CONCEPTUAL REPORT FOR PHASE II OF THE REVISION OF THE ECOSYSTEM SERVICES PROCEDURE (FSC-PRO-30-006- IMPACT DEMONSTRATION AND MARKET TOOLS)

Implementation of Motion 53/2021 - Incorporate to Ecosystem Services Procedure the Recognition of Cultural Services and Practices.

FSC

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Title:	CONCEPTUAL REPORT FOR PHASE II OF THE REVISION OF THE ECOSYSTEM SERVICES PROCEDURE (FSC-PRO-30-006-IMPACT DEMONSTRATION AND MARKET TOOLS)
Dates:	16 December 2024
Responsible program:	**Climate and Ecosystem Services**
Email:	ecosystemservices@fsc.org

Summary

Abbreviations

BoD   Board of Directors

CIP   Continuous Improvement Procedure (FSC-PRO-30-011 V1-0 EN)

ES   Ecosystem Service(s)

ES 6   Pillar 6 of the Ecosystem Services Procedure - Cultural practices and values

ES GUI   Guidance for Demonstrating Ecosystem Services Impacts (FSC-GUI-30-006 V1-0)

ES PRO   Ecosystem Services Procedure: Impact Demonstration and Market Tools (FSC-PRO-30-006 V1.2)

FM   Forest Management

FPIC   Free Prior and Informed Consent

FSC   Forest Stewardship Council

NGOs   Non-Governmental Organization(s)

NPs   Network Partners

PIPC   Permanent Indigenous Peoples Committee

PSG   Policy Steering Group

PSU   Performance and Standards Unit

ToR   Terms of Reference

SLIMFS   Small and Low-Intensity Managed Forests

WG   Working Group

Introduction

The Forest Stewardship Council (FSC) is revising the <u>FSC-PRO-30-006 V1-2 *Ecosystem Services Procedure: Impact Demonstration and Market Tools*</u> (hereinafter referred to as ES PRO) in two phases: phase 1 and phase 2.

The revision process began after the Performance and Standards Unit (PSU) Review Report of the Ecosystem Services Procedure V1-2 and the approval in October 2021 of Motion 48/2021 'Streamline the Ecosystem Services procedure, include more services and maximize its potential'. Based on the PSU Review Report and Motion 48/2021, the Terms of Reference (ToR) for the Technical Working Group (TWG) were developed and the TWG established.

In September 2023, triggered by the approvals of Motion 49/2021 (FSC Ecosystem Service Procedure as a mitigation mechanism to meet global market demand for net-zero and net-positive targets), and Motion 53/2021 (Policy Motion to incorporate ecosystem services the recognition of cultural services and practices to strengthen and endure over time the interconnection of Indigenous Peoples) - both passed in October 2022, the Policy Steering Group (PSG) approved to address these motions in a second phase of the revision process. At this time, the Ecosystem Services Procedure V1-2 revision was split into two phases.

Phase 2 is being implemented in parallel to Phase 1. The three motions related to the revision of the Ecosystem Services Procedure can be seen in Table 1.

Table 1. Motions passed during the FSC General Assembly 2021-2022

Motion number and name	When was it passed?	In which phase is the Motion addressed?
48/2021 'Streamline the Ecosystem Services procedure, include more services and maximize its potential'	Online General Assembly- Dec/21	Phase 1
49/2021 'FSC Ecosystem Service Procedure as a mitigation mechanism to meet global market demand for net-zero and net-positive targets'	Hybrid General Assembly - Oct/22	Partially addressed in Phase 1 and to be fully addressed in Phase 2
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 and Traditional peoples'	Hybrid General Assembly- Oct/22	Partially addressed in Phase 1 and to be fully addressed in Phase 2

This report focuses on Motion 53/2021, while a separate report on Motion 49/2021 has also been developed and is being consulted simultaneously.

The Motion 53/2021 asks FSC to expand and strengthen the Ecosystem Services Procedure by developing specific additional services and market claims for Indigenous and Traditional Peoples through the Cultural Ecosystem Services Claims. These services and claims shall entail the following:

- Protection and maintenance of cultural and ancestral knowledge and practices, including the guardianship and mentoring of the next generations.
- Protection and maintenance of cultural places and archaeological sites.
- Strengthened social benefits of forests, including health and well-being.

- Consider additional cultural practice claims that have a specific social or environmental outcome, such as the use of traditional fire practices that combat biodiversity loss and climate change-driven wildfires.

Furthermore, Motion 53/2021 asks for improvements in the ES PRO, including the following critical considerations:

a) The development, implementation, and verification of these services are designed by and adapted to the activities that Indigenous and Traditional Peoples perform, facilitating the process.

b) The Ecosystem Services approach, including verification methods, will be simplified, using innovative and low-cost solutions aligned with similar community controls applied in certain regions and/or local community verifiers.

c) The Indigenous and Traditional Peoples will be the owners of and the beneficiaries of the services and claims and will retain Intellectual Property Rights.

d) Development and consultations shall be carried out using the Free, Prior, and Informed Consent (FPIC) to which Indigenous Peoples and Traditional Communities are entitled.

e) Enable bundling of services and claims.

The actions that have been asked by Motion 53/2021 and the progress against them can be found in Table 2. Some elements of Motion 53/2021 were already addressed during ES PRO revision phase 1 and will be published in the ES PRO V2-0 from 2025. However, the set-up of new ES impacts and claims to support this Motion were too challenging to address in phase 1 and have been deferred to phase 2."

Table 2. Action Points of Motion of 53/2021 and ES PRO revision Phase 1 and 2

Action Points of Motion 53/2021	Revision - Phase 1	Revision - Phase 2
1. FSC shall expand and strengthen the Ecosystem Services Procedure by developing specific additional services and market claims for Indigenous and Traditional Peoples through the Cultural Ecosystem Services Claims. These services and claims shall entail the following: - Protection and maintenance of cultural and ancestral knowledge and practices, including the guardianship and mentoring of the next generations. - Protection and maintenance of cultural places and archaeological sites. - Strengthened social benefits of forests, including health and well-being. - Consider additional cultural practice claims that have a specific social or environmental outcome, such as the use of traditional fire practices that combat biodiversity loss and climate change-driven wildfires.	Inclusion in Annex B of the ES PRO - ES 6 - Cultural Values and Practices Claim, with ES impacts and their corresponding outcome indicators, which partially address the services and claims proposed in Motion 53/2021.	Strengthen the definition, clarity, and applicability of the ES 6 – Cultural Values and Practices Claim with a new set of ES impacts and outcome indicators that will fully address the Motion 53/2021 services and claims proposals. The process of designing and including these services and claims will be based on the desk research results, stakeholders' feedback field testing, and technical working group (TWG) approval.

Conceptual Report for Phase II of the revision of the Ecosystem Services Procedure (FSC-PRO-30-006) Consultation materials related to the incorporation of Motion 53/2021.

2. The development, implementation, and verification of these services are designed by and adapted to the activities that Indigenous and Traditional Peoples perform, facilitating the process.	Clause 25.1 of the ES PRO suggests that the organization shall involve Indigenous and Traditional Peoples in a culturally and appropriately appropriate manner in identifying cultural practices and values, designing the implementation activities, and measuring the Outcome Indicators.	In phase 2, FSC will research, discuss, and test reliable methodologies and indicators in the field to implement this request. Thus, following the outcomes of this phase, FSC aims to provide recommendations in the ES GUI on how to design and adapt the ES PRO verification for Indigenous and Traditional Peoples.
3. The Ecosystem Services approach, including verification methods, will be simplified, using innovative and low-cost solutions aligned with similar community controls applied in certain regions and/or local community verifiers.	See above	Complementary to the above, FSC will evaluate the possibilities and how to adapt the verification methods and audits.
4. The Indigenous and Traditional Peoples will be the owners of and the beneficiaries of the services and claims and will retain Intellectual Property Rights.	Considering public consultation inputs for the ES PRO phase 1 review, FSC incorporates that the FM-CH, which can also be an Indigenous and/or Traditional community, implementing the ES PRO is the owner of the verified impact. If in the scope, a FM-CH must have a revenue-sharing agreement with Indigenous and Traditional Peoples.	FSC will evaluate the inclusion of clauses, reinforcing the FPIC process, in which Indigenous and Traditional Peoples' must be the owners of the ES Cultural Impacts and Intellectual Property Rights.
5. Development and consultations shall be carried out using the Free, Prior, and Informed Consent (FPIC) to which Indigenous Peoples and Traditional Communities are entitled.	This is partially addressed in the ES PRO with clauses 2.9 and 2.10 about FPIC.	In phase 2, FSC will research, discuss, and test reliable participatory governance and engagement models with Indigenous and Traditional Peoples to strengthen the guidance towards robust and comprehensive FPIC process in the ES cultural impacts verification.
6. Enable bundling of services and claims.	Included the possibility of combining two or more ES claims in one Impact demonstration project and audit process.	Enable the cross-cutting ES projects, which encompass a further bundling approach. The cross-cutting cultural ES incorporates cultural values and practices indicators to qualify the impact in all the other ES claims.

FSC initiated the ES PRO revision phase 2 by hiring a specialized consultant. The consultant conducted comprehensive research, including a literature review, market research, and stakeholder interviews. The

interviews were a key component of the conceptual phase of Motion 53/2021 to collect feedback and strengthen collaboration with critical stakeholders. For more information on the consultant's work to support this process, refer to this summary document.

The findings shared by the consultant provided FSC with a clear understanding of potential adaptations to the ES PRO and helped to develop proposals to implement the requests of Motion 53/2021, including recognition of ancestral knowledge and practices, cultural places, and social benefits of the forests while enabling bundling services and claims related to cultural practices with socioenvironmental outcomes. The proposals also aim to create a facilitated process for Indigenous and Traditional Peoples, adapted to their local and cultural dynamics and respecting their Intellectual Property Rights with guidance for FPIC-solid agreements.

As a next step in the conceptual phase, FSC is conducting a public consultation to gather input from stakeholders. The key topics of this consultation include:

Public Consultations Key Topics:

1- **New Impacts and Outcome Indicators** - new impacts and outcome indicators under the ES6 to address the Motion 53/2021 requests with the possibility for local and regional adaptations.
2- **Cross-cutting ES Impact Category -** While "cultural values and practices" are a separate ecosystem service category, they are often accompanied by other ecosystem services provided by the forest. The cultural cross-cutting ES impact category will enable verification of these forest ecosystem services in a model that encompasses a cross-cutting impact evaluation.
3- **New ES claims** - No ecosystem Services claim is necessarily more valuable than any other. However, since cultural claims will most likely be accompanied by other co-benefits (see point 2 above) and include Indigenous and Traditional Peoples, there is an option to give these claims special features and/or value.
4- **Audit Adaptation -** The auditing process of cross-cutting cultural impacts might be beyond the current guidance and auditors' expertise. FSC will have to ensure the right orientation and capacity of Certificate Bodies are in place. At the same time, FSC will be careful about not imposing further costs and burdens on the audit process.
5- **Additional safeguards and guidance on cultural values and practices -** Cultural values and practices are a complex topic. The FSC ES PRO and ES GUI will need additional safeguards and guidance to ensure integrity and smooth implementation.

Note: In the following sections, FSC is presenting several proposals and questions linked to the 5 key topics listed above. These proposals may not be included in the final Working Group ToR for the Phase 2 revision of the Ecosystem Services Procedure. The answers received during this public consultation will be analysed together with the technical analysis and interviews conducted by the consultant.

Type of revision process and timeline

Phase 2 of the procedure revision follows a 'major' process type, as regulated in the <FSC-PRO-01-001 Development and Revision of FSC Requirements>.

Table 3 shows the key activities, milestones, and decision-making bodies that are part of the revision process of Phase 2.

Table 3. Key milestones of the Phase 2 revision of the Ecosystem Services Procedure

	Activity / Milestone / Decision-making body	Estimated Time
1	Consultation in the conceptual phase	16 December 2024 – 14 February 2025
2	Process TOR approved by FSC' Board of Directors	March 2025
3	Working Group composition approved by FSC' Board of Directors	June 2025
5	Kick-off meeting with TWG	July 2025
6	Discussion with members at the FSC General Assembly 2025 in Panama	October 2025
7	Consultation in the drafting phase	March 2026 – April 2026
8	Testing	March-May 2026
10	Final Draft is submitted to FSC's Policy and Standards Committee to provide technical recommendations to FSC's Board of Directors	October 2026
11	Final Draft is submitted to FSC's Board of Directors for decision-making.	November 2026
12	Publication	January 2027

Note: The timeline presented in the table are estimated. The outcomes of the Public Consultation and revision TOR will decide on final scope and therefore necessary time to complete the revision process.

TOPIC 1: NEW IMPACTS AND OUTCOME INDICATORS

Motion 53/2021 asks FSC to expand and strengthen the Cultural Ecosystem Services Claims in the ES PRO by developing and adapting market claims and services for Indigenous and Traditional Peoples. These claims and services should include maintaining and enhancing Indigenous and Traditional Peoples' cultural values and practices, the transmission of ancestral knowledge, health, well-being, and the protection of cultural and archaeological sites.

Indigenous and Traditional Peoples' precious values, knowledge, and practices are transmitted locally in the communities through generations. However, due to societal changes, these cultural elements are increasingly at risk, warranting special attention to prevent further loss. Findings from the conceptual phase literature review, supported by interview insights, emphasize the need for long-term sponsorship projects that recognize the cultural aspects integral to Indigenous and Traditional ways of life. These aspects are closely linked to environmental conservation and the sustainable maintenance of ecosystem services.

The FSC ES PRO V2-0, through its "Cultural Values and Practices ES Claims (ES6)", aims to reinforce the importance of the Indigenous and Traditional Peoples' culture by positioning these communities as central to preserving and enhancing positive ES impacts. This approach also aligns with the FSC's recognition of the importance of the High Conservation Values (5 and 6), emphasizing the community

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needs, cultural sites, and Indigenous Cultural Landscapes.

In response to Motion 53/2021, FSC is proposing further adaptations to the ES PRO to include new Impacts and Outcome Indicators under the ES Cultural Claim (ES6). This initiative seeks to emphasize the importance of preserving and strengthening Indigenous and Traditional Peoples' cultural values, ancestral knowledge, cultural sites, and community health and well-being.

Below are the FSC proposals related to Topic 1. New Impacts and Outcome Indicators:

Proposals Related to Topic 1: New Impacts and Outcome Indicators:

Table 4: Proposals related to New Impacts and Outcome Indicators to address M53.

Background information		Proposals Phase 2	
Motion 53 Requests	**Covered in Phase 1 ES PRO V2-0 (to be published in January 2025)**	**Cultural Values and Practices Impacts**	**Outcome Indicators**
1) **"Protection and maintenance of cultural and ancestral knowledge and practices, including the guardianship and mentoring of the next generations."**	*"Impact ES6.1/ ES6.2:* *"Maintenance/Enhancement of cultural and ancestral knowledge, practices, and language."* Type of Outcome Indicators under the Impact ES6.1/ ES6.2: a) *"Extent of protected areas or sites in the forest that are of importance for cultural practices."* b) *"Socio-cultural and environmental benefits resulting from their connection to the forest."*	**No proposal**: FSC will keep as it is the Impacts ES 6.1 and 6.2 included in ES PRO V2-0 to be published in January 20205, including: ***Impact ES6.1/ ES6.2:*** *"Maintenance/Enhancement of cultural and ancestral knowledge, practices, and language."*	**Proposal 1.1** FSC to include **new Outcome Indicators under** ES61/ ES6.2: • *"Level of the presence of ancestral culture and knowledge in the community."* • *"Number of cultural activities community does to reinforce the ancestral knowledge transmission and cultural practices."* **Proposal 1.2:** Any additional outcome indicators should be developed based on the following criteria: • Qualitative assessment based on community members' testimonials (interviews) • Observations of the community dynamics. • Incorporation of community controls.

2) **"Protection and maintenance of cultural places and archaeological sites."**	**Impact ES6.3/ ES6.4:** "*Maintenance/Enhancement of culturally valued populations or species.*" Type of Outcome Indicators under the Impact ES6.3/ ES6.4: a) *"Culturally valued species or populations."* b) *"Habitats protected by traditional, Indigenous practices."*	**Proposal 2.1:** FSC should expand on impacts ES6.3/ ES6.4 included in ES PRO V2-0 to be published in January 20205: And Consider adding to these Impacts: "*Maintenance/Enhancement of cultural and archaeological sites.*" *E.g:* **ES6.3/ ES6.4:** *"Maintenance/Enhancement of culturally valued populations or species and/or archaeological sites."*	Conceptual Phase research **did not identify a need for additional outcome indicators** for those included in Impact ES6.3/ ES6.4. **Proposal 2.2:** Any additional outcome indicators should be developed based on the following criteria: • Qualitative assessment based on community members' testimonials (interviews) • Observations of the community dynamics. • Incorporation of community controls.
3) **"Strengthened social benefits of forests, including health and well-being."**	Solutions were not included the ES PRO V2-0. To be published in January 2025	**Proposal 3.1** FSC should expand on impacts under ES 6 Cultural practices and values and add: **ES 6.5/ ES 6.6** *"Maintenance/Enhancement of the socioenvironmental conditions that enable food security."* **ES6.7/ES 6.8** *"Maintenance/Enhancement of the community's sense of belonging and self-determination."*	**Proposal 3.2** Based on Conceptual Phase research, the proposal is to consider the following **new outcome indicator** under the impacts *ES 6.5/ ES 6.6 and ES6.7/ES 6.8. This is correlated to the High Conservation Value 5. (HCV5):* • *Sites and resources fundamental for satisfying the basic necessities of local communities* or Indigenous Peoples* (for livelihoods, health, nutrition, water, etc.), identified through engagement* with these communities or Indigenous Peoples*.* **Proposal 3.3:** Any additional outcome indicators should be developed based on the following criteria: • Qualitative assessment based on community members' testimonials (interviews) • Observations of the community dynamics. • Incorporation of community controls.

4) **"Consider additional cultural practice claims that have a specific social or environmental outcome, such as the use of traditional fire practices that combat biodiversity loss and climate change-driven wildfires."**	Solutions were not included the ES PRO V2-0. To be published in January 2025	**Proposal 4.1** FSC should create impacts under ES 6 Cultural practices and values and add: ***ES6.9/ ES6.10:*** *"Maintenance/Enhancement of traditional stewardship practices that generate social and/or environmental outcomes"*	**Proposal 4.2** Based on Conceptual Phase research, the proposal is to consider the following **new outcome indicators** under impacts *ES6.9/ ES6.10*: • *"Number of traditional stewardship practices the community does that have social and/or environmental outcomes."* **Proposal 4.3:** Any additional outcome indicators should be developed based on the following criteria: • Qualitative assessment based on community members' testimonials. • Incorporation of community controls. • Incorporation of health authorities / third parties' controls.

Additional Proposal linked to Topic 1

Proposal 5: Based on the feedback received during the conceptual phase, FSC understands there is a need to enable local and/or regional adaptations of the impacts and outcome indicators. FSC is therefore proposing to include flexibility in making such local/ regional adaptations in the revised ES PRO.

Summary of Proposals Related to Topic 1

Proposal 1.1: FSC to include new Outcome Indicators under ES61/ ES6.2: "Level of the presence of ancestral culture and knowledge in the community" and "Number of cultural activities community does to reinforce the ancestral knowledge transmission and cultural practices."

Proposal 1.2: FSC to provide criteria to develop new outcome indicators to ES61/ ES6.2.

Proposal 2.1: FSC should expand on impacts ES6.3/ ES6.4 included in ES PRO V2-0 to be published in January 20205 and consider adding to these Impacts: "Maintenance/Enhancement of cultural and archaeological sites."

Proposal 2.2: FSC to provide criteria to develop new outcome indicators to ES6.3/ ES6.4

Proposal 3.1: FSC should expand on impacts under ES 6 Cultural practices and values and add ES6.5/ ES6.6 Maintenance/Enhancement of the socioenvironmental conditions that enable food security." And ES6.7/ES 6.8 "Maintenance/Enhancement of the community's sense of belonging and self-determination."

Proposal 3.2: FSC to include new Outcome Indicator under ES6.5/ ES6.6 and ES6.7/ES 6.8 "Provision offers of food and water to sustain the community's ways of life."

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Proposal 3.3: FSC to provide criteria to develop new outcome indicators to ES6.5/ ES6.6 and ES6.7/ES 6.8

Proposal 4.1: FSC should create impacts under ES 6 Cultural practices and values and add ES6.9/ ES6.10 "Maintenance/Enhancement of traditional stewardship practices that generate social and/or environmental outcomes."

Proposal 4.2: FSC to include new Outcome Indicator under ES6.9/ ES6.10 "Number of traditional stewardship practices the community does that have social and/or environmental outcomes."

Proposal 4.3: FSC to provide criteria to develop new outcome indicators to ES6.9/ ES6.10

Proposal 5: FSC enable flexibility to make local or/ and regional adaptations of the impacts and outcome indicators.

Questions

Related to Topic 1

a) To what extent do you agree with **proposal 1.1** - New outcome indicators under ES61/ ES6.2? (1 - Strongly disagree; 5 - Strongly agree)

b) Please provide the rationale for your answer and/or any suggestions for improvement.

c) To what extent do you agree with **proposal 1.2** - Provide criteria to develop new outcome indicators to ES61/ ES6.2.? (1 - Strongly disagree; 5 - Strongly agree)

d) Please provide the rationale for your answer and/or any suggestions for improvement.

e) To what extent do you agree with **proposal 2.1** - Expand the impacts ES6.3/ ES6.4? (1 - Strongly disagree; 5 - Strongly agree)

f) Please provide the rationale for your answer and/or any suggestions for improvement.

g) To what extent do you agree with **proposal 2.2** - Provide criteria to develop new outcome indicators to ES6.3/ ES6.4? (1 - Strongly disagree; 5 - Strongly agree)

h) Please provide the rationale for your answer and/or any suggestions for improvement.

i) To what extent do you agree with **proposal 3.1** - Add the impacts ES6.5/ ES6.6 and ES6.7/ES 6.8? (1 - Strongly disagree; 5 - Strongly agree)

j) Please provide the rationale for your answer and/or any suggestions for improvement.

k) To what extent do you agree with **proposal 3.2** - New outcome indicator under ES6.5/ ES6.6 and ES6.7/ES 6.8? (1 - Strongly disagree; 5 - Strongly agree)

l) Please provide the rationale for your answer and/or any suggestions for improvement.

m) To what extent do you agree with **proposal 3.3** - Provide criteria to develop new outcome indicators to ES6.5/ ES6.6 and ES6.7/ES 6.8?

n) Please provide the rationale for your answer and/or any suggestions for improvement.

o) To what extent do you agree with **proposal 4.1** - Add the impacts ES6.9/ ES6.10? (1 - Strongly disagree; 5 - Strongly agree)

p) Please provide the rationale for your answer and/or any suggestions for improvement.

q) To what extent do you agree with **proposal 4.2** - New Outcome Indicator under ES6.9/ ES6.10? (1 - Strongly disagree; 5 - Strongly agree)

r) Please provide the rationale for your answer and/or any suggestions for improvement.

s) To what extent do you agree with **proposal 4.3** - Provide criteria to develop new outcome indicators for ES6.9/ ES6.10?

t) Please provide the rationale for your answer and/or any suggestions for improvement.

u) FSC seeks to confirm whether the request of M53/2021 "develop services and claims to strengthen the social benefits of forests, including health and well-being" has been accurately understood and presented, focusing on enhancing Indigenous and Traditional Peoples' health and well-being. FSC wants to ask the stakeholders' feedback on this interpretation during the Public Consultation. Do you agree with this FSC approach?

v) Please provide the rationale for your answer and/or any suggestions for improvement.

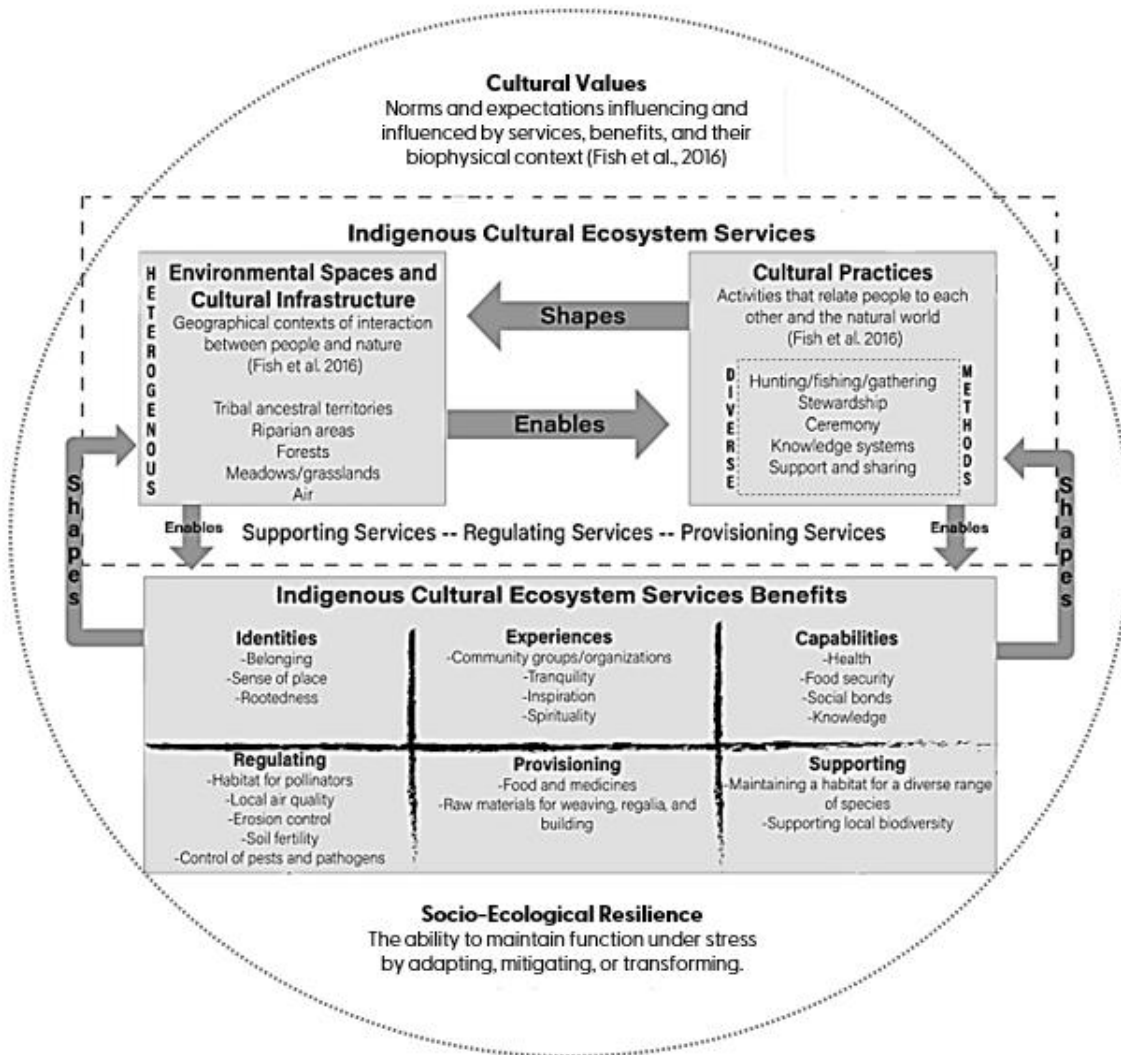## TOPIC 2: CROSS-CUTTING ES IMPACT CATEGORY

Indigenous and Traditional Peoples' interactions with nature and stewardship practices do not categorize the natural environment into ecosystem services categories as the more scientific approaches often do. Indigenous and Traditional Peoples are guided by their ancestral and traditional values and beliefs and therefore they consider that nature encompasses biophysical and sociocultural elements that those elements are fully interconnected.

Note: The biophysical aspects of Indigenous and Traditional landscapes include categories of ecosystem services such as supporting, provisioning, and regulating. The sociocultural aspect of the landscapes encompasses cultural identity, experiences, skills, connection to the land, well-being, and spirituality. There are strong interconnections between these two spheres. See Figure 1.

Indigenous and Traditional Peoples' values and practices significantly shape the natural and social environments of their lands, therefore contributing substantially to nature conservation. This holistic approach is presented by Mucioki et al. (2021)[1] and can be illustrated by the image below.

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[1] Mucioki, Megan & Sowerwine, Jennifer & Sarna-Wojcicki, Daniel & Lake, Frank & Bourque, Shawn. (2021). Conceptualizing Indigenous Cultural Ecosystem Services (ICES) and Benefits under Changing Climate Conditions in the Klamath River Basin and Their Implications for Land Management and Governance. Journal of Ethnobiology. 41. 10.2993/0278-0771-41.3.313.

> Note: Motion 53/2021, requests FSC **to "enable bundling services and claims."** ES PRO V2 to be published in January 2025 includes the following definition of bundling: a possibility to package and promote together (as a bundle) multiple ES impacts from ES Project to one or more sponsors.

ES PRO V2-0 already enables the bundling of ES Impacts as per the definition above. However, research and stakeholder interviews emphasize the importance of enabling an additional option that goes a step further than the option included in ES PRO V2-0.

The research and interviews conducted during the conceptual phase highlighted the importance of enabling an option to show the impact of Indigenous Peoples' practices on other ecosystem services in their landscapes. For example, through the cultural impact verification, the conservation of a site was due to the community's religious beliefs. This cultural value can influence the other ES categories, such as of water, biodiversity, carbon, soil. In response, FSC has designed additional proposals: **Proposal 6**: clauses to enable the "Cultural Cross-Cutting ES"[2] model and **Proposal 7** about how to name this impact

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[2] "Cultural Cross-Cutting ES" is a name suggestion for this proposal. FSC, through this public consultation, incentivizes stakeholders feedback on the name and aim to gather further names' proposals.
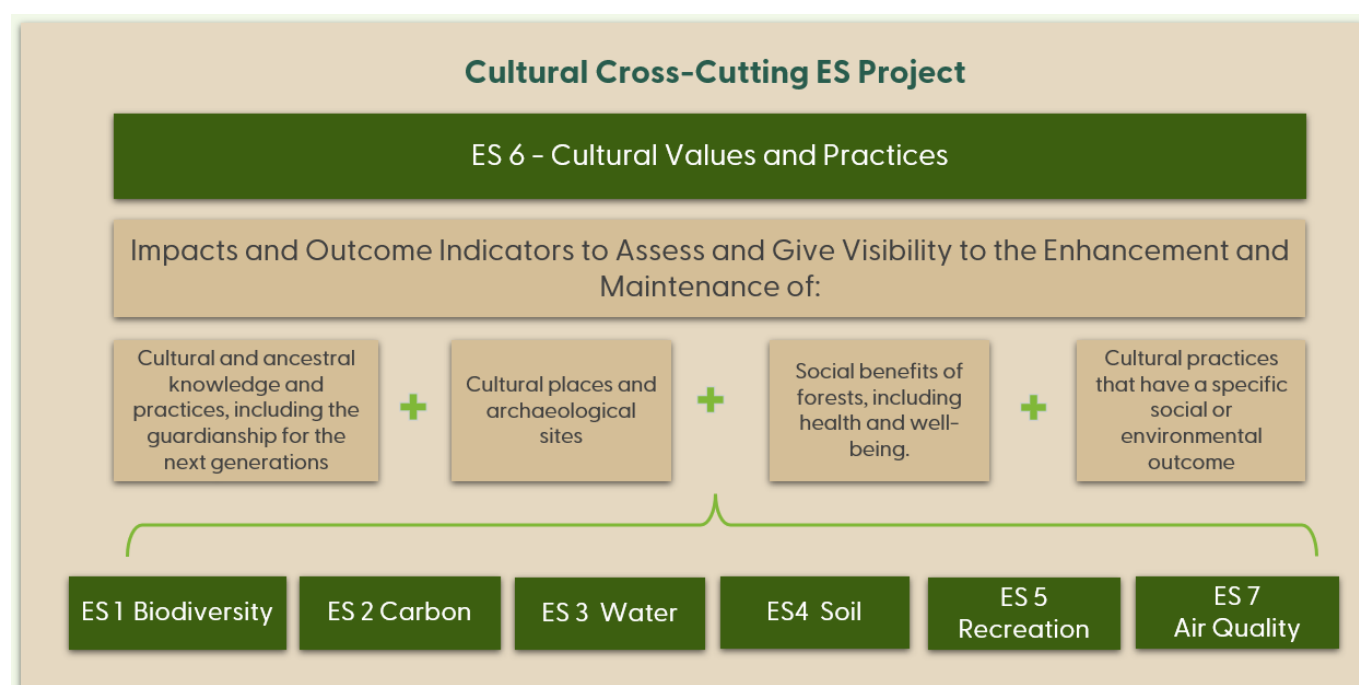
verification model.

Proposals related to Topic 2: Cultural Cross -Cutting ES

FSC proposes to create clauses in the ES PRO to show the impacts of Indigenous and Traditional Peoples' practices and the Cultural practices and values on other ES Impacts **(proposal 6)**

The ES category of cultural values and practices (ES6) would enable the demonstration of the interconnections between Indigenous and Traditional Peoples' cultural values and practices and their influence on activities that sustain or improve other ecosystem services, including biodiversity, carbon, water, soil, recreation, and air quality. Figure 2 below provides a summary of the proposal.

Figure 2 - The "Cultural Cross-Cutting ES" project proposal

Summary of Proposals:

Proposal 6: Establish clauses in the ES PRO to allow and regulate "Cultural Cross-Cutting ES" projects in Indigenous and Traditional Peoples' territories.

Proposal 7: FSC is proposing the Cultural Cross-Cutting ES as a name for this model. However, stakeholders are welcome to provide feedback and further naming suggestions.

Questions:

   a) To what extent do you agree with **proposal 6** - Creating the necessary new clauses in the ES PRO to allow and regulate "Cultural Cross-Cutting ES" model? (1 - Strongly disagree; 5 - Strongly agree)
   b) Please provide the rationale for your answer and/or any suggestions for improvement.

c) To what extent do you agree with **proposal 7 –** Call the **proposal 6** model a "Cultural Cross-Cutting ES"? (1 - Strongly disagree; 5 - Strongly agree)

d) Please provide the rationale for your answer and/or other naming suggestions.

TOPIC 3: CREATION OF A CULTURAL CROSS-CUTTING ES CLAIM

FSC would like to give more visibility to the work and impacts developed under Indigenous and Traditional Peoples' ES projects as well as enable communication showcasing that those ES verified impacts were achieved thanks to these communities' traditional knowledge, cultural values, and practices.

Proposals related to Topic 3: Cultural Cross-Cutting ES claims.

Following Proposal 6 of creating Cross – Cutting model, FSC would like to also enable new claim category: The Cultural Cross-Cutting ES Claim **(Proposal 8).**

The advantage of this new "Cultural Cross-Cutting ES" Claim lies in its ability to convey that positive ES impacts are achieved thanks to the maintenance or enhancement of cultural values and practices of Indigenous and Traditional Peoples and their sociocultural well-being. This new ES claim would acknowledge and communicate to consumers and society that the ES verified impact was achieved through collaboration or led by Indigenous and Traditional Communities and is deeply rooted in their stewardship and traditional practices. They also honor and elevate traditional knowledge, empowering these communities to continue living in harmony with their environments and keeping their cultural values and practices alive.

This represents is a pioneering initiative on a global scale. Although similar initiatives exist in the market, such as high-integrity carbon credits and conservation projects involving Indigenous and Traditional Peoples, the "Cultural Cross-Cutting ES" Claim aims to go further and give visibility to the positive environmental impact through the cultural elements of these communities. These aspects not only enhance the ES projects for the market but also enhance the Indigenous and Traditional Peoples' cultural valorization, self-determination, and thrive.
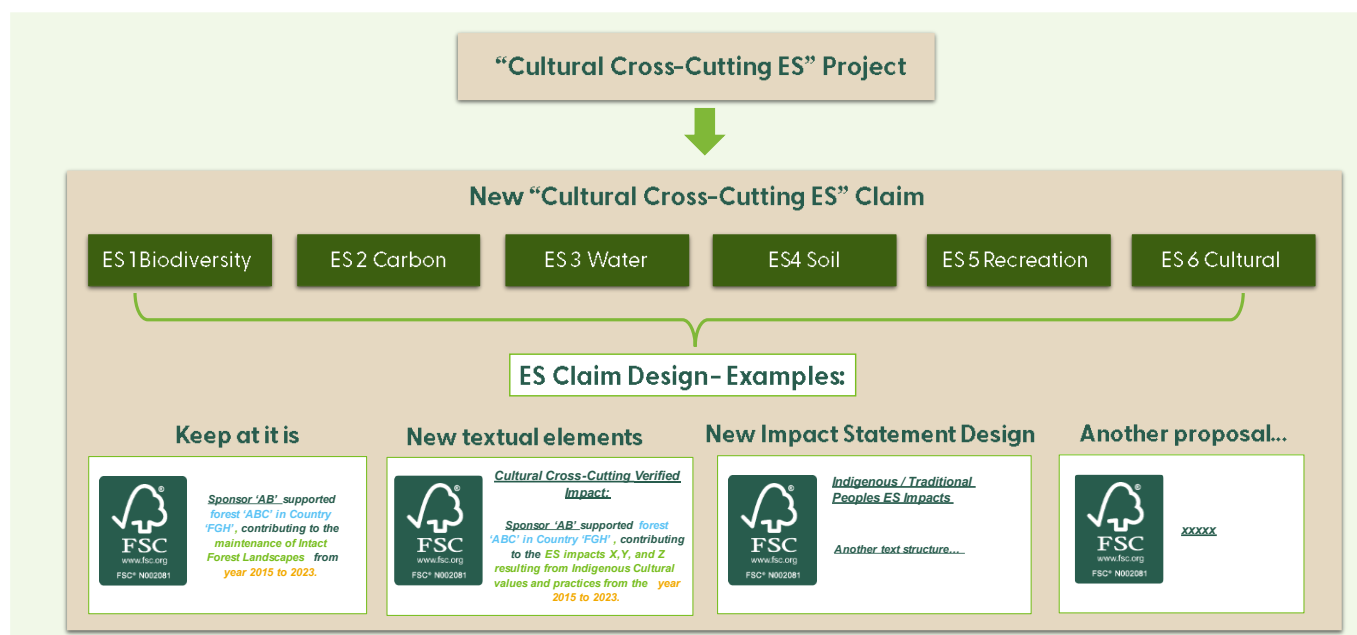
FSC would like to propose improvements to the current ES PRO Claims design for the Cultural Cross-Cutting Claims **(Proposal 9)**

Depending on the stakeholders' feedback, FSC can evaluate the possibility of including new elements in the ES impact statement. Although the new cultural cross-cutting claim could slightly differ from the other ES claims, the key elements of the FSC trademark requirements (as defined in <u>FSC-STD-50-001 Requirements for Use of the FSC Trademarks by Certificate Holders></u> will have to remain the same.

Improvements in the new claims cross-cutting claims can include:
- A new layout,
- New text combination and any other element that indicates these impacts were achieved by Indigenous and Traditional Peoples' cultural values and practices, as illustrated in Figure 3.

Figure 3 - Possible new ways of designing the "Cultural Cross-Cutting ES" Claim

Summary of Proposals:

Proposal 8: Create the necessary clauses in the ES PRO to allow the issue of this new cross-cutting claim option.

Proposal 9: Design the new "Cultural Cross-Cutting ES" claim dedicated to Indigenous and Traditional Peoples. with a new impact statement design, new textual elements, narratives.

Questions:

a) To what extent do you agree with **proposal 8** - Creating the necessary clauses in the ES PRO to allow the issue of this new Cultural Cross-Cutting ES Claim option? (1 - Strongly disagree; 5 - Strongly agree)

b) Please provide the rationale for your answer and/or any suggestions for improvement.

c) According to **proposal 9**, how should the new "Cultural Cross-Cutting ES" claim be differentiated? (Allow multi-selection responses: 1- Keep as it is; 2- Different textual elements; 3- Different impact statement design; 4- Another Proposal; (if so, please say what could be different).

d) Please provide the rationale for your answer and/or any suggestions for improvement.

TOPIC 4 : AUDIT ADAPTATIONS

Motion 53/2021 requests FSC to ''*adapt the verification methods for the Indigenous and Traditional Peoples' realities, facilitating this process for the communities and using local and ongoing verification methods*''.

During the research and interviews of the conceptual phase, FSC collected feedback about the necessity

of adjusting the audit process to enable a trusted and effective verification of Cultural ES impacts, especially taking into consideration the possibility of adding the cross- cutting cultural impact model **(Proposal 6)**

Proposals related to Topic 4: Audit adaptations

Further strengthening encompasses the requirement to follow, complementary to the FSC ES PRO V2-0 clauses, the FSC-PRO-30-011 V1-0 EN Continuous Improvement Procedure clauses related to audits in Small and Low-Intensity Managed Forests (SLIMF)—refer to Part II, item 7. These clauses should also be used to audit the ES verification impacts projects with cultural ES impacts (**proposal 10**).

Furthermore, ES PRO should require that the auditors possess anthropological and social skills and/or experience in working with Indigenous and Traditional Peoples (**proposal 11**).

Summary of Proposals:

Proposal 10: Develop clauses in the ES PRO requesting that the Cultural ES audits follow, on top of the existing clauses, the clauses for the audits in SLIMF, according to Part II, Item 7 of FSC-PRO-30-011 V1-0 EN Continuous Improvement Procedure.

Proposal 11: Develop clauses in the ES PRO requesting that cultural ES audits be conducted by auditors with anthropological and social skills and/or experience working with Indigenous and Traditional Peoples.

Questions:

   a) To what extent do you agree with **proposal 10**, which states that the Cultural ES audits need to follow, complementary to the ES PRO V2-0 clauses, the clauses for audits in SLIMF, according to CIP? (1 - Strongly disagree; 5 - Strongly agree)

   b) Please provide the rationale for your answer and/or any suggestions for improvement.

   c) To what extent do you agree with **proposal 11**, which proposes that the Cultural ES audits must be conducted by auditors with anthropological and social skills and/or experience working with Indigenous and Traditional Peoples? (1 - Strongly disagree; 5 - Strongly agree)

   d) Please provide the rationale for your answer and/or any suggestions for improvement.

   e) What are your additional suggestions for making the ES Cultural audit process more streamlined and cost-effective?

TOPIC 5: ADDITIONAL SAFEGUARDS TO BE ADDED AS REQUIREMENTS OR GUIDELINES.

FSC operates under a comprehensive framework to ensure safeguards for Indigenous and Traditional Peoples, primarily through Principles 3 and 4 of the FSC-STD 01-001 FSC Principles and Criteria for Forest Stewardship. This framework includes, at its core, the Free, Prior, and Informed Consent (FPIC) process and Indigenous and Traditional peoples' rights. However, the research and interviews conducted

in the conceptual phase highlighted the importance of FSC in <u>creating additional guidelines or/ and requirements (normative clauses)</u> to cover the specific aspects of developing the cultural ES impacts and working with the Indigenous and Traditional Peoples.

Such guidelines related to the ES PRO to strengthen the adherence to FPIC process and Indigenous and Traditional Peoples' rights should be focused on two pillars.

Proposals related to Topic 5: Additional safeguards to be added as requirements or guidelines.

- **Participatory Project Design and Implementation (proposal 12)**

It is recommended that the FSC research and establish guidelines to encourage the formation of a multi-stakeholder and participatory team on the ground. The project team must involve a broad Indigenous and Traditional Peoples' community representativeness to ensure transparency and create a meaningful project for the community, aligning with their collective aspirations and contributing to environmental conservation and/or restoration within their territories. A standardized approach does not exist across diverse community contexts. However, during the research phase, it was identified that ES projects are more likely to succeed when designed and led by the Indigenous and Traditional communities and involve the participation of other stakeholders. The other stakeholders that could comprise this team are the FM certificate holders, sponsors, local experts, NGOs that support the communities, project developers, and other important actors identified during the project development. This team would ensure democratic participation from the community members and the proper design and development of the project while adhering to FSC safeguards and guidelines in projects involving Indigenous and Traditional Peoples. The creation of this project team should start during the FPIC process, contributing to a robust and comprehensive FPIC agreement and further fair benefit-sharing model. The governance model should be easy to implement and adapted to each local context and complexity to avoid imposing unnecessary burdens on the project. This proposal aims to allow a participatory process and transparency, not to impose more requirements.

This safeguard can be placed in the procedure as a normative requirement or as guidelines in a guidance document. FSC aims to receive your feedback on the best way to address this request.

- **Ethical Communication about Cultural Aspects (proposal 13)**

Communicating about the Indigenous and Traditional Peoples' cultural aspects requires a careful and sensitive approach that ensures recognition, respect, and alignment with the communities while guaranteeing intellectual property rights. FSC would research, test, and consult on creating proper recommendations and guidance on how the ES PRO users should communicate Cultural ES impacts and their associated claims.

The current revision of the ES PRO V1-2 already provided normative requirements clarifying the certificate holder's ownership of the impacts. However, for the cultural ES Claims involving Indigenous and Traditional Peoples, the intellectual property rights of the cultural values and practices should be addressed for the communities involved in the project. So, developing this example of specific guidance for ES PRO users is essential to provide the confidence to develop and sponsor the cultural ES claims.

This guideline can be placed in the procedure as a normative requirement or as guidelines in a guidance document. FSC aims to receive your feedback on the best way to address this request.

Conceptual Report for Phase II of the revision of the Ecosystem Services Procedure (FSC-PRO-30-006) Consultation materials related to the incorporation of Motion 53/2021.

Summary of Proposals:

Proposal 12: Create safeguards for Cultural ES regarding participatory project design and implementation.

Proposal 13: Create safeguards for cultural ES projects regarding ethical communication and assuring Indigenous and Traditional Peoples' intellectual property rights.

Questions:

a) To what extent do you agree with **proposal 12**- Create project design and implementation team requirements or guidelines? (1 - Strongly disagree; 5 - Strongly agree)

b) Should **proposal 12** be a normative requirement or guidelines in a guidance document?

c) Please provide the rationale for your answer and/or any suggestions for improvement.

d) To what extent do you agree with **proposal 13** -Create requirements or guidelines regarding ethical communication and assuring Indigenous and Traditional Peoples' intellectual property rights.? (1 - Strongly disagree; 5 - Strongly agree)

e) Should **proposal 13** be a normative requirement or guidelines in a guidance document?

f) Please provide the rationale for your answer and/or any suggestions for improvement.

g) What additional requirements or guidelines regarding the safeguards do you think need to be in place to cover the specific aspects of developing the cultural ES impacts and working with Indigenous and Traditional Peoples?

h) Please provide the rationale for your answer and indicate whether you consider this should be a normative requirement or guideline.

6. Terms and Definitions

Continuous Improvement Procedure (CIP): FSC procedure that allows its users to achieve FSC forest management certification based on conformity to only a subset of the requirements of the applicable FSC standard, offering flexible steps towards full conformity with all the remaining requirements within the first certification cycle or, in case of group members, the first 5 years of the group membership. (Source: FSC-PRO-30-011 V1-0 - Continuous Improvement Procedure)

Culture: From an anthropological perspective, culture is a dynamic system of shared values, norms, knowledge, meanings, symbols, and practices that distinguish and characterize a social group. It encompasses everything learned, interpreted, and transmitted through daily interactions and social practices. Cultural aspects include social organization systems, religion, beliefs, community cohesion, ways of knowing and interacting with nature, dietary habits, modes of dress, language, art, and technology. (Source: Matta, Priscila. (2024) – Adapted from Geertz, Clifford. (1973). The interpretation of cultures: selected essays. New York: Basic Books)

Free, Prior, and Informed Consent (FPIC): A legal condition whereby a person or community can be said to have given consent to an action prior to its commencement, based upon a clear appreciation and understanding of the facts, implications and future consequences of that action, and the possession of all relevant facts at the time when consent is given. Free, prior and informed consent includes the right to grant, modify, withhold or withdraw approval (Source: . Based on the Preliminary working paper on the principle of Free, Prior and Informed Consent of Indigenous Peoples (…) (E/CN.4/Sub.2/AC.4/2004/4 8 July 2004) of the 22nd Session of the United Nations Commission on Human Rights, Sub-commission on the Promotion and Protection of Human Rights, Working Group on Indigenous Populations, 19–23 July 2004).

High Conservation Value (HCV): Any of the following values:
• HCV1: Species Diversity. Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.
• HCV 2: Landscape-level ecosystems and mosaics. Intact Forest Landscapes, large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
• HCV 3: Ecosystems and habitats. Rare, threatened, or endangered ecosystems, habitats or refugia.
• HCV 4: Critical ecosystem services. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
• HCV 5: Community needs. Sites and resources fundamental for satisfying the basic necessities of local communities or Indigenous Peoples (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or Indigenous Peoples.
• HCV 6: Cultural values. Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or Indigenous Peoples, identified through engagement with these local communities or Indigenous Peoples.
(Source: FSC-STD-01-001 V5-2).

Indigenous Peoples: People and groups of people that can be identified or characterized as follows:
• The key characteristic or Criterion is self-identification as Indigenous Peoples at the individual level and acceptance by the community as their member;
• Historical continuity with pre-colonial and/or pre-settler societies;
• Strong link to territories and surrounding natural resources;
• Distinct social, economic or political systems;
• Distinct language, culture and beliefs;

• Form non-dominant groups of society;
• Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.
(Source: FSC-STD-01-001 V5-2. Adapted from United Nations Permanent Forum on Indigenous, Factsheet 'Who are Indigenous Peoples' October 2007; United Nations Development Group, 'Guidelines on Indigenous Peoples' Issues' United Nations 2009, United Nations Declaration on the Rights of Indigenous Peoples, 13 September 2007).

Indigenous cultural landscapes: Indigenous cultural landscapes are living landscapes to which Indigenous Peoples attribute environmental, social, cultural and economic value because of their enduring relationship with the land, water, fauna, flora and spirits and their present and future importance to their cultural identity. An Indigenous cultural landscape is characterized by features that have been maintained through long-term interactions based on land-care knowledge, and adaptive livelihood practices. They are landscapes over which Indigenous Peoples exercise responsibility for stewardship. NOTE: The adoption of the term Indigenous cultural landscapes is voluntary by Standard Development Groups. Standard Development Groups may choose not to use it. Through Free Prior an Informed Consent Indigenous Peoples may choose to use different terminology. (Source: FSC-STD-60-004 V2-1 EN - International Generic Indicators).

Intellectual property: Practices as well as knowledge, innovations and other creations of the mind (Source: FSC-STD-60-004 V2-1 EN - International Generic Indicators - Based on the Convention on Biological Diversity, Article 8(j); and World Intellectual Property Organization. What is Intellectual Property? WIPO Publication No. 450(E)).

Lands and territories: For the purposes of the Principles and Criteria these are lands or territories that Indigenous Peoples or local communities have traditionally owned, or customarily used or occupied, and where access to natural resources is vital to the sustainability of their cultures and livelihoods (Source: FSC-STD-01-001 V5-2 - Based on World Bank safeguard OP 4.10 Indigenous Peoples, section 16 (a). July 2005.).

Traditional Knowledge: Information, know-how, skills and practices that are developed, sustained and passed on from generation to generation within a community, often forming part of its cultural or spiritual identity (Source: FSC-STD-60-004 V2-1 EN - International Generic Indicators - Based on the definition by the World Intellectual Property Organization (WIPO). Glossary definition as provided under Policy / Traditional Knowledge on the WIPO website).

Traditional peoples: Traditional peoples are social groups or peoples who do not self-identify as indigenous and who affirm rights to their lands, forests and other resources based on long established custom or traditional occupation and use (Source: FSC-STD-01-001 V5-2. Based on Forest Peoples Programme (Marcus Colchester, 7 October 2009).