprint approach’ (one data set, as presented in D1-0) with obtaining FSC FM certification.</p>	<p>The concept of ‘footprint approach’ has been removed from Draft 2-0.</p>

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

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q 13</b>	To what extent do you agree with having claims for the purpose of out-of-scope to be made available through the procedure?	57	56	57	50	43	75	67	58
<b>Q 14</b>	To what extent do you see any risk in the offering of claims for out-of-scope purposes only from SLIMFs and community forest?	60	61	60	50	67	58	50	42

**Question 15.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Questions 13 and 14).

Consolidated key feedback	FSC Responses
<p><b>1</b> Clauses in Draft 1-0 about the use of verified ES impact for neutralization purposes are vague and confusing.</p> <p>Allowing the use of verified ES impact for neutralization purposes increases risks of making FM certification and verified ES impacts competitors with each other.</p> <p>Draft 1-0 and consultation material are not clear on why the use of verified ES impacts for neutralization purposes is allowed only in SLIMF forests. This poses high credibility integrity risks for FSC. There should be consistency in the rule to allow such a use of verified ES impacts.</p> <p>FSC should not become an offsetting scheme. This distinguishes FSC from other schemes in the market and ensures long-term credibility in FSC.</p>	<p>Based on a decision by the FSC Board of Directors and FSC's Policy Steering Group, the revision of the procedure is being conducted in two phases.</p> <p>Phase 1 addresses Motion 48/2021 and partly addresses Motion 49/2021 and Motion 53/2021. Draft 2-0 is part of Phase 1.</p> <p>Draft 2-0 does not allow the use of verified ES impacts for compensation and neutralization beyond the value chain. Draft 2-0 does allow a sponsor to use verified ES impacts for contribution towards a positive impact beyond its value chain.</p> <p>Phase 2 will address the use of FSC-verified ES impacts for compensation or neutralization of residual impacts beyond value chains, as included in Motion 49/2021. Phase 2 is now in its 'conceptual phase'. Find more about <a href="#">Phase 2 – Implementation of Motion 49/2021 on its FSC current processes' webpage</a>.</p>

## Topic 5. Remote audits to verify impacts on ecosystem services

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
<b>Number of responses</b>		<b>55*</b>	31	11	12	12	7	4	3
<b>Q 16</b>	Question 16. Do you agree that impacts on ecosystem services can be effectively verified through a remote audit?	53	54	43	52	55	57	75	42
<b>Q 17</b>	Question 17. Which approach would you think is more appropriate?								
	Nr for "Specific approach"	22	11	1	3	5	2		
	Nr for "Open approach"	13	2	5	2	1	1	2	
	Nr for "Neither approach is applicable"	18	6	3	3	2	1	1	2
	Nr for "Both are applicable in certain scenarios"	27	12	2	4	4	3	1	1

**Question 18.** If you agree to a 'specific' approach, what certain impacts would you consider? (paired with Question 17).

**Question 19.** If you agree to an 'open' approach, what elements as eligibility criteria should be considered? (paired with Question 17).

**Question 20.** Please briefly explain your rationale and/or include suggestions for improvement.

### Consolidated key feedback for Questions 18, 19 and 20

### FSC Responses

- 1 There is contrasting views on the use of remote auditing and the proposed options.

It is much better for the integrity of the FSC system that FSC defines clear rules for all certification bodies about the use of remote or on-site methods in an evaluation.

The verification of all ES impacts should take place on-site at the main evaluation by default. Only clearly defined exceptions can be audit with the remote method.

Requirements to determine when/how to use the remote method in audits of ES impacts need to be aligned with requirements in <FSC-STD-20-007 Forest Management Evaluations> that address the remote method in FM audits.

ES impacts measured with specific methodologies (e.g., satellite imagery, laboratory analysis, etc.) can be audited remotely.

The remote method can also be used for low risk operations, whereas the on-site method can be used for higher risk operations.

Certification bodies should decide when it's better to use a remote or on-site method to conduct an audit.

Given the variety in the received feedback, FSC took a precautionary approach in Draft 2-0. In Draft 2-0, the use of a remote method is clearer and more limited than in Draft 1-0.

At least every 5 years an on-site evaluation is performed (during the main evaluation).

The certification body may choose to use the remote or on-site audit method to evaluate Clauses 19.3 (to evaluate selected requirements at least once per year) and 19.4 (to carry out an evaluation(s) in specific cases).

In addition, Draft 2-0 asks to justify the selected audit method and to include this justification in the public summary report as defined in <FSC-STD-20-007 Forest Management Evaluations>.

## Consolidated key feedback for Questions 18, 19 and 20 FSC Responses

If certification bodies are to decide when to use a remote audit method, then an effective stakeholder consultation needs to happen as well. This would bring reliability to the audits.

### Topic 6. Benefit sharing mechanism

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q21</b>	Do you agree with including a mandatory benefit sharing mechanism in the procedure?								
	Nr for "Agree with the proposal"	<b>43</b>	17	5	8	3	6	2	2
	Nr for "Disagree with the proposal"	<b>35</b>	12	8	3	8	1	2	1
<b>Q22</b>	Do you agree with the proposed percentage of 60% (this is how much of the net income from the financial sponsorship is to be shared with the beneficiaries of the benefit sharing mechanism)?								
	Nr for "Agree with the proposal"	<b>26</b>	12	2	4	1	6		1
	Nr for "Disagree with the proposal"	<b>53</b>	18	10	7	11	1	4	2

**Question 23.** Please explain your rationale and/or include suggestions for improving the benefit sharing process or the income share percentage (paired with Questions 21 and 22).

## Consolidated key feedback FSC Responses

- 1 The procedure does not clearly define who the beneficiaries are. It is also confusing to refer to 'beneficiaries' of the 'benefit sharing mechanism' when Draft 1-0 also includes the term 'beneficiaries of the ecosystem service'. The difference between these two terms is not clear.

The concept is difficult to implement. Lack of clarity on who the beneficiaries are adds to its complexity.

FSC should not regulate transactions and distribution of economic benefits between sponsors, project developers, The Organization, and other parties.

FSC should provide further guidance on how the payments are calculated, what are the opportunity costs, how to make the amounts transparent.

In Draft 2-0 the term 'revenue' replaces 'benefit' to clearly distinguish from beneficiaries of the ecosystem service. 'Revenue' is also defined in Section C Terms and Definitions.

The revenue is to be shared among parties that meet specific criteria (see Clause 11.2 where they are identified).

The reason why Draft 2-0 has retained a revenue sharing agreement is because this is an important integrity piece required in carbon and ecosystem services markets, to ensure that the majority of the revenue is not captured by intermediaries, but by project implementers (The Organization) and other parties on the ground (e.g. Indigenous Peoples, traditional peoples, local communities).



## Consolidated key feedback

Given the complexity of the concept, the introduction of one fixed percentage to share with 'beneficiaries' would be cumbersome to implement, even more considering different contexts worldwide.

Sharing 60% of the revenue to beneficiaries reduces drastically the incentive of The Organization get ES impacts verified. Most of the benefit should go to The Organization.

There is no clarity on how to audit the benefit sharing mechanism.

## FSC Responses

Draft 2-0 expands on how to regulate a 'revenue sharing agreement'. New and/or improved clauses address transparency in the distribution of revenue, specify when to review the agreement, and how to proceed when an agreement is not reached, among others.

Draft 2-0 proposes three options to operationalize the revenue sharing agreement (see Section 11).

- Option 1: the procedure regulates how The Organization fairly distributes revenue received.
- Option 2: The procedure does not regulate distribution of revenue. It will be up to The Organization to decide how to fairly distribute the received revenue.
- Option 3: In addition to Option 2, a cap is included on the maximum percentage of revenue received by brokers of ES impacts.

Draft 2-0 adds new clauses that regulate when certification bodies shall evaluate requirements related to the revenue sharing agreement (see Clauses 19.2 and 19.3).

Further guidance on the revenue sharing agreement can be included in the revised <[FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts](#)>. Draft 2-0 keeps only the requirements, favouring the streamlining of the procedure, as requested in Motion 48/2021.

## Topic 7. Bundling claims

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q24</b>	To what extent you see value for forest managers in the use of the concept 'multiple positive impacts'?	71	85	50	71	78	89	45	83
<b>Q25</b>	To what extent you see value for sponsors in the use of the concept 'multiple positive impacts'?	70	81	46	67	78	79	69	83

**Question 26.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Questions 24 and 25).

Consolidated key feedback	FSC Responses
<p><b>1</b> There are mixed responses on the use of the term 'multiple positive impacts' to promote verified ES impacts under ES categories of biodiversity, carbon, water and soil.</p> <p>Promoting several verified ES impacts, including the use of the term 'multiple positive impacts', might reduce costs and increase the attractiveness of the procedure.</p> <p>Promoting verified ES impacts besides those under the ES category of Carbon sequestration will increase the perceived value of the procedure.</p> <p>There is not a strong reason to use the term 'multiple positive impacts' only for ES impact in ES categories of biodiversity, carbon, water and soil. ES impacts under ES category 'ES5 Recreational services and ES6 Cultural practices' should also be included.</p> <p>The promotion of various ES impacts should not even be regulated. The Organization and/or sponsor will choose the best way and language to promote various verified ES impacts. The use of a fixed term is overregulating, does not make the requirement attractive but it does make the procedure unnecessarily longer.</p>	<p>Draft 2-0 does not include the term 'multiple positive impacts.' Draft 2-0 removes complexity by not overregulating the demonstration, verification or promotion of more than one ES impact.</p> <p>The Organization may demonstrate as many ES impacts as it prefers and ask for them to be verified by its certification body. The Organization is expected to decide how many ES impacts to demonstrate based on a cost/benefit analysis.</p> <p>In Draft 2-0, The Organization and the sponsor may promote one or more verified ES impacts following the requirements of Section 14. As long as The Organization and/or sponsor conforms with the procedure, they may use a term like 'multiple positive impacts' or more suitable terms in their promotional activities.</p>

## Topic 8. Inclusion of new ecosystem services and impacts

	Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q27</b> To what extent would you like to see in the procedure new ecosystem services (including impacts and indicators) and/or new impacts in the already existing ecosystem services?	72	71	65	68	58	93	90	50

**Question 28.** Please briefly explain your rationale and/or include suggestions for improvement (paired with Question 27).

Consolidated key feedback	FSC Responses
<p><b>1</b> There are mixed reviews between including more ES impacts and ES categories versus strengthening those currently present in the procedure.</p> <p>It is proposed to add ES impacts related to urban forests and parks; human health and wellbeing; and social impacts.</p> <p>Draft 1-0 does not fully cover the ‘additional services and claims’ aimed for Indigenous and Traditional Peoples as requested in Motion 53/2021.</p> <p>Instead of adding more ES impacts or ES categories, it is proposed to strengthen the seven steps to demonstrate an impact, and the impact tables of Annex B.</p>	<p>Besides the newly introduced ES6 ‘Cultural practices and values’ in Draft 1-0, Annex B of Draft 2-0 includes another ecosystem services category: ES7 ‘Air quality’, which is expected to be used especially in forests in peri-urban or urban areas.</p> <p>Annex B of Draft 2-0 also includes new impacts under ES1 Biodiversity Conservation, ES 2 Carbon sequestration and ES4 Soil conservation. In total, Draft 2-0 contains 35 impacts that can be demonstrated.</p> <p>Impact tables for ES 5 ‘Recreational services’ include revised examples of outcome indicators that address concepts like ‘forest bathing’, and ‘wellbeing’, among others. Overall, recreation in forests is known to benefit human health and wellbeing, as included in the introduction of the ecosystem services in module 1 of the Ecosystem Services Guidance.</p> <p>Phase 2 of the revision of the procedure will fully address Motion 53/2021 which asks for the incorporation of ‘services and claims’ specifically aimed for Indigenous and Traditional Peoples. Phase 2 has already started and will have the consultation of during the conceptual phase in Q4 2024. Find more about <a href="#">Phase 2 – Implementation of Motion 53/2021 on its FSC current processes’ webpage</a>.</p> <p>The seven steps to demonstrate an impact in Part II have been strengthened. Annex B starts with a guidance box describing how to read and use the impact tables. The impact tables have been reviewed and updated, especially the example outcome indicators, using inputs from experts on the various ES categories and taking into consideration the fit with CES frameworks and markets.</p> <p>Following an assessment, Annex B of Draft 2-0 only keeps safeguards that are not covered by FSC FM certification, others have been removed.</p>

## Consolidated key feedback

## FSC Responses

To streamline the procedure, Annex B of Draft 2-0 reduces the number of impact tables. Impact tables related to 'enhancement' type of ES impacts are replaced by succinct requirements. Such requirements refer to the impact tables of a 'maintenance' type of ES impact and specifies changes in column '5. Required result.'

## Topic 9. Closing

		Total	FSC members	FSC Network Partner	Project Developer	Certificate Holder	NGO	Other	Certification body
	<b>Number of participants</b>	<b>55*</b>	32	18	13	12	7	6	3
<b>Q29</b>	To what extent do you agree overall with the draft version of the revised procedure?	63	67	57	65	64	67	56	58

**Question 30.** Please share any additional comments on Part I: General Requirements. Please refer to the clause(s) in the document your comments relate to.

## Consolidated key feedback

## FSC Responses

1 Free Prior and Informed Consent (FPIC) seems to have been included in the procedure without further elaboration (e.g., in the benefit sharing mechanism, in step B 'description of the ecosystem services', in ES6 'Cultural practices'). FPIC is already part of the Forest Stewardship Standards (FSS) and is also a challenging and complex process.

Clause 3.4 requires that FPIC shall be conducted when Indigenous Peoples and traditional peoples are identified in relation to the declared ecosystem service(s).

This means that if the management activities in the MU under FSC FM certification have not changed in the efforts to demonstrate an ES impact, then it is not required to conduct a new FPIC process. Simply, a summary of how the FPIC process conducted under FM certification also applies to the declared ecosystem service(s) is enough.

If the management activities in the MU have changed in the efforts to demonstrate an ES impact(s) it is required to update the FPIC process carried out for FSC FM certification.

2 A sponsor should be allowed to communicate past ES impacts, even if the FM certification is lost (in relation to Clause 1.5 of Draft 1-0).

Draft 2-0 allows a sponsor to promote verified ES impacts for five years from the date of verification as long as The Organization maintains FSC FM or FSC FM/CoC certification (see NOTE 2 of Clause 1.6, and Clause 21.6)

In addition, Clause 21.8 of Draft 2-0 keeps the core message of Clause 1.5 of Draft 1-0. In simple terms, if the FM or FM/CoC certification is suspended, withdrawn or terminate, all verified ES impacts and ES claims shall be suspended or withdrawn within 30

Consolidated key feedback	FSC Responses
	<p>days. This ensures the promotion of verified ES impacts is up to date and accurate, reinforcing FSC's credibility.</p>
<p>3 Clause 1.9 (a safeguard to maintain or enhance identified high conservation value areas) and its NOTE are not clear. It appears disconnected from the 7 steps to demonstrate an impact, or from a specific ES category.</p>	<p>Following an assessment, Annex B of Draft 2-0 only keeps safeguards that are not covered by FSC FM certification, others have been removed.</p> <p>Safeguards related to protection of high conservation value areas are already covered by the &lt;FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship&gt;.</p>
<p>4 The procedure should be clearer about how FM Groups may use the Ecosystem Services Certification Document (ESCD) to avoid repeating information per each member of the group.</p>	<p>Part I of Draft 2-0 brings more clarity into how FM groups can use the procedure.</p> <p>Clause 1.11 in particular, allows forest management groups to create a single Ecosystem Services Report (ESR. The ESR replaces the ESCD) valid for all participating group members, provided that it is clearly specified in the ESR which MUs have demonstrated ES impacts and which MUs participate in the theory of change.</p>
<p>5 Clause 2.2 (about SLIMF users being asked to conduct an additionality test when the ES impact(s) are used for purposes of neutralization) is not clear. Requiring an 'additionality test' only for SLIMF users does not contribute to FSC's integrity. The 'additionality test' should be applicable regardless of if there is a SLIMF area or not.</p>	<p>Draft 2-0 does not allow the use of verified ES impacts for compensation and neutralization beyond the value chain.</p> <p>Draft 2-0 presents clearer requirements that address an 'additionality test' when using the procedure. Additionality covers 'legal' and 'financial' additionality (see Terms and Definitions).</p> <p>The Organization (regardless of managing SLIMF areas or not) is required to conduct an additionality test when a sponsor wants to attribute the verified ES impact to its financial contribution (see Clauses 4.4 and 17.2).</p>

**Question 31.** Please share any additional comments on Part II: Impact Demonstration. Please refer to the clause(s) in the document your comments relate to.

Consolidated key feedback	FSC Responses
<p>1 There are some concerns about the term 'storytelling' (one of the approaches to demonstrate an ES impact). It could be perceived as less robust and not supported by quantitative data. Suggestions to change this are: 'narrative', 'contribution'.</p>	<p>Draft 2-0 names the two approaches as 'storytelling, and 'performance'. The renaming of 'storytelling' was discussed with the TWG but a final decision will be made post 2<sup>nd</sup> public consultation.</p>
<p>2 Many responses criticised the 'footprint' approach: no sense in using only one data point, no coherence with the other two approaches, too costly requirements to gather data each year.</p>	<p>Draft 2-0 includes 2 approaches: storytelling and performance. Part II specifies the requirements that only apply to the performance approach. Part II also clarifies that unless explicitly stated, the requirements</p>

Consolidated key feedback	FSC Responses
	<p>in Part II apply to both the performance and the storytelling approach.</p> <p>The concept of 'footprint approach' has been removed from Draft 2-0.</p> <p>Clause 7.4 facilitates the generation of annual verified data that can be used for reporting on the ES footprint. The performance approach is required for this use.</p>
<p>3 Many responses pointed out that Step F 'Measurement and comparison of the value of outcome indicator(s)' was complex, lacked clarity and was difficult to understand and implement.</p>	<p>Draft 2-0 improved the seven steps The Organization needs to follow to demonstrate an impact.</p> <p>Steps returned to use numbers instead of letters.</p> <p>Step 6 'Measurement of outcome indicator(s)' includes improved requirements for the storytelling approach. Specific terms are also better explained (e.g., 'primary data', 'at least one previous measurement', 'reference value). There are new requirements for the performance approach addressing concepts of 'uncertainty' and 'conservativeness'.</p>

**Question 32.** Please share any additional comments on Annex A 'Promotion and Trademark requirements.' Please refer to the clause(s) in the document your comments relate to.

Consolidated key feedback	FSC Responses
<p>1 Lack of clarity on who verifies that the sponsor conforms with the requirements in the procedure (e.g., follow mitigation hierarchy)</p>	<p>In Draft 2-0, Part III and Part IV contains requirements for sponsors. The guidance boxes at the start of these Parts and/or set of requirements clearly indicate that FSC trademark service providers verify conformity of sponsors with the requirements.</p> <p>FSC foresees to provide TSPs with the necessary training and guidance to do this.</p>
<p>2 Need to increase transparency around sponsorship and to make a risk assessment mandatory before a sponsor may use FSC trademarks.</p>	<p>In Draft 2-0, Clause 12.7 requires that "Sponsors shall sign a sponsorship agreement with FSC to register the sponsorship in the specified FSC database and to be able to make ES claims using FSC trademarks."</p> <ul style="list-style-type: none"> <li>- FSC is revising its risk assessment tool (part of the process to sign a sponsorship agreement) for users of FSC trademarks. This revision includes specific considerations for sponsors of ES impacts.</li> <li>- Question 23 of the second public consultation asks whether the risk assessment should include a declaration of the sponsor that it is not involved in elements of the FSC's Policy for Association.</li> </ul>

## Consolidated key feedback

## FSC Responses

By filling in 'ESR part III: Sponsorship information' (Annex A), the following information about a sponsorship will become publicly available: sponsor name, sponsor website, name and FM certificate code of The Organization sponsored, validated and/or verified ES impact(s) sponsored. The financial amount of the sponsorship is considered sensitive information and does not need to be disclosed.

- 3 Sponsors are not required to use certified wood products. It will be contradictory if the sponsor uses illegal wood products. The mitigation hierarchy and FSC's policy for association can address this and strengthen FSC's credibility.

Section 12 of Draft 2-0 includes requirements for sponsors before using verified ES impacts.

Clause 12.7 requires a sponsor to sign a sponsorship agreement with FSC. FSC reserves the right to not sign a sponsorship agreement with applicant sponsors that do not align with FSC's mission and may threaten the reputation and integrity of FSC.

Clause 12.8 requires that for specific uses that require the performance approach a sponsor shall demonstrate that it follows mitigation hierarchy aligned approaches.

In addition, Draft 2-0 proposes two options to regulate how sponsors with clear dependence on forest materials can use the procedure. Option 1 recommends or requires such a sponsor to adopt and make public an FSC procurement policy. Option 2 recommends or requires such a sponsor to obtain FSC CoC certification within 12 months of becoming a sponsor.

FSC asks the public to leave us their feedback on their preferred option.

- 4 Unclear whether normal promotional license agreement (PLA) can be used, or there will be a specific agreement for ecosystem services claims.

FSC is working on developing a sponsorship agreement. This will include elements related to the CES Registry (under development) and elements related to trademark use in relation to ES claims.

- 5 Need to clarify possibility for many small businesses/ individuals in a crowdfunding type of construction to fund a single ES impact.

In the case of crowdfunding, there is often an intermediary involved that acts as an aggregator of funds. It is foreseen that in such cases, the aggregator would be listed as the sponsor.

- 6 Need to clarify the possibility to promote forest products sourced from a MU with a verified ES impact.

Section 13 in Draft 2-0 stipulates 'Requirements to pass information about the verified ES impact through a supply chain', including what information is required in sales and delivery documents.

Section 16 outlines the requirements for promotion and trademark use for forest products composed of material that is 100% FSC and all sourced from MUs with a verified ES impact of the same category/ies.

**Question 33.** Please share any additional comments on Annex B ‘Impact indicators and measurements.’ Please refer to the clause(s) in the document your comments relate to.

Consolidated key feedback	FSC Responses
<p>1 Total flexibility in Annex B is not good - each impact should have a few mandatory outcome indicators.</p>	<p>Draft 2-0 requires one or more mandatory types of outcome indicators that need to be measured to demonstrate an ES impact. For every type of outcome indicator, a number of example outcome indicators are given. .</p>
<p>2 Under ES2. Carbon Sequestration and Storage, forest managers are required to measure “Forest carbon stocks estimated across the entire management unit”. It should be possible to demonstrate an impact on part of the MU, for example where there is a conservation area.</p>	<p>Draft 2-0 maintains that forest carbon stocks be estimated across the entire MU. This is required to ensure that an enhancement of carbon stocks in one part of the MU does not simultaneously mean a reduction in carbon stocks in another part of the MU (for example, when expanding the conservation area in the MU but also increasing harvesting volumes in the remaining productive part of the MU). Estimating forest carbon stocks across the entire MU ensures that ES impacts and associated ES claims are credible.</p>
<p>3 Please revise Annex B deeply, considering necessity for ES- and/or impact-specific requirements, numbering, clarity of outcome indicators, lay-out.</p>	<p>In Draft 2-0, Annex B has been revised completely. A seventh ES category has been added: air quality. Also, following an analysis with relevant international frameworks and CES market demand, the total number of impacts has been increased to 35 and the example outcome indicators have been revised following analyses from ES experts.</p> <p>All ES- and impact-specific requirements have been assessed against the latest version of the &lt;FSC-STD-60-004 International Generic Indicators&gt; (IGI) and those considered to be covered by the IGI have been removed, as well as those considered to be unnecessary.</p> <p>Numbering and lay-out has been updated to make it more user-friendly and a guidance box has been added explaining how to read Annex B.</p>

**Question 34.** Please share any additional comments on Annex C ‘Requirements for certification bodies.’ Please refer to the clause(s) in the document your comments relate to.

Consolidated key feedback	FSC Responses
<p>1 CB training needed to enhance ES expertise.</p>	<p>FSC foresees to roll out a training series following the launch of the revised procedure.</p>
<p>2 24.7 (CB may carry out a surveillance evaluation): consider adding: following complaints regarding ES from stakeholders?</p>	<p>Draft 2-0 addresses this point Clause 19.4d), in which the certification body is required to carry out an evaluation to assess complaints received to the verified or validated ES impact.</p>



### Consolidated key feedback

### FSC Responses

3 Ensure that certification costs do not increase.

The procedure is a voluntary add-on to forest management certification. The Organization should only choose to implement it when the benefits outweigh the costs.

Since it is an additional element to be included in the scope of the evaluation, the certification body will dedicate the necessary time and expertise, which will come at a cost.

To limit certification costs, the certification body should combine the ES evaluation with the FM evaluation. Moreover, all requirements in the procedure only need to be evaluated every 5 years with only a limited set of requirements that need more frequent evaluation.

**Question 35.** Please share any additional comments on the whole draft version of the revised procedure. Please refer to the clause(s) in the document your comments relate to.

### Consolidated key feedback

### FSC Responses

1 How is this revision process engaging with Indigenous Peoples and traditional peoples?

Phase 2 of the revision of the procedure will fully address Motion 53/2021 which asks for the incorporation of 'services and claims' specifically aimed for Indigenous Peoples and traditional peoples. Phase 2 has already started and will have the consultation of during the conceptual phase in Q4 2024. Find more about [Phase 2 – Implementation of Motion 53/2021 on its FSC current processes' webpage](#).

2 The use of Draft 1-0 requires a large effort, including technical and specialised work for certificate holders and certification bodies. The drafting is too technical, with confusing clauses.

Draft 2-0 is launched after a major revision of Draft 1-0. Concepts are clearer and more robust, and unnecessary requirements have been deleted.

The procedure aspires to be the solution many global organizations are looking for. As an impact verification framework, it is well suited for producing the quantitative evidence companies, investors, and governments need to prove action and maintenance or improvement in their land and supply chain. It supplies data and enables robust ES claims, thereby unleashing the power of corporate climate and biodiversity action for good. The Organization and/or a sponsor should conduct a cost / benefit analysis before using the procedure.

3 There too much focus on 'carbon' in Draft 1-0.

While Draft 1-0 does not favour carbon over other categories of ecosystem services, Draft 2-0 reinforces this approach by, for example, updating all impact tables in Annex B, and removing the option to use the procedure for neutralization or compensation beyond value chains.

## Consolidated key feedback

## FSC Responses

Phase 2 of the revision of the procedure will address the use of an ES claim for compensation or neutralisation of residual impacts beyond value chains, as presented in Motion 49/2021. Phase 2 has already started and will have the consultation of during the conceptual phase in Q4 2024. Find more about [Phase 2 – Implementation of Motion 49/2021](#) on its FSC current processes' webpage.

- 4 The procedure should be adapted at the national level (like Forest Stewardship Standards)

The procedure offers a structure that applies globally (e.g., seven steps to demonstrate and impact, the revenue sharing mechanism, the use of the verified ES impacts, elements of an ES claim, the evaluation of demonstrated ES impacts, among others).

Within this structure, the procedure offers enough flexibility to demonstrate an ES impact while accommodating a variety of forest contexts. For example, The Organization may choose methodologies or outcome indicators that best fit their needs, given that they are relevant, based on best available information, objective and replicable.

With the flexibility offered in the demonstration of an impact, there is no need to adapt the procedure to the national level. This approach contributes to 'streamlining' the procedure, as requested in Motion 48/2021.

## THANK YOU

On behalf of the FSC-PRO-30-006 technical working group, the FSC Climate and Ecosystem Services, and the FSC Forest Management programmes, thank you very much for providing your feedback in this consultation!

We invite you to participate in the second public consultation that is live between 10 April and 9 June 2024.

For further information about this revision process, please visit [our current processes](#) webpage on the FSC website.



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