



# DESK TEST TEMPLATE

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

10/04/2024



## INTRODUCTION

FSC International is revising the FSC-PRO-30-006 V2-0 *Ecosystem Services Procedure: Impact Demonstration and Market Tools*. The revision of the procedure started in 2022 as a response to feedback collected from stakeholders to a draft review report (2022) and to the approved Motion 48/2021 ‘Streamline the Ecosystem Services procedure, include more services and maximize its potential’.

The revision of this procedure is taking place in two phases. Draft 2-0 is part of phase 1, and is informed by user experiences since the launch of the first version, and guided by approved motions, as specified hereafter:

Motion	In which phase is the Motion addressed?
48/2021 ‘Streamline the Ecosystem Services procedure, include more services and maximize its potential’	Fully addressed in phase 1
49/2021 ‘FSC Ecosystem Service Procedure as a mitigation mechanism to meet global market demand for net-zero and net-positive targets’	Partly addressed in phase 1. Some parts such as the use of FSC verified ES impacts for compensation or neutralization of residual impacts beyond value chains, will be addressed in phase 2 of the revision. Find more about <a href="#">Phase 2 – Implementation of Motion 49/2021 on its FSC current processes’ webpage.</a>
53/2021 ‘Policy Motion to incorporate to ecosystem services the recognition of cultural services and practices to strengthen and endure over time the interconnection of Indigenous Peoples’	Partly addressed in phase 1 through the incorporation of a sixth ecosystem services category, namely ‘ES6 Cultural Practices and Values’. Motion 53/2021 will be fully implemented in phase 2 of the revision, involving additional engagement with Indigenous Peoples’ representatives. Find more about <a href="#">Phase 2 – Implementation of Motion 53/2021 on its FSC current processes’ webpage.</a>

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.

An important aspect of the revision process is to collect stakeholder inputs and feedback from target user groups on the draft revised procedure. The first public consultation of Draft 1-0 of the revised procedure took place between 16 January and 17 March 2023. [The second public consultation of Draft 2-0](#) is taking place between 10 April and 9 June 2024. To gather targeted stakeholder feedback to further enhance Draft 2-0, FSC International has issued a call to [Participate in the desk test of the Ecosystem Services Procedure | fsc.org](#).

This document contains the questions of the desk test. We kindly request desk test participants to complete to aid in the improvement of the procedure.

The questions are structured around three scenarios, see box 1. Participants are asked to select the scenario most applicable or relevant to their current or future situation. Participants may also choose to respond to the questions for all 3 scenarios. Within every scenario, there are a number of questions per key targeted stakeholder. Please respond to all questions for the key targeted stakeholder group that you represent within the chosen scenario. At the end, there is the possibility to provide any other comments and suggestions.

### **Box 1. Three scenarios**

#### Scenario A:

An FSC Forest Management Certificate Holder (The Organization) is managing a large forest plantation. A client of The Organization is interested in reporting against their climate and biodiversity targets and hence requires annual footprint data from their suppliers. The Organization chooses the performance approach to get impacts on biodiversity conservation and carbon sequestration and storage verified.

#### Scenario B:

A SLIMF/community forest chose the approach of storytelling and received a verified impact on watershed services. The sponsor(s) would like to use the ES claims to communicate their contribution to protect watershed services.

#### Scenario C:

A group of landowners hold an FSC forest management group certification and have chosen the performance approach to get impacts on various ecosystem services verified. They found sponsors, some of which are downstream in their supply chain, others that have operations in the same landscape. Their sponsors would like to use ES claims for communicating about how their support is aligning with their sustainability targets and include it in reporting on activities in their scope 3 and in their landscape. Some of the sponsors want to attribute the verified ES impact to their financial support.

## Start Desk test questionnaire

GENERAL INFORMATION			
Name			
Organization			
Key targeted stakeholder group(s) represented	<table border="1"> <tr> <td> <input type="checkbox"/> FSC-Forest Management Certificate Holders  <input type="checkbox"/> FSC-Forest Management Certificate Holders (not yet FSC certified)  <input type="checkbox"/> SLIMF and/or Community Forest                 </td> <td> <input type="checkbox"/> Sponsor  <input type="checkbox"/> Trademark service provider  <input type="checkbox"/> Project developer  <input type="checkbox"/> Certification body                 </td> </tr> </table>	<input type="checkbox"/> FSC-Forest Management Certificate Holders <input type="checkbox"/> FSC-Forest Management Certificate Holders (not yet FSC certified) <input type="checkbox"/> SLIMF and/or Community Forest	<input type="checkbox"/> Sponsor <input type="checkbox"/> Trademark service provider <input type="checkbox"/> Project developer <input type="checkbox"/> Certification body
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Region			
Country			
Scenario(s) Selected	<input type="checkbox"/> Scenario A <input type="checkbox"/> Scenario B <input type="checkbox"/> Scenario C		

**Scenario A: An FSC Forest Management Certificate Holder (The Organization) is managing a large forest plantation. A client of The Organization is interested in reporting against their climate and biodiversity targets and hence requires annual footprint data from their suppliers. The Organization chooses the performance approach to get impacts on biodiversity conservation and carbon sequestration and storage verified.**

**Targeted Participants**

- Forest Management Certificate Holders and Project developers (Questions 1-7),
- Sponsors (Questions 8-10),
- Trademark service providers (Questions 11-12) and
- Certification bodies (Question 13-17).

**Questions for Forest Management Certificate Holders and Project developers:**

**Question 1. Prepare a theory of change selecting an ES impact to be demonstrated in your management (MU). See Step 3, especially Figure 5 of Draft 2-0 of the procedure and module 2 of the Guidance. Please share your experience of this exercise. What part went smoothly, what was the most challenging? Did you consider Figure 5 of Draft 2-0 of the procedure and/or module 2 of the guidance helpful?**

**Question 2. Do you see any challenges in formulating the risk management plan as described under Clause 4.5 and Clause 4.6 of Draft 2-0 of the procedure?**

**Question 3. What limitations or challenges could you foresee when using the most recent primary data for computing a present value for each outcome indicator, as per Clause 7.3.1? See the Terms and Definitions for what is meant by primary data.**

<b>Question 4.</b>	<b>Do you face any difficulties in identification of sources of uncertainty, according to <u>Clause 7.8</u>?</b>
<b>Question 5.</b>	<b>Do you face any difficulties in ensuring that the primary data is conservative, as per <u>Clause 7.9</u>?</b>
<b>Question 6.</b>	<b>Identify the beneficiaries in a revenue sharing agreement for any revenue received from sponsors of ES impacts, see <u>Clause 11.2</u>. a. How would you approach sharing of the revenue? b. Do you perceive any challenges in conforming with <u>Clause 11.4</u>?</b>
<b>Question 7.</b>	<b>Do you face any impediments when ensuring transparency for the fair revenue distribution to Indigenous Peoples, traditional peoples, and local communities, including women, youth, and other marginalized groups, as per <u>Clause 11.11</u>?</b>

**Questions for Sponsors:**

<b>Question 8.</b>	<b>What benefits and or constraints do you recognize when demonstrating conformity with the mitigation hierarchy approach for the verified ES impacts, according to <u>Clause 12.8</u>?</b>  (find more about the mitigation hierarchy in Annex A)

**Question 9.** Do you perceive any challenges in conforming with the requirements of using the 'Impact Statement' of verified ES claims, as per Clause 14.2d and Clause 14.3?

**Question 10.** Do you see any benefits/risks associated with the conformance with the requirements of the use of ES claims, as per Clause 14.4?

**Question 11.** Do you see any challenges in conformance with the requirements of Clause 12.9 i.e. Options 1a-1b and 2a-2b?

**Questions for trademark service providers:**

**Question 12.** Do you see any challenges in assessing the sponsors' conformity with the requirements for making ES claims as per Section 14 and 17?

**Question 13.** To what extent do you believe that the current requirements for sponsors and ES claims result in credible ES claims/ integrity?

**Questions for certification bodies:**

**Question 14.** Do you see any challenges with requiring The Organization to submit the ecosystem services report (ESR) and/or information to the

	<b>certification at least 15 days prior to the evaluation, see <u>Clauses 1.5 and 10.1</u>? Note that in V1-2 Clause 1.5 is a 'should' and 30 days.</b>
<b>Question 15.</b>	<b>What benefits and/or challenges do you perceive in relation to the frequency and timing of ES evaluations, <u>Clauses 19.1-19.2</u>?</b>
<b>Question 16.</b>	<b>Are the requirements for the performance approach in Part II (4.6, 4.7, 7.3, 7.8, 7.9) clear and auditable?</b>
<b>Question 17.</b>	<b>How would you organize approval of ES claims by The Organization, see <u>Clause 15.2</u>? Is it clear that this is different from simply trademark use approval?</b>
<b>Question 18.</b>	<b>What benefits and/or challenges do you perceive in relation to the ESR, particularly the sections to be filled in by the certification body and their uploading, see Annex A and Section 22?</b>



**Scenario B: A SLIMF/community forest chose the approach of storytelling and received a verified impact on watershed services. The sponsor(s) would like to use the ES claims to communicate their contribution to protect watershed services.**

**Targeted Participants**

- SLIMF and Community Forests and Project developers (Questions 1-4),
- Trademark service providers (Question 5), and
- Certification body (Questions 6-9).

**Questions for SLIMF and Community Forests and Project developers:**

**Question 1. Prepare a theory of change selecting an ES impact to be Demonstrated in an MU that you manage. See Step 3, especially Figure 5 of the procedure and module 2 of the Ecosystem Services Guidance. Please share your experience of this exercise. What part went smoothly, what was the most challenging? Did you consider Figure 5 of the procedure and/or module 2 of the guidance helpful?**

**Question 2. What challenges do you perceive in describing the threats to the ecosystems also compromising the permanence of outcomes as per Clause 3.1d?**

**Question 3. What difficulties do you perceive in identification and implementation of measures for safeguarding the environment and relevant stakeholders for management activities as per Clause 4.5?**

**Question 4. Do you perceive any obstacles during the process of reaching a written agreement with the sponsors, as outlined in Clause 12.1?**

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**Question for trademark service providers:**

<b>Question 5.</b> Do you recognize any challenges when verifying the conformity of the sponsor with <u>Clause 14.2</u> ?

**Questions for certification bodies:**

<b>Question 6.</b> Would there be any advantages to evaluating the skills of at least one team member, as outlined in <u>Clause 20.3</u> , particularly concerning the impact assessment for cultural practices & values and air quality, as well as the performance approach requirements in Part II?
<b>Question 7.</b> Do you perceive any challenges in evaluating the conformity of The Organization managing a SLIMF (that may use the continuous improvement procedure) with applicable requirements of the procedure at least once per certification cycle, as per <u>Clause 19.1</u> ?
<b>Question 8.</b> Do you perceive any limitations or risks when evaluating The Organization's conformity with Section II (related to revenue sharing) of the procedure at least twice per certification cycle, as per <u>Clause 19.2</u> ?

**Question 9.** Do you recognize any challenges and/or benefits in conforming with the requirements of Clause 20.1?

**Scenario C: A group of landowners hold an FSC forest management group certification and have chosen the performance approach to get impacts on various ecosystem services verified. They found sponsors, some of which are downstream in their supply chain, others that have operations in the same landscape. Their sponsors would like to use ES claims for communicating about how their support is aligning with their sustainability targets and include it in reporting on activities in their scope 3 and in their landscape. Some of the sponsors want to attribute the verified ES impact to their financial support.**

**Targeted Participants**

- Forest Management Certificate Holders (Group Entity composed of group members) and Project developers (Questions 1-8),
- Certification bodies (Questions 9-10)
- Sponsors/FSC Chain of Custody Certificate Holders' Organizations (Questions 11-12), and
- Trademark service providers (Question 13).

**Questions for Forest Management Certificate Holders (Group Entity composed of group members) and project developers:**

**Question 1.** Do you perceive any constraints when establishing group rules to clarify the group responsibilities for demonstrating ES impacts, as outlined in Clause 1.9.1?

**Question 2.** Do you perceive any challenges when documenting for each management unit information related to the verified or

	<b>validated ES impact, as outlined in <u>Clause 1.10a-d</u>?</b>
<b>Question 3.</b>	<b>Do you recognize any benefits and/or risks when creating a single ESR for all group members, as per <u>Clause 1.11</u>?</b>
<b>Question 4.</b>	<b>Do you perceive any challenges when expanding the application of Drat 2-0 of the procedure to new group members for already verified or validated ES impacts, provided they conform with all applicable requirements of the procedure, as per <u>Clause 1.12</u>?</b>
<b>Question 5.</b>	<b>Do you see any complexities in indicating which MUs participate in which theory of change, as per <u>Clause 1.11b</u> and <u>Clause 4.2</u>?</b>
<b>Question 6.</b>	<b>Do you perceive challenges when conducting additionality tests for different MUs with different plans for meeting verified ES impacts' goals, as per <u>Clause 4.3</u>?</b>
<b>Question 7.</b>	<b>Do you recognize any limitations when designing and conforming with the requirements of <u>Clause 4.6</u> for the risk management plans for different MUs, in case each MU has a different plan in place and/or has different verified or validated ES impacts?</b>

<p><b>Question 8.</b> Do you foresee any obstacles in justifying the use of different methodologies by different MUs, as per <u>Clause 6.3</u>?</p>

**Questions for certification bodies:**

<p><b>Question 9.</b> Do you see any challenges/or benefits in evaluating the single ESR created by the Group Entity, as per <u>Clause 1.11</u>?</p>
<p><b>Question 10.</b> Do you see any issue with the Group Entity adding new group members to already verified or validated ES impacts (<u>Clause 1.12</u>)?</p>

**Questions for Sponsors/ Chain of Custody Certificate Holders:**

<p><b>Question 11.</b> Do you perceive any difficulties in conformance with registration requirements as per <u>Clause 12.7</u>?</p>
<p><b>Question 12.</b> Do you see any challenges in conformance with the requirements of the <u>Clause 13.1 (13.1.1 - 13.1.3)</u>?</p>

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**Question for trademark service providers:**

<b>Question 13.</b> <b>Do you anticipate any intricacies in ensuring conformance with the requirements for the use of the FSC trademark by the sponsors, as outlined in <u>Clause 16.6</u>?</b>
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<b>Any other comments and/or suggestions</b>
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**\*\*\* Thank you \*\*\***

## ANNEX A: THE MITIGATION HIERARCHY

### The mitigation hierarchy: the key to responsible nature action

The urgency of the global climate and biodiversity crisis has created the need for mobilising resources to mitigate the crisis and adapt to its effects. The corporate sector has spearheaded this effort, driving investment towards solutions for this crisis.

However, with these global efforts, there is a risk of driving resources without considering the societal goals we must achieve to prevent the worst effects of the crisis. Hence, it is fundamental that these committed actors understand these global challenges and reflect on how they can best contribute to achieving them.

Several initiatives have sprung to help companies along the process of structuring their efforts, such as the *Science Based Targets initiative*, *Exponential Roadmap*, or *SME Climate Hub*. They all require use of the **mitigation hierarchy**.

The basic principle of the mitigation hierarchy is that companies should first understand the actual negative impact they have (i.e. their footprint), set a target for reduction and mitigation of the impacts they generate (including upstream and downstream in their value chains) aligned with best available science, and implement actions to achieve such targets and contribute to positive impacts both within and beyond their value chains.

The 5 steps of the mitigation hierarchy are:

1. understand the negative impact ('footprint')
2. avoid the impact
3. minimise the impact
4. restore (or rehabilitate) the impact
5. offset the residual impact

FSC considers that sponsors of verified ES impacts are instrumental to drive positive nature action through their support of sustainable forest management, but those efforts must be based on a clear, verifiable commitment to achieve global targets (e.g., Paris Agreement, Global Biodiversity Framework).

FSC will add to the revised <FSC-GUI-30-006 Guidance for Demonstrating Ecosystem Services Impacts> specific guidance for sponsors on how to correctly use the mitigation hierarchy in connection to the procedure.



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