



CONSULTATION REPORT OF FSC- PRO-30-006 V2-0 D2-0

Ecosystem Services Procedure

20/09/2024



Title:	Consultation Report of FSC-PRO-30-006 V2-0 D2-0
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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 first public consultation of Draft 1-0 of the Ecosystem Services Procedure took place between 16 January and 17 March 2023.

Based on feedback received from the last public consultation, FSC and the technical working group updated the draft procedure and launched it for second public consultation. Key topics in Draft 2-0 include:

1. Preconditions and additional safeguards for forest managers and sponsors
2. Parts and sections in Draft 2-0 clearly specify the relevant actor(s)
3. Improved terms and definitions
4. Revised ecosystem services (ES) impacts and the new ES category: Air quality
5. Clear distinction between verified ES impacts and ES claims
6. Clear distinction between storytelling and performance approaches
7. More robust impact demonstration requirements
8. Expanded revenue sharing mechanism
9. Improved requirements for the promotion of verified ES impacts
10. Clearer requirements for FM groups
11. Improved requirements for certification bodies

The second public consultation of Draft 2-0 of the Ecosystem Services Procedure took place between 10 April and 9 June 2024.

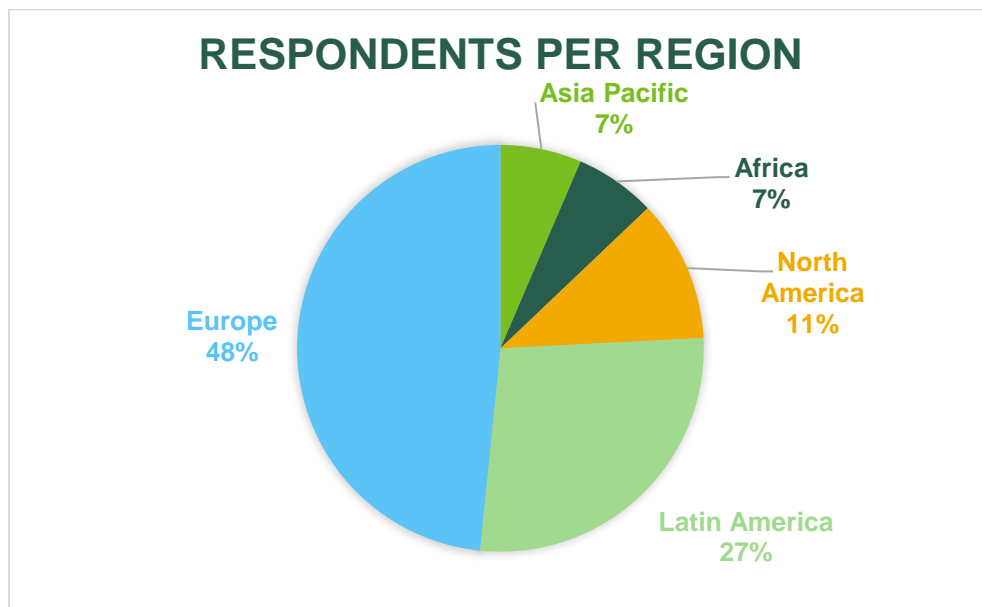
You will find more information of the revision process on the current processes site:

<https://connect.fsc.org/current-processes/revision-fsc-pro-30-006-ecosystem-services-procedure>

B. MAIN STAKEHOLDERS WHO PROVIDED RESPONSES IN THE CONSULTATION

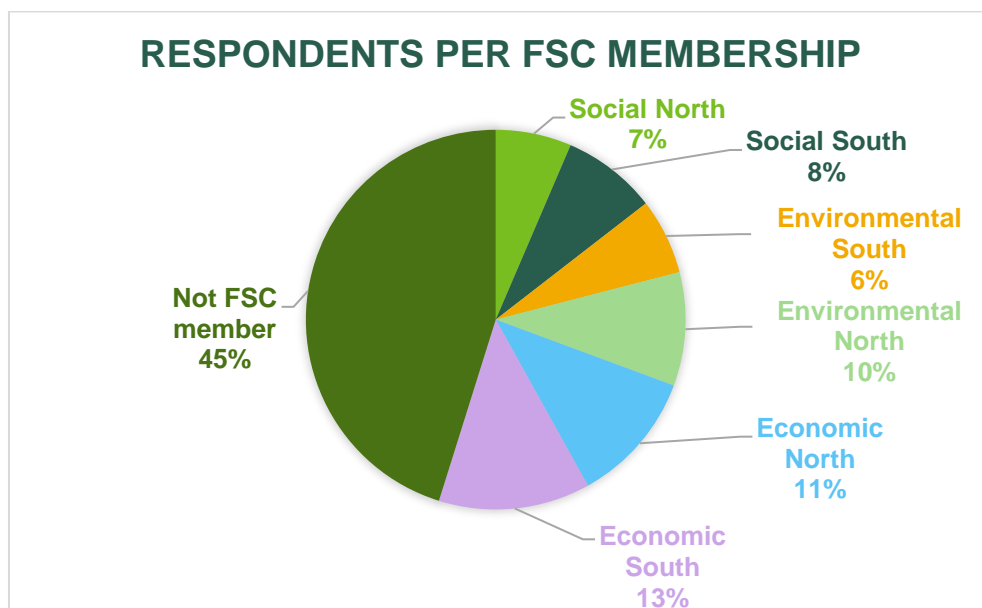
A total of 62 people responded to the consultation questions.

Region: Almost half of the respondents were from Europe (30 respondents), followed by Latin America and North America.



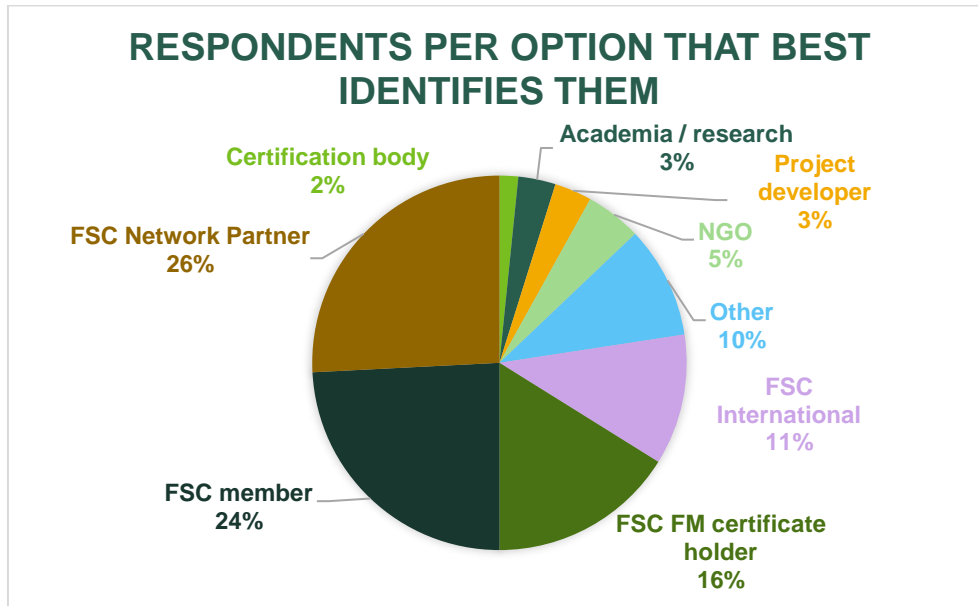
Membership: More than 1/2 of respondents were “FSC members” (34 respondents).

Most of the member respondents belong to the “Economic chamber” (15 respondents), followed by the “Environmental chamber” and the “Social chamber”.



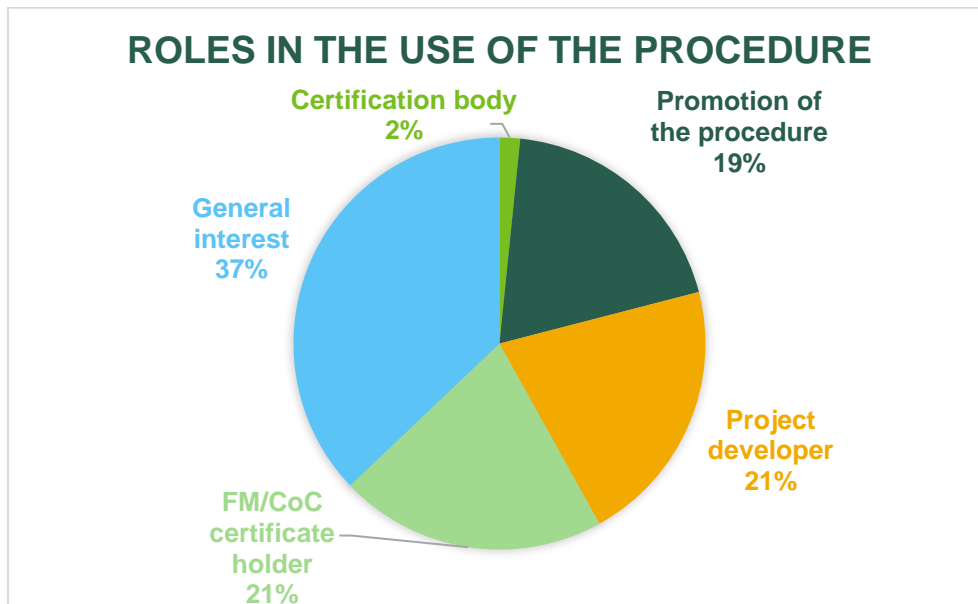
Option that best identifies you: Participants were asked to identify themselves regarding the option that best identifies them. Many respondents that confirmed they are an “FSC member” (as per question “membership”) also selected options like “Certificate Holder” or “NGO”. Many FSC members did not select a different option and remained as “FSC member”.

1/4 of the respondents were FSC “Network Partners” (16 respondents), followed by “FSC member” (which did not identify themselves as other option), “Certificate holders”, and more.



Roles in the use of the procedure: Participants were asked to respond on their potential role in the use of the procedure.

A bit more than 1/3 of the respondents chose “General interest” (23 responses), followed by “FM/CoC certificate holder”, “Project Developer”, and more.



C. KEY INSIGHTS OBTAINED FROM THE CONSULTATION RESPONSES

The questions in the consultation were structured as per the Parts and Sections in Draft 2-0.

Topics

1) Overall assessment of the procedure

2) Section C. Terms and Definitions

3) Part I: General Requirements

4) Part II: Impact demonstration

5) Part III: Preparing for the use of verified ES Impacts

6) Part IV: Promotion of verified ecosystem services impacts

7) Part V: Requirements for certification bodies

8) Annex A. Content of the ecosystem services report (ESR)

9) Annex B. Impacts, indicators and measurements

10) Closing

Each topic included closed questions and open questions.

- Closed questions asked participants to choose an answer ranging between 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree).
- 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: "FSC membership", "Option that best identifies respondents" (e.g., Certificate Holder, Network Partner), and "Roles in the use of the procedure" (i.e., project developer.)
3. Keep in mind that "FSC members" can also appear as "Certificate Holder" under "option that best identifies respondents").
4. For each category of respondents, the average rating of all participants in that category is shown. The number "1" indicates total disagreement and "5" 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. The colour distribution depends on the range that exists in each table. This means, one value (e.g., 3.0) might have different colours in different tables, if the value ranges are different.
5. After the closed questions, the analysis of the open questions follows. Here, FSC presents how key insights obtained from the consultation were addressed in Draft 2-0.

D. ABBREVIATIONS

CF	Community Forest
CFM	Controlled Forest Management
CIP	Continuous Improvement Procedure
CoC	Chain of Custody
ES	Ecosystem Services
ESR	Ecosystem Services Report
FM	Forest Management
FM/CoC	Joint Forest Management and Chain of Custody certification
FPIC	Free, Prior, and Informed Consent
FSC	Forest Stewardship Council
HCV	High Conservation Value
MU	Management Unit
PLA	Promotional Licence Agreement
SLIMF	Small or Low-Intensity Managed Forests

1) Overall assessment of the procedure

Question 1. To what extent do you agree that Draft 2-0 improves the clarity and flow of the document?

Question 2. To what extent do you agree that Draft 2-0 introduces clear and understandable language and requirements?

Question 3. To what extent do you agree that it is clear to which actor different requirements apply? (e.g., The Organization, sponsor, certification body)?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q1	3.7	3.6	4.2	3.3	4.0	4.0	2.8	3.7	4.0	4.5	3.0	3.5	3.7	4.0	3.9	3.0
Q2	3.7	3.6	3.9	3.4	3.9	3.8	3.2	3.7	3.5	4.0	3.0	3.5	3.7	4.0	3.5	3.0
Q3	3.9	3.7	4.3	3.3	4.0	4.4	3.2	4.0	3.5	4.5	4.0	3.7	3.5	4.0	4.3	4.0

Question 4. Question 4. Please include any additional related feedback such suggestions to improve the language, structure and overall flow of the draft version of the revised procedure. (linked to Q1-3).

Consolidated key feedback	FSC Responses
<p>1 The procedure is too long and should be further simplified. The procedure is not easy for “non-technical” people. Some sections can be reorganized, e.g., D2-0 Part 10 ‘changes to inform a CB about’; bringing validation first, followed by verification.</p> <p>Indicate more clearly (e.g., in the “content” section) which part of the procedure is most relevant for The Organization and other key actors.</p>	<p>In the final draft (the final draft is presented for decision-making) some sections have been reorganized, improving the reading. The contents section also indicates those sections and Parts that are most relevant for The Organization, a sponsor and the certification body.</p> <p>The final draft aims to find a balance between having robust requirements and keeping them simple for the non-technical reader. The final draft will be supported by the Guidance document which is expected to be ready by Q1 2025.</p> <p>The final draft focuses on verified impacts. This is the ultimate goal of the procedure. The validation, an optional step, but an important one to gather early funding, remains in its own section.</p>

Consolidated key feedback

FSC Responses

2 The two approaches 'storytelling' and 'performance' are confusing. Both are quantitative, the use of ES impacts is the main difference. Do we really need both?

The final draft presents in Part II only one way to demonstrate an ES impact. This way it does not have a name, it is just the sequence of the seven steps (similar to what V1-2 provides). This means, there are no more two approaches.

This way to demonstrate an ES impact is robust, clear and includes a few adaptations for SLIMF + CF managers.

The final draft does no longer regulate what verified ES impacts can be used for (with the exception of "offsetting" which is not allowed). FSC trademark service provider (for sponsors) or the certification body (for The Organization) will then evaluate that the verified or validated ES impact conforms with the requirements of the procedure. The Organization or sponsors will then use the verified ES impacts as per its needs or in conformance of requirements of external organizations, frameworks or standards.

3 Allow the use of the procedure for compensation and neutralization beyond value chains. Many sponsors already use the procedure for compensation and neutralization beyond value chains. This is requested in the approved Motion 49/2021 and the procedure Draft 2-0 includes all necessary safeguards to make robust claims and protect the integrity of FSC.

The final draft does not allow the use of the procedure for compensation and/or neutralization of impacts beyond value chains.

In September 2023, FSC's Director General, informed by the Policy Steering Group and FSC Board of Directors, approved to conduct the revision of the Ecosystem Services procedure in two phases.

Phase 1 fully addresses Motion 48/2021 'Streamline the Ecosystem Services procedure, incorporate more services and maximise its potential'. Motion 48/2021 was used to create the Terms of Reference that started the revision process. Phase 1 also addresses many elements of Motion 49/2021 'FSC Ecosystem Service Procedure as a mitigation mechanism to meet global market demand for net-zero and net-positive targets'. finally, it provides an initial solution to implement Motion 53 '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'.

Phase 2 was introduced to fully implement Motion 49/2021 and Motion 53/2021. FSC has already initiated Phase 2. During the 'conceptual phase' of Phase 2, a consultancy was requested to study how FSC can implement both motions. The results show FSC needs to make a systemic change to allow that verified ES impacts are used for compensation and/or neutralization of impacts beyond value chains. These findings will be shared with the public in the 'conceptual phase consultation' (expected by Q4/2024 or Q1 2025). The results of the

Consolidated key feedback

FSC Responses

consultation will support FSC in drafting the Terms of Reference for Phase 2, which will be submitted to FSC Board of Directors for approval.

2) Section C. Terms and Definitions

Question 5. To what extent do you agree that terms and definitions in Section C are clear?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q5	3.6	3.7	3.5	3.4	4.1	3.8	3.2	3.7	4.5	4.0	3.0	3.3	3.8	4.0	3.6	3.0

Question 6. Do you have suggestions for improvements of certain terms and definitions? are there any other terms for which definitions are needed? (linked to Q5)

Consolidated key feedback

FSC Responses

1 Several suggestions were received. Many of them suggested how to improve the wording and addressed new technical elements to include / amend in the definitions. The points below offer a few, non-exhaustive, examples of these requests.

Section C in the final draft has been reinforced with many of these suggestions, when possible.

2 The term output should be combined with management activity, there are very similar.

The term 'output' is a key term in a theory of change as a direct consequence from management activities. Its definition is simplified in Section C of the final draft. Section C also has a figure with updated examples for outputs, outcomes, outcome indicators and impacts.

Consolidated key feedback	FSC Responses
<p>3 Revise the definition of 'additionality' so that it does not require legal additionality when it is already demanded (but expensive to conform with). It would be better to connect the concept of 'additionality' to the condition of the ES.</p>	<p>The definition of 'additionality in ES projects' (note: the term was expanded) in Section C still refers to legal and financial additionality. The comment has been considered and discussed with the TWG and it has been decided not to change it.</p> <p>Note that this is a voluntary, or "should" type of requirement, except where a sponsor wants to attribute its financial contribution to the ES impact; then it is a mandatory (shall) requirement.</p>
<p>4 The difference between 'enhancement' and 'maintenance' that is based on a range of natural variability is unclear.</p>	<p>Section C no longer includes a definition of 'enhancement' and 'maintenance'. The first guidance box in Annex B presents a way to differentiate these two concepts based on natural variability. Adding that the chosen methodology might also provide such direction.</p>

3) Part I: General Requirements

Question 7. To what extent do you agree that requirements for FM groups are clear? (see clauses under subsection 'Requirements for forest management groups')

Question 9. Would you support the possibility to revalidate an impact:

- a) Option 1: Once
- b) Option 2: Twice
- c) Option 3: Unlimited

Question 11. To what extent do you agree that the requirements for the validation option are clear?

Question 13. To what extent do you agree with Part I: General Requirements?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q7	3.9	3.9	4.0	3.6	4.2	4.3	3.4	4.3	3.5	3.0		3.8	3.9	4.1	3.7	
Q9																
a)	13	7	4	4	3	1				1		4	4	3	2	
b)	11	6	3	2	2	2		1	1			4	2	3	2	
c)	22	17	1	8	4	1	4	2	1	1		8	5	6	3	
Q11	3.5	3.5	3.5	3.0	4.0	3.0	3.4	3.7	4.5	4.0		3.2	3.5	3.9	3.4	
Q13	3.8	3.8	4.0	3.6	4.0	3.3	3.5	4.0	4.0	4.0		3.7	3.9	4.0	3.5	

Question 8. Please provide a brief justification and additional related feedback such as any suggestions to improve this subsection ‘Requirements for forest management groups.’ (linked to Q7)

Consolidated key feedback	FSC Responses
1 Request to further simplify the procedure for SLIMF + CF managers.	<p>Section 7 of the final draft offers adaptations for SLIMF + CF managers in the demonstration of ES impacts (using secondary data instead of primary data, describing conservativeness outcome indicator values instead of calculating confidence interval).</p> <p>Further, CIP-users are eligible to use the Procedure as well as members of a group certificate.</p> <p>In addition, the Guidance document will offer SLIMF + CF managers simplified information and methodologies to conform with the requirements of the procedure, taking into account the principle of scale, intensity and risk.</p>
2 Clarify the intention of Clause 1.12. Are ES impacts of group members considered valid only after the CB evaluation?	Clause 1.18 in the final draft maintains the core requirements in Clause 1.12 of Draft 2-0. Clause 1.18 defines requirements for the group entity before it

Consolidated key feedback

FSC Responses

expands the procedure to new members. This way, new members already can use verified or validated ES claims if Clause 1.18 is conformed with.

NOTES 2 and 3 inform the reader about requirements for the certification body when new group members use the procedure. Those requirements are presented in Part V. The new Clause 16.6 in Part V requires the certification body to carry out an additional evaluation to assess the inclusion of new group members in case the number of new group members being added to the ESR exceeds a 100% increase. This measure helps to confirm if verified or validated ES impacts are well implemented in forest management groups with a significant growth.

3 Requirements for group should appear in the table to contents. This will make the requirements easy to find.

The 'requirements for forest management groups' of the final draft appear in the table of contents.

Question 10. Please provide a brief justification and any additional related feedback. (linked to Q9. Would you support the possibility to revalidate an impact)

Consolidated key feedback

FSC Responses

1 There were divided opinions. Almost half of the respondents preferred that an ES impact is revalidated once or twice. The other half preferred unlimited revalidations.

Arguments in favour of revalidating an ES impact only once or twice include: if more time is needed, then the theory of change or outcome indicators need to change. Also, it's not good for sponsors or FSC to say "we are working towards a result" for too long, this affects credibility.

2 Arguments in favour of having unlimited revalidations of an ES impact include: this allows for flexibility (a justification is needed). Unlimited revalidation will allow to obtain funding for ambitious long-term results.

Clause 1.12 of the final draft allows only one revalidation of an ES impact. This way, The Organization will have a maximum of 10 years to demonstrate a proposed ES impact. This solution provides a balance between opinions received in the public consultation. A period of 10 years allows for ambitious goals to be planned and funded, while it also motivates The Organization to reach a verifiable result in a fixed time period.

Question 12. Please provide a brief justification and any additional related feedback. (linked to Q11 To what extent do you agree that the requirements for the validation option are clear?)

Consolidated key feedback	FSC Responses
<p>1 Some respondents suggested not to use ES claims with validated impacts. It was deemed unclear how the validation option works with the performance approach and how to promote validated ES impacts.</p>	<p>In the final draft, the promotion of both verified and validated ES impacts is done through ES claims, in accordance with international regulations (e.g., the Green Claims Directive).</p> <p>In Draft 2-0 there is only one way, or path, to verify or demonstrate an ES impact (the 'storytelling' and 'performance' approaches have been merged).</p> <p>Section 13 of the final draft presents the requirements to make an ES claim based on a verified or validated ES impacts. Moreover, when an ES claim is based on a validated ES impact, it shall contain identifiable elements, presented in Clause 13.3.</p> <p>In addition, when The Organization holds Controlled Forest Management (CFM) certification, Clause 13.4 of the final draft requires to include in the ES claim that 'The Organization is working towards full certification'.</p> <p>Tables 1 and 2 (in Sections 14 and 15 respectively) include examples of different impact statements based on verified or validates ES impacts. An impact statement is part of an ES claim.</p> <p>The guidance document is envisaged to include more examples of ES claims for different ES projects.</p>
<p>2 Some respondents understand "validation" as an initial step towards "verification", but the ordering of sections does not show this.</p>	<p>In the final draft (as well as in the Draft 2-0) the focus is on the verification of ES impacts. Only a verification allows The Organization to state it has obtained a result, which is only reached after comparing a present value against a baseline value.</p> <p>Validation is an option that Organizations may use to gain early funding in efforts to later get an ES impact verified. Validation is not a required first step towards verification. The Organization may choose to get an ES impact verified without getting it validated first.</p>

Question 14. Please provide a brief justification and any additional related feedback to improve Part I. (linked to Q13 To what extent do you agree with Part I: General Requirements?)

Consolidated key feedback	FSC Responses
<p>1 Clause 1.1 in D2-0 allows applicants to make ES claims, is this correct? It would be better to have FM certification in order to get an ES impact verified.</p>	<p>Clause 1.1 in the final draft is clearer. It requires that The Organization holds FSC FM, FM/CoC or CFM certification in order to use the procedure.</p> <p>Clause 1.3 in the final draft requires that applicants for certification may combine the verification or validation of a proposed ES impacts with the main evaluation.</p> <p>Clause 1.2 in the final draft regulates that Organizations holding CFM certification are only eligible to request the validation of a proposed ES impact, not its verification.</p>
<p>2 Clause 1.5 in D2-0 request The Organization to submit its Ecosystem Services Report (ESR) to its CB 15 calendar days prior to the start of the evaluation. Can this be 30 days?</p>	<p>Clause 1.9 of the final draft requires The Organization to submit its ESR to its CB at least 30 calendar days prior to the start of the evaluation. This period provides more time to the CB to prepare for the evaluation.</p>
<p>3 Multiple ecosystem services in one ESR can get confusing for the auditor and the readers. It would be better to separate the ESRs, e.g., one for each ecosystem service / management unit (MU).</p>	<p>Clause 1.8 offers The Organization the option to submit one ESR that includes different ES impacts (as long as it is clear), or to submit separate ESRs for each ES impact or ES category. This way, The Organization may choose the option that best suits its needs.</p> <p>The Theory(ies) of change submitted by The Organization and the summary section of the ESR will help preventing these possible confusions.</p>
<p>4 The Draft should require having an ESR in an official language of the country.</p>	<p>Clause 1.5 of the final draft requires The Organization to complete the ESR in one of the languages specified in the template provided by FSC.</p> <p>In addition, Clause 1.6 of the final draft requires that, when an MU included in the ES project is greater than 1.000 ha, The Organization shall make the content of the ESR also available in at least one of the official languages of the country upon request. This requirement aims to balance between scale and accessibility to information.</p>
<p>5 Promoting validated impacts under CFM should be much more restricted than promoting validated impacts under FM or FM/CoC</p>	<p>When The Organization holds CFM certification, Clause 13.4 of the final draft requires to include in the ES claim that 'The Organization is working towards full certification'. Section 13 of the final draft presents the requirements to make an ES claim based on a verified or validated ES impacts (see also answer to the first point).</p>

4) Part II: Impact demonstration

Question 15. To what extent do you agree that the differences between the performance and the storytelling approach are clear?

Question 17. To what extent do you agree that verified ES impacts generated using this procedure are robust?

Question 19. To what extent do you agree with Part II: Impact demonstration?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q15	3.5	3.7	3.5	3.4	4.1	3.5	2.8	4.0	3.0	3.0		3.4	3.3	4.1	3.6	
Q17	3.6	3.7	3.6	3.7	4.1	3.0	2.5	3.7	4.0	3.5		3.6	3.2	4.2	3.3	
Q19	3.4	3.6	3.4	3.5	3.6	3.0	3.3	3.5	4.0	3.0		3.6	3.0	3.7	3.4	

Question 16. Please provide a brief justification and any additional related feedback. (linked to Q15 To what extent do you agree that the differences between the performance and the storytelling approach are clear)

Consolidated key feedback		FSC Responses
1	Clause 2.2 that prevents double claiming from happening, is unclear.	Clauses to prevent double counting/ double claiming have been revised. The final draft asks to identify overlap in ES projects, transparently disclose information about other ES assets or claims from the same MU, a justification of how proposed ES impact is different from existing ES asset or claim and if sponsorship is sought to perform an additionality test, conforming with Clause 4.3.
2	Rename the approaches so they describe better what they want to achieve	The final draft presents only one approach to demonstrate positive impact. This approach (which does not require a specific name) is largely based on the requirements of the Performance approach. It includes exceptions for SLIMF
3	Simplify and have only 1 approach: the performance approach	

Consolidated key feedback		FSC Responses
4	Use colour coding to visually clarify which parts are for performance approach	and CF, related to the possible usage of secondary data to estimate impacts, among others.
5	Clarify primary data and the requirements for the storytelling approach, especially in Annex B	The procedure, guidance document, and promotional material is envisaged to include infographics and charts to explain better the process.
6	Better explain it with all info in one place and graphic	

Question 18. Please provide a brief justification and any additional related feedback. (linked to Q17 To what extent do you agree that verified ES impacts generated using this procedure are robust)

Consolidated key feedback		FSC Responses
1	Provide further explanations in ES GUI incl. on footprint for ES beyond carbon, how it fits with sustainability reporting & value chain insetting	The guidance document is envisaged to include more concrete connections to possible usages of the procedure for reporting
2	Suggestion to strengthen methodology selection with requirements around experimental design	This, unfortunately, is not feasible for all ES categories and would increase too much the requirements for users of the procedures.
3	Adapt 2.2.2 to clarify double counting (same category ES) and what needs to be made transparent in the registry (all ES category projects for MU)	The clauses on avoiding double counting/ double claiming have been revised to provide clarity for use in connection with external assets. Also, the additionality requirements were updated to clarify how stacking of different ES impacts should be handled. The ESR (Annex A) specifies the specific details needed to be disclosed about external ES assets and claims.
4	Make additionality test mandatory	The procedure was created as a mechanism to pay for demonstrated results, which don't have to be necessarily additional (see the definition for "Additionality in ES projects" in the final draft version of the procedure). Note: In the context of ES procedure, the concept of additionality is defined differently than in the International Generic Indicators.

Consolidated key feedback	FSC Responses
	The final draft includes the option to demonstrate additionality in ES projects, but in certain scenarios it is not necessary to demonstrate additionality in ES projects to pay for ecosystem services.
5 Reduce time interval for present value and baseline value; 10 years is too long. Suggestion: 2 years.	This is not feasible for certain ecosystem services, since biophysical changes are not always visible and measurable in only two years.
6 Robust? Yes. But robustness comes with a price, seems complex and expensive	FSC will strive to support users with different training and promotional materials to diminish costs and complexity.

Question 20. Please provide a brief justification and any additional related feedback to improve Part II (linked to Q19 To what extent do you agree with Part II: Impact demonstration?)

Consolidated key feedback	FSC Responses
1 Clause 2.2. and subclauses need clarification. Make it clear that the organisation can produce claims and credits in the same area as long as they are for different values (carbon and biodiversity for example). Should it not be clarified that you also cannot sell claims under other schemes for areas where ES impacts have been produced? Further, it is not clear whether the external asset claim that also generates co-benefit, will the area consider in ES projects or not. Need to clarify that this is not excluding the ESP for use as a co-certification with a carbon project.	The clauses related to double counting/ double claiming have been revised. Indeed, the final draft of the procedure can be used to generate verified ES impacts when The Organization justifies how it is different from already generated ES assets or claims (for example because it is a different ES category). Only co-benefits certified/quantified under an external scheme (e.g. CCB) are considered an ES asset or claim. Otherwise, they can be verified using the procedure.
2 Clarify role of FPIC in Clauses 3.3/3.4, revenue-sharing agreement and in ES6. Note that FPIC is handled differently in NFSS. What happens if the IPs or TPs withhold their FPIC? Shouldn't the requirement be that FPIC must have been obtained instead of requiring that the organisation "shall include the process of FPIC"? Recommend limiting the scope to only require FPIC when rights held by Indigenous Peoples and Traditional Peoples may be affected by implementation of management activities.	The new clauses of the final draft specify that, when FPIC is required, the Organization shall describe how the management activities connected to the ES are covered. In the FSC system, FPIC is covered under the < FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship >. This procedure does not change that scope, but specified important details related to the demonstrated ES.
4 Merge or clarify 3.1d) and 4.5-4.7 to avoid replication/duplication of effort	The requirements have been merged in the section related to Risk management plan.

Consolidated key feedback

FSC Responses

- | | |
|--|---|
| <p>5 Concern about complexity of 4.5 and 4.6. Affected stakeholders can be many and thus the analysis needed can be very demanding. In 4.6 the asked risk management plans can end up being very complicated, burdensome and complex task. It should be narrowed down with a focus on any reasonably foreseeable effect.
4.5 – I think most FMEs won't understand / recognize leakage as a possible negative impact—does the Procedure?
4.7 – If the PRO does not specify the criteria for classifying something as 'low' etc threat, then it should mandate that the FME establish the criteria. Otherwise, it is just an opinion, which runs against the premise that the Performance Approach is quantification focused.</p> | <p>The requirements for the risk management plan have been revised to focus on threats that can influence the ES, assessing their likelihood, and mitigation and monitoring measures.</p> <p>Leakage is addressed in the Annex B as an additional safeguard for certain ES impacts.</p> |
| <p>6 4.7d - Should we not be pushing for risk management over a longer time period? Some risks may only arise when considering a longer timeframe. This should be in alignment with management plan and the verifiable target date.</p> | <p>The verification of ES is valid for five years. This entails that upon reverification, the risk management plan will need to be updated.</p> |
| <p>7 6.3: different methodologies risks incomparability. Suggest avoiding.</p> | <p>This is a valid concern. However, the requirement will stay to allow for situations where members of management groups are distributed in very diverse landscapes, where different methodologies might be necessary to quantify a specific ES Impact.</p> |
| <p>8 Suggestion: Clause 7.3.1/2 and 7.6b : put a maximum deadline (10 years for 7.3.1/2 and 15-20 years for 7.6b ?).</p> | <p>Extending the possible age of the data was not considered a good idea by the TWG, since it would enable situations where FMs could make claims based in very old data that may not capture the current state of the forests anymore.</p> |
| <p>9 7.3.2: The intent of this justification is probably to build the case that the +5-year-old data is still relevant, and not simply something like "there's no newer data, so we have to use older data". Maybe something like: "If data older than five years is used, The Organization shall provide a justification for why the data provides a reliable basis for measuring the present value of each outcome indicator." What is appropriate justification?</p> | <p>This feedback will be considered when developing material for CBs and in future calibration meetings.</p> |
| <p>10 7.4 NOTE: suggestion to delete as it causes confusion (there has been hardly any mention of footprint prior to this NOTE, better in the ES GUI)</p> | <p>This note has been improved in the final version of the Procedure (new Clause 7.5); the concept has also been included in the Terms & Definitions as well as in other relevant sections of the Procedure</p> |

Consolidated key feedback	FSC Responses
11 7.9: concern expressed over users able to implement it	The revised version of this clause (Clause 7.10 in the final version) includes two ways to conform with the requirement, accounting for methodologies that are not based on statistical data. Also, the revised guidance document will provide further information on newly introduced elements in the final draft.
12 Differentiate between avoiding negative impacts (e.g. emission reductions) and creating positive impacts (e.g. removals)	This differentiation has been included in the Annex B, ES2.
13 Clause 10.1 – Similar to Clause 1.5, 15 days does not seem to be enough time for the CB to adapt the evaluation given the new information.	This clause has been moved section 1, Clause 1.10. It has been extended to 30 days.

5) Part III: Preparing for the use of verified ES Impacts

Question 21. Three options are proposed to regulate the distribution of revenue in a revenue sharing agreement. Which option would you prefer?

- a) Option 1: The procedure regulates the sharing of revenue
- b) Option 2: The Organization determines the sharing of revenue
- c) Option 3: Option 1 + cap for the broker

Question 23. As part of the risk assessment needed to sign a sponsorship agreement, should a sponsor declare not to be involved in:

- a) any of the 6 unacceptable activities in the PfA
- b) PfA but applied beyond the forest sector
- c) Other

Question 25. Which of the provided options would you agree with?

- a) 1a - Procurement policy with "should"
- b) 1b - Procurement policy with "shall"
- c) 2a - CoC certification with "should"
- d) 2b - CoC certification with "shall"
- e) None

Question 27. To what extent is it clear how a CoC organization would pass information on verified ES impacts through the supply chain (Section 13)?

Question 29. To what extent do you agree with Part III: Preparing for the use of verified ES Impacts?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q21																
a)	8	3	2	3	1	1	1					5	1	1	1	
b)	22	14	5	8	5	2	1			1		3	5	7	7	
c)	15	10	2	2	2	2	2	3	1	1		6	4	3	2	
Q23																
a)	17	12	3	5	4		1	2	1	1		2	6	7	2	
b)	17	11	4	6	2	3	1	1				8	4	2	3	
c)	10	3	3	2	1	1	1		1	1		2	2	1	4	
Q25																
a)	12	8	2	4	3	2	1					1	5	4	2	
b)	11	4	3		2	2	1	2		1		3	2	3	3	
c)	4	4		3			1					3			1	
d)	9	8	1	6	1				1			4	2	2	1	
e)	4	2	1	1	1					1		1	1	1	1	
Q27	3.4	3.5	3.9	3.3	3.7	2.7	2.0	4.0	5.0	2.5		3.7	3.1	3.6	3.3	
Q29	3.4	3.4	3.6	3.3	4.0	2.3	3.0	3.0	4.0	3.5		3.5	3.2	3.8	3.0	

Question 22. Please provide a brief justification. (linked to Q21 Three options are proposed to regulate the distribution of revenue in a revenue sharing agreement. Which option would you prefer?)

Consolidated key feedback	FSC Responses
<p>1 Half of the respondents preferred The Organization to determine the share of revenue (FSC should not interfere with negotiations and how the market and actors operate).</p> <p>The other half preferred the procedure to regulate the share of revenue (FSC can establish minimum requirements. This would provide a reference point for a fair distribution).</p>	<p>The final draft offers clearer clauses that regulate the process to reach a revenue sharing agreement, but it does not regulate the share to be distributed. The Organization and identified parties are to agree on what is the share of revenue to distribute. This approach favours flexibility in implementing revenue sharing agreements in different ES projects and contexts all over the world.</p> <p>Clause 10.9 of the final draft requires that when a revenue sharing agreement has not yet been reached with an identified party, The Organization shall engage in a mutually agreed process with the identified party and ensure the process is advancing in good faith and keeps the involved parties satisfied. This clause complements a justification of how the share is fair, and requires a deeper compromise of The Organization in reaching an agreement.</p> <p>Section C of the final draft includes a definition of 'fair distribution' that provides a common ground for CBs to evaluate whether agreements are fair.</p>
<p>2 There should be an FPIC agreement aligned with the revenue sharing agreement.</p>	<p>Clauses 2.8 and 2.9 of the final draft deal with FPIC related requirements and are clearer than similar requirements in Draft 2-0. Clause 2.8 requires that The Organization concludes an FPIC agreement when the implementation of management activities related to the ES project requires Indigenous People (IP) / traditional people (TP) to delegate control over such management activities.</p> <p>Clause 2.9 establishes a connection between the procedure and requirements of Principles 3 and 4 of the <FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship></p> <p>The NOTE under Clause 10.2.b) of the final draft clarifies that the revenue sharing is different from the concept of compensation. Compensation is required by Criteria 3.6, 4.6 and 4.8 of <FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship></p>
<p>3 In cases where a party does not agree with the revenue share, what is an appropriate level of justification provided by The Organization? Similarly, can a dispute resolution system be added?</p>	<p>Clause 10.9 (presented above in more detail) complements a justification of how the share is fair, and requires a deeper compromise of The Organization in reaching an agreement.</p>

Consolidated key feedback

FSC Responses

FSC has a generic mechanism for addressing disputes, which applies also to the procedure <FSC-PRO-01-008 Processing Complaints in the FSC Certification Scheme>

- 4 The revenue sharing agreement should also include non-monetary benefits, as required by the Global Biodiversity Framework (GBF).

The final draft regulates the process to reach a revenue sharing agreement. Revenue is defined in Section C as payments received from sponsors for the promotion of validated or verified ES impacts.

Being the revenue sharing agreement a new concept in the procedure, the final draft focuses on the distribution of revenue. In a next revision of the procedure, and based on users' experience and feedback, Section 10 could be revised to consider the distribution of non-monetary benefits.

Question 24. Please provide a brief justification. (linked to Q23 As part of the risk assessment needed to sign a sponsorship agreement, should a sponsor declare not to be involved in:)

Consolidated key feedback

FSC Responses

- 1 The procedure should exclude the participation of sponsors from clear "no go" sectors like weapons, tobacco, money laundering, etc.
- 2 The procedure should add criteria related to financial conduct to filter those sponsors that can use the procedure. Examples of such criteria are financial misconduct, money laundering, trading related issues, fraud, financial related criminal prosecutions. etc.
- 3 The inclusion of the of the PfA rationale in the risk assessment is a good start. FSC should have the right to terminate the agreement in case the sponsor violates some rules (e.g., PfA). Think about who will verify conformance with the PfA? If NPs, they should be well trained.

Why would sponsors are subject of more rigorous requirements than Promotional Licence Holders (PLHs)?

Section 11 of the final draft regulates the formalization of sponsorships. It includes requirements for The Organization, and for sponsors. Requirements for sponsors will be part of agreements/ contracts that the sponsors will have to sign with FSC.

Clause 11.7 requires a sponsor to sign a sponsorship registration agreement with FSC to register the sponsorship in the FSC Registry. This agreement does not allow a sponsor to make ES claims. For this agreement, a risk assessment is not conducted given that the intention is to capture in the Registry all sponsors that The Organization has.

Clause 11.8 sets out requirements for a sponsor who chooses to make ES claims. For example, a sponsor will be asked to sign a PLA, which requires passing a risk assessment with FSC. The feedback from the second public consultation will be used to define the elements of such risk assessment(s).

By not having the risk assessment in the procedure, the procedure is streamlined, and risk assessments can be tailored to specific conditions / geographies, and are also easy to update.

Question 26. Please provide a brief justification and any suggestions. (linked to Q25 Which of the provided options would you agree with?)

Consolidated key feedback	FSC Responses
<p>1 Making it mandatory that sponsors with clear material dependence on forests adopt a publicly available FSC procurement policy, or that sponsors obtain FSC CoC certification creates unnecessary burden. If preferred, it should be a “should” requirement, not a “shall” one.</p>	<p>Clauses 11.9 and 11.10 aim to strike a balance between setting out stricter rules for sponsors who already have clear dependence on forests, and providing recommendations for such sponsors that avoid creating burdens and favour instead a higher uptake of the procedure.</p>
<p>2 If it is required that sponsors shall obtain CoC certification, this should happen within 24 months after sponsoring a verified/validated ES impact.</p>	<p>Section C includes a definition for sponsors with material dependence on forests.</p>
<p>3 The request to adopt a FSC procurement policy can be integrated within the PLA. The FSC procurement policy needs to be further explained: can it include other sustainability certification schemes? Is there a specific share of FSC material that need to be procured?</p>	<p>Clause 11.9 of the final draft requires that sponsors with material dependence on forests shall obtain a PLA from FSC. This means that sponsors with material dependence on forests cannot just have a sponsorship registration agreement. A PLA will always be required. To sign a PLA, a risk assessment is necessary.</p>
<p>4 We could expand the requirement of FSC procurement policy to sponsors that have no clear material dependence on forests, like investors, and banks. Retailers cannot obtain CoC certification. The requirement should ask for a PLA instead.</p>	<p>Clause 11.10 uses a “should” to recommend a sponsor with material dependence on forest to adopt and make public a procurement policy expressing preference for FSC-certified product. Clause 11.10 also recommends such a sponsor to obtain FSC CoC certification (when applicable).</p>

Question 28. Please provide a brief justification and any additional related feedback. (linked to Q27 To what extent is it clear how a CoC organization would pass information on verified ES impacts through the supply chain (Section 13)?)

Consolidated key feedback	FSC Responses
<p>1 These requirements, in particular the concept of the “claim”, need to be aligned with the CoC standard.</p>	<p>The final draft has scaled down considerably the option proposed in Draft 2-0.</p>
<p>2 Suggestion to allow not only FSC 100% product groups in the passing of information about the verified ES impact through a supply chain. Also, FSC mix product groups based on the percentage system should be considered.</p>	<p>Section 12 of the final draft includes requirements for an Organization that chooses to promote forest products harvested from a MU where an ES impact was verified.</p>

Consolidated key feedback	FSC Responses
3 Suggestion to allow the promotions of different ES impacts in a final product even when not all parts of the product share the same verified impacts.	These requirements enable a future promotion of FSC 100% products that come from a MU where ES impacts were verified. This option is expected to be further developed in the revised <FSC-STD-40-004 Chain of Custody Certification>.
4 CBs would need specific training to evaluate these proposed requirements.	Keeping these requirements in the CoC standard favours streamlining and alignment between that standard and the procedure.

Question 30. Please provide a brief justification and any additional related feedback. (linked to Q29 To what extent do you agree with Part III: Preparing for the use of verified ES Impacts?)

Consolidated key feedback	FSC Responses
1 Key feedback was consolidated in the tables above.	Responses were consolidated in the tables above.

6) Part IV: Promotion of verified ecosystem services impacts

Question 31. To what extent do you agree with the elements of an ES claim? (See Clause 14.2)

Question 33. To what extent do you agree with how Clause 14.4 regulates other promotional statements that provide additional information to an ES claim?

Question 35. To what extent do you agree that the uses of verified ES impacts, as presented in Clause 14.5, require that the additional requirements in the performance approach have been implemented to verify such ES impacts?

Question 37. To what extent do you agree with the option of promoting FSC 100% certified forest products made from materials sourced from MUs with verified ES impacts?

Question 39. To what extent do you agree with Part IV: Promotion of verified ecosystem services impacts?

	Member		Option that best identifies you									Role in the use of the procedure				
	Total	FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q31	3.8	3.9	3.9	3.9	4.3	3.6	3.0	3.7	5.0	3.0		3.8	3.5	4.3	3.9	
Q33	3.7	3.7	3.8	3.5	4.3	3.0	3.0	4.0	5.0	3.5		3.6	3.5	4.2	3.4	
Q35	3.5	3.4	3.8	3.3	4.0	2.8	4.0	3.7	3.0	2.5		3.5	2.7	4.1	3.8	
Q37	3.9	4.0	3.8	4.1	4.1	3.4	4.3	4.3	3.0	3.5		4.2	3.4	4.2	4.1	
Q39	3.7	3.7	3.8	3.5	4.1	3.3	3.0	4.3	4.0	3.5		3.6	3.2	4.2	4.0	

Question 32. Please provide a brief justification and any additional related feedback. (linked to Q31 To what extent do you agree with the elements of an ES claim? (See Clause 14.2))

Consolidated key feedback	FSC Responses
1 Need for clarification of terminology (promotion vs claims), aligning terms with the Chain of Custody standard. Possibility of confusions when passing verified ES data or claims down the chain of custody.	FSC is striving to align with regulation on what environmental claims are. The final draft is going in that direction, by adopting the definition of claims found on regulation, and this is clarified in the Terms and Definitions.
2 Mixed reactions regarding proposed claim structure: Several comments would prefer less mandatory details, others appreciate precision and clarity in the claims enabled, and would like concrete definitions for terms like <i>contribution</i> , <i>support</i> , etc.	The final draft strives to provide a flexible structure for The Organization and sponsors, in such a way that they can best communicate what has been demonstrated. However, the mandatory elements are necessary to ensure that the claims are specific, auditable and transparent enough. This also aligns with the direction taken regulation for environmental claims (e.g., Green Claims Directive).
3 Request for deletion/amendment of clause 14.7 to allow current sponsors outside the forest value chain to use verified impacts for compensation and neutralization.	The PSG and the BoD decided to split the revision of the procedure into two phases and include the topic of compensation/ offsetting/ neutralization for a second phase of revision, to engage the members of FSC into the decision, and perform a proper technical analysis of the implications of going implementing this in the FSC system of certification and assurance. The FSC secretariat has started the process and will be opening the relevant consultation channels for this purpose, sharing the technical analysis to inform the decision of the BoD and the members of FSC.

Consolidated key feedback	FSC Responses
4 Need to clarify the case of claims about more than one verified ES impact.	A specific requirement in Clause 13.5 to cover this use case has been added
5 Note on clause 14.3 is confusing and objective is not clear.	The wording of the note has been improved to convey better the intention of the clause and prevent misinterpretation.
6 Further conceptual clarity is needed regarding what can be verified/validated under the procedure (and hence claimed) e.g., elements already required by the Principles & Criteria for Forest Stewardship	The final draft does not necessarily require impacts to go beyond what is required/included in the <FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship>. Hence, some of the impacts included in Annex B may overlap with expected outcomes or safeguard included in the P&C.
7 More proactive approach in this section is needed, with clear examples and guidance on how to best communicate	The final draft aims to avoid lengthy text by limiting the number of examples and non-normative elements. FSC will expand on examples and possibilities in guidance document and promotional materials.
Concrete corrections are needed in the proposed structure, in particular the reference to FSC websites, what year of verification means, and reference to licence code	Clauses 13.2 and 13.3 have been revised to clarify better these specific elements

Question 34. Please provide a brief justification and any additional related feedback. (linked to Q33 To what extent do you agree with how Clause 14.4 regulates other promotional statements that provide additional information to an ES claim?)

Consolidated key feedback	FSC Responses
1 There are concerns about the capacity of trademark service providers (TSPs) to oversee and control these claims, since they will require skills to understand technical documents and corporate communications	FSC International is aiming to dedicate specific resources to support CBs and TSPs in the overseeing and approval of ES Claims
2 Clarity is required on how ES Claims can be used in projects that are part of registries of environmental assets	Clause 14.3 has been revised to clarify this user case better.

Question 36. Please provide a brief justification and any additional related feedback. (linked to Q35 To what extent do you agree that the uses of verified ES impacts, as presented in Clause 14.5, require that the additional requirements in the performance approach have been implemented to verify such ES impacts?)

Consolidated key feedback	FSC Responses
<p>1 There are concerns about the ability of FSC to police claims requirements that are set up by external standards or frameworks. It's ideal to put examples of external regulations or frameworks, but policing claims based on their requirements is beyond FSCs scope.</p>	<p>In the final draft, requirements regulating how ES claims were to be used were removed. Nonetheless, the introduction section of the final draft includes uses of ES claims as examples.</p>
<p>2 Call for consideration of a contribution approach in clause 14.5 and reconsider whether FSC should allow compensation or neutralization</p>	<p>The final draft is based on a contribution approach. This has been made clearer in the introduction box to Part IV and section 15.</p>

Question 38. Please provide a brief justification and any additional related feedback. (linked to Q37 To what extent do you agree with the option of promoting FSC 100% certified forest products made from materials sourced from MUs with verified ES impacts?)

Consolidated key feedback	FSC Responses
<p>1 Several stakeholders would like to see this section removed or limited in the procedure. The reasons relate to the difficulties aligning this with the Chain of Custody system, or the possible confusions in the claims made by CoC certificate holders</p>	
<p>2 Other stakeholders see this section as an opportunity to strengthen the value proposition of FSC 100%, but clarifying possible communications on products, as well as the rules and control of these claims.</p>	<p>After assessing this mixed feedback, the lack of usage of this option, and the difficulties of bridging the procedure with the Chain of Custody system, the final draft does no longer include the option to make ES claims on products.</p>
<p>3 Further alignment in terminology is required, connecting well with the CoC standard.</p>	<p>This option may be brought back in the revision of the Chain of Custody standard (FSC-STD-40-004), so to connect it better with the ways CoC standards are implemented and audited.</p>
<p>4 If included, the section will need to be more specific to comply with regulations about environmental claims on products.</p>	
<p>5 Some stakeholders would like to extend this option for FSC MIX products, to engage industries that rely largely on that material claim</p>	

Question 40. Please provide a brief justification and any additional related feedback to improve Part IV. (linked to Q39 To what extent do you agree with Part IV: Promotion of verified ecosystem services impacts?)

Consolidated key feedback	FSC Responses
<p>1 Part IV needs a revision in terms of terminology, so to use the term <i>ES Claims</i> consistently. So far, users are confused by the terminology and its overlap with the CoC terminology.</p>	<p>FSC is striving to align with regulation on what environmental claims are. The final draft is going in that direction, by adopting the definition of Claims found on regulation, and this is clarified in the Terms and Definitions.</p>
<p>2 Section on validated impacts should be included in general section of claims. However, there are concerns about the types of claims that could be done by organizations certified under the Controlled Forest Management standard</p>	<p>The requirements related to validated ES impacts have been integrated to the rest of the sections regulating claims. A new clause has been created (13.4) to require users of the Controlled Forest Management standard to state that they are <i>working towards full certification</i> whenever they make ES claims from ES impacts that they validate.</p>
<p>Stakeholders question the existence of the Storytelling approach and its value to substantiate claims, especially under new regulations in the EU about environmental claims</p>	<p>In the final draft, Part II now contains only one approach to demonstrate impact. Hence, Part IV does not make a differentiation on the ES claims that can be made with different approaches.</p>
<p>Some comments reflect fear of enabling greenwashing by enabling claims by actors outside of the forest sector.</p>	<p>In the final draft, Parts III and IV contain safeguards to enable actors inside and outside forest value chains to contribute to demonstrated ES impacts and make claims about such support, always given the due credit to The Organization as the one implementing the activities that generate such positive impact.</p>
<p>Clarification of approval of claims in FM Groups is needed</p>	<p>In the final draft, section 14 specifies that The Organization shall obtain approval from their certification body before using their ES claims. This also applies in the context of Forest Management groups.</p>

7) Part V: Requirements for certification bodies

Question 41. To what extent do you agree that the balance is right between ensuring integrity of verified ES impacts and the costs of the verification?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q41	3.7	3.7	3.7	4.1	4.0	3.3	3.3	3.7	3.0	3.0		3.5	3.7	4.0	3.7	

Question 42. Please provide a brief justification and any additional related feedback to improve Part V. (linked to Q41)

Consolidated key feedback	FSC Responses
<p>1 It was requested by the stakeholders to open the possibility for SLIMF and community forests under certain condition NOT to have a mandatory annual evaluation. Generally, stakeholders expressed appreciation for the effort to align ES PRO with FM certification to reduce the costs.</p>	<p>Clause 16.4 of the final draft was amended to align ensure managers of SLIMF & CF would have requirements of Clause 16.3 evaluated during their regular FM evaluations (which could be less frequency than annually, e.g. when following the CIP).</p>
<p>2 Number of stakeholders expressed opinion that the audits should be on-site but that there should be also an option (under certain circumstances) to conduct the audit remotely (especially the annual one focusing on just few aspects). This was also connected to number of comments about the audit costs and the interest to keep the effort reasonable and not to increase the costs of the evaluations.</p>	<p>In the final draft, all main evaluations are required to be conducted on site. However, in the final draft there is the possibility to conduct annual audits (focusing on 5 aspects of the procedure only) and scope change audits (additional audits) remotely.</p> <p>We believe CBs have a good system in place to evaluate whether certain activity can be evaluated remotely, or whether an onsite audit is needed. Also, it is expected that vast majority of audits will take place together with FM evaluation.</p>

8) Annex A. Content of the ecosystem services report (ESR)

Question 43. To what extent do you agree with the content of the ESR as presented in Annex A?

Question 45. To what extent do you agree with the information that is to be made publicly available, as defined in Annex A?

	Total	Member	Option that best identifies you									Role in the use of the procedure				
		FSC members	FSC NP	FSC member	FSC FM CH	FSC International	Other	NGO	Academia	Project developer	CB	General interest	Project developer	FM/Co C CH	Promotion	CB
# people →	62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q43	3.8	3.8	4.0	3.9	4.3	3.3	3.7	2.7	5.0	2.5		4.2	3.2	4.1	3.6	
Q45	4.0	4.0	4.4	4.4	4.3	3.5	3.3	2.3	5.0	3.5		4.1	3.8	4.1	4.2	

Question 44. Please provide a brief justification and any additional related feedback to improve this Annex. (linked to Q43 To what extent do you agree with the content of the ESR as presented in Annex A?)

Consolidated key feedback	FSC Responses
1 ESR would benefit from a simplified Public Summary with the main results demonstrated by the Organization. This should also include if the ESR is for a new verification or changing the scope of a previous one.	The first section of the ESR in the final draft summarises better the ES impacts demonstrated by The Organization. There are specific requirements for members and MUs included in the demonstration process.
2 General flow of information can be improved, clarifying what Steps mean, or reconsidering if they are necessary inside the document. This includes separating section on sponsorships, since a verification doesn't necessarily need a sponsorship for it to be approved, but the sponsorship may be included later.	The section related to sponsors has been separated, and it has been clarified that it can be submitted separately, after the first part of the ESR has been approved.
3 Annex could refer to the clauses in the body of the procedure to clarify what the requirement is. Clarifying if a component of the ESR is mandatory will also help users and readers.	The new ESR spells out more how certain fields can be filled and it refers to specific clauses when deemed necessary.

Consolidated key feedback	FSC Responses
<p>4 Inclusion of multiple impacts, theories of change, and management units within a single ESR can make it difficult to understand for stakeholders not familiar with the structure of the document.</p>	<p>In the earlier summary, The Organization will need to specify what impacts are demonstrated in which MUs. This will help stakeholders understand better the results of the demonstration process.</p>
<p>5 The section of the ESR capturing the relation with external registries for environmental assets needs to be clarified, making fields more specific and relevant</p>	<p>The fields have been expanded to capture more details about registration in external environmental registries.</p>

Question 46. Please provide a brief justification. (linked to Q45 To what extent do you agree with the information that is to be made publicly available, as defined in Annex A?)

Consolidated key feedback	FSC Responses
<p>1 Several stakeholders express interest in more public data about the financial aspects of the verified/validated impacts, the revenue sharing agreements, and (especially) the sponsorships. It should be clear why certain data is made public but some other is not.</p>	<p>The ESR of the final draft makes almost all elements of the sponsorship public. Only personal data will remain private. In relation to revenue-sharing agreements, names of beneficiaries won't be disclosed, only the type of beneficiary.</p>
<p>2 Other stakeholders call for caution when making certain information publicly available, such as contact data or names of direct beneficiaries. Similarly, some sponsors may be reluctant to make public the amount of the sponsorship</p>	<p>The monetary value of the sponsorship is neither mandatory nor public. FSC will explore how to offer options to disclose data that the forest managers and sponsors wish to show on a voluntary basis.</p>

9) Annex B. Impacts, indicators and measurements

Question 47. To what extent do you agree with the content of ES1: Biodiversity conservation?

Question 49. To what extent do you agree with the content of ES2: Carbon sequestration & storage?

Question 51. To what extent do you agree with the content of ES3: Watershed services?

Question 53. To what extent do you agree with the content of ES4: Soil conservation?

Question 55. Are you in favour of a) separating ES5: Recreational services into two ES categories (one for Recreational Services and the other one for Ecotourism/Nature-based tourism) or b) keeping them in one category?

- a) 2 categories
- b) ES5 as is
- c) None of the above

Question 57. To what extent do you agree with the content of ES5: Recreational services?

Question 59. To what extent do you agree to extend 'ES6: Cultural practices and values' to local communities different from traditional peoples?

Question 61. To what extent do you agree with the content of ES6: Cultural practices and values?

Question 63. To what extent do you agree with the content of ES7: Air quality?

	Memb er	Option that best identifies you										Role in the use of the procedure					
		Total	FSC membe rs	FSC NP	FSC membe r	FSC FM CH	FSC Internati onal	Other	NGO	Acade mia	Project develop er	CB	General interest	Project develop er	FM/Co C CH	Promoti on	CB
# people →		62	34	16	15	10	7	6	3	2	2	1	23	13	13	12	1
Q47		3.7	3.8	3.9	4.2	4.3	3.0	2.3	2.3	4.0	3.0		3.5	3.5	4.1	3.6	
Q49		3.7	4.0	3.1	4.3	4.0	3.0	3.7	3.3	4.0	3.0		3.7	3.6	4.0	3.4	
Q51		3.7	3.8	3.3	4.0	4.3	2.7	3.0	3.3	5.0	3.0		3.6	3.6	4.2	3.1	
Q53		3.8	4.0	3.7	4.2	4.3	3.0	3.0	3.7	5.0	3.0		3.7	3.7	4.3	3.6	
Q55																	
a)		4	4		1	1			1	1			2	1	1		
b)		26	13	7	6	6	3	1	1		2		5	7	8	6	
c)		7	6	1	4		1		1				4	2		1	
Q57		3.8	3.8	4.0	4.2	4.0	3.0	2.7	3.3	5.0	3.0		3.6	3.7	4.0	3.8	
Q59		3.1	3.0	3.1	3.3	2.6	3.0	2.3	3.5	5.0	3.0		3.5	2.9	2.8	3.0	
Q61		3.4	3.4	3.4	3.5	3.1	3.5	3.3	3.5	5.0	3.0		3.5	3.3	3.3	3.5	
Q63		3.1	3.3	2.1	3.4	3.4	2.8	3.5	2.5	5.0	3.0		3.5	2.6	3.2	2.8	

Question 48. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q47 ES1: Biodiversity conservation)

Consolidated key feedback	FSC Responses
<p>1 Stakeholders asking for further alignment with CSRD (especially with ESRS 4 and DNSH) or Global Biodiversity targets.</p>	<p>Research was conducted to find out the level of overview and the possibilities of alignment. It was concluded, that while CSRD is mostly a reporting framework and the procedure is an impact demonstration tool, there are some areas where these are complementing each other.</p> <p>There is space in the procedure to define the overlap. The benchmarking exercise will be part of guidance document.</p>
<p>2 Comments about terminology, asking to define enhancement or functional biodiversity.</p>	<p>These terms were defined in the Annex B.</p>

Question 50. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q49 ES2: Carbon sequestration & storage)

Consolidated key feedback	FSC Responses
<p>1 Stakeholders were asking to make distinction between maintenance, removal and avoidance emissions. In order to align the standard with current development and the need to understand whether climate claims come from removal or reduction type of activity, there should be separate impact for these two (or 3 in case avoidance is included as well) activities.</p>	<p>The final draft distinguishes between maintenance and enhancement impacts. Impacts ES2.1 and ES2.2 are maintenance impacts, impacts ES2.3 and ES2.4 are of the removal category, whereas impact ES2.5 is about reduced emissions.</p>
<p>2 Allow to make climate claims only in combination with biodiversity or other claims. Some stakeholders expressed opinion that it might not be credible to provide climate claim only, without further link to other ecosystem services.</p>	<p>For the carbon impact based on afforestation, reforestation, restoration (ES2.3), it is required to also verify biodiversity impact ES1.1. For impact ES2.2, only when sponsorship is obtained, it is required to verify biodiversity impact ES1.5 or ES1.6. For the rest, no biodiversity or other ES impact is required to be demonstrated; FSC-FM is considered to provide sufficient safeguards.</p>
<p>3 Number of stakeholders asked to remove soil organic carbon from carbon pools as it is difficult to measure, and special type of methodology might be needed.</p>	<p>Soil organic carbon is the largest carbon pool. It is not mandatory to measure all carbon pools, just to specify which ones have been included and justify how those excluded are not negatively affected by the ES project.</p>

Consolidated key feedback**FSC Responses**

- 4 When it comes to outcome indicators, it should not be mandatory to make measurement but allow calculation or some kind of estimation as carbon cannot always be measured.

We use the word measure/measurement to maintain the consistency with other ES impacts, but it is clear that outcome indicator values are not always obtained through on-site measurements in the forest (only).

Question 52. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q51 ES3: Watershed services)

Consolidated key feedback**FSC Responses**

- 1 Considering the huge benefits of woodlands and forests in reducing flood risk, it would be beneficial to add an ES category under Watershed Services that specifies Natural Flood Management (NFM) rather than simply saying "regulates flow". This is in the outcome indicators, but highlighting in a new impact would be useful. This would be particularly beneficial to community or small woodlands to demonstrate how they are helping to reduce localised flood risk and help attract sponsorship from local companies benefitting from the reduced flood risk.

Flood protection was added specifically under ES3.3 "Maintenance of water volume regulation"

- 2 Avoid duplication of impacts: maintaining or enhancing water quality is the same as maintaining or enhancing the "...capacity of watersheds to purify water". Suggest removing "purify".

The duplication has been removed and we are having one impact on water quality and another one on water volume regulation.

Question 54. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q53 ES4: Soil conservation)

Consolidated key feedback**FSC Responses**

- 1 The impact category does not cover flood protection (natural flood management)

Flood protection was added specifically under ES3.3 "Maintenance of water volume regulation"

- 2 FSC should not promote planting trees in areas where other types of natural vegetation occur (e.g. wetlands, grasslands). For ES4.4 Enhancement, should focus on nature-based solutions (e.g. vegetation cover) to enhance protection against soil erosion and not depend on civil engineering projects.

The <FSC-STD-01-001 FSC Principles and Criteria for Forest Stewardship> provide the safeguards to protect natural ecosystems from conversion.

Consolidated key feedback**FSC Responses**

The final draft requires measuring forest cover and optionally reforestation in combination with soil erosion. This means FSC is providing nature-based solutions and not civil engineering projects.

Question 56. Please provide a brief justification. (linked to Q55 Are you in favour of separating ES5: Recreational services into two ES categories?)

Consolidated key feedback**FSC Responses**

- 1 Add new social categories/impacts under ES5 related to environmental education, human health & wellbeing, scientific research.

These impacts were not added to the procedure however, the outcome indicators mentioned are just examples, therefore these other outcomes can be added.

Question 58. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q57 To what extent do you agree with the content of ES5: Recreational services)

Consolidated key feedback**FSC Responses**

- 1 There needs to be something in here around protecting the natural environment of the forest from overuse/damage caused by poorly managed ecotourism (e.g. prevention/mitigation of damage to forest habitat caused by tourists or tourist-related industries, litter, increased risk of forest fires, increased water pollution/use in hospitality etc). This is particularly important where ES5 is the only category being applied for.

The team has considered adding a safeguard but decided to rely on FSC FM which should be sufficient assurance that such risk would be mitigated.

Question 60. Please provide a brief justification. (linked to Q59 To what extent do you agree to extend 'ES6: Cultural practices and values' to local communities different from traditional peoples)

Consolidated key feedback	FSC Responses
<p>1 Take out cultural services, as this is generated by humans not by the forest. Also, the word ownership should not be used as this is often not applicable in context of IPTP who typically have land rights</p>	<p>It was decided to keep this ES in the current version. Motion 53/2021 was approved which is a clear indication there is an agreement to have this ES under ES provided by certified forest. The term ownership is not used anymore.</p>
<p>2 Local communities do not always share the same legal and customary rights ties to the forest as Indigenous and traditional peoples. Adding local communities could dilute or muddy this ES. Other stakeholders were asking to keep local communities in the scope or split this impact category into two – IPTP and LC.</p>	<p>Local communities were removed from this impact indicator, and we are only keeping indigenous and traditional peoples. This was discussed extensively in the TWG and agreement was reached.</p>
<p>3 Stakeholders were asking to add impact on Intact Cultural Landscape.</p>	<p>This was considered by the TWG but decided to leave it for phase 2 of the revision as it is not that well defined (compared to IFL) and therefore would need more time to integrate it into the procedure.</p>
<p>4 Social and cultural discrimination and equal participation is a Western outlook that may not be culturally appropriate.</p>	<p>This was considered and decided to delete it from the procedure as indeed this might be problematic concept when it comes to certain communities.</p>

Question 62. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q61 ES6: Cultural practices and values')

Consolidated key feedback	FSC Responses
<p>1 Here the stakeholders mostly raised similar questions as above (not to use the term ownership, asking for further expansion in phase 2, not to use social discrimination). One particular stakeholder expressed strong opinion that such impact should not be classified as cultural service because they are not connected with ecosystems. There should be a focus on finding another way how to include these in the procedure.</p>	<p>The way the cultural services are defined in the procedure was not changed. However, it is expected that during the phase 2, this question will be opened again and discussed in detail.</p>

Question 64. Please provide a brief justification and any additional related feedback to improve this ES category. (linked to Q63 ES7: Air quality)

Consolidated key feedback	FSC Responses
1 The stakeholders had mostly general comments such as (high potential in urban forestry, air pollution and possible overlap with other ES categories).	General comments were analysed and taken into account.
2 Few stakeholders opined that the impact indicators are a bit pre-mature. Outcome indicators are too simplistic. The impact within a period defined in the procedure might be impossible to measure. Asking for more categories	The TWG agreed to keep this ES category and complement it with more information, methodologies and examples in the guidance document.
3 In general, this ES category was heavily commented by the stakeholders with two directions. First, and most vocal, was about immaturity of this impact, difficulty of demonstration or lack of methodologies and second was happy to see FSC is moving this direction and see potential (while recognizing the possible greenwashing aspect of this ES category).	Additional consultation with experts took place and findings have been discussed with TWG.

Question 65. Do you have any other comments or suggestions on Annex B (impact categories, impacts, required outcome indicators to be measured, baselines, ES-specific safeguard requirements)?

Consolidated key feedback	FSC Responses
1 Add a glossary of technical terms used in Annex B.	
2 Clarify for which impacts outcome indicators need to be measured at the MU level or at the ES project level.	Annex B of the final draft has improved in wording, clarity, and content aspects. The summary table at the beginning of the Annex is now 2 pages long, but now shows more clearly all ES impacts and the ES categories they belong to.
3 Editorial suggestions, e.g., improving the summary table with all impacts.	In Annex B, selected technical terms are presented in the NOTES. This facilitates the reading.
4 If possible, consider reducing the number of ES impacts.	
5 Other key feedback was consolidated in the tables above.	The revised guidance document is envisaged to provide more clarity on the methodologies needed to demonstrate an ES impact. In addition, the Guidance will also present examples that facilitate the understanding of Part II of the final draft.
6 Annex B shows improvement. Other comments add Annex B remains complex.	

10) Closing

Question 66. Can you please tell us the top three uses you would directly have for the procedure? (consider the use of ES claims or the promotion of ES products, market uses presented in Part IV, and expected benefits for the Organization or the Sponsor).

Consolidated key feedback	FSC Responses
<p>1 The procedure can be used to obtain more funding for certificate holders to demonstrate positive impacts.</p> <p>Sponsorships received to promote ES claims can help certificate holders (especially managers of SLIMF and CF) to obtain or maintain FSC FM certification. This can be an additional support to low income from timber production.</p>	<p>The final draft fully covers points 1 to 4 from the column on the left. Verified ES impacts and associated ES claims can be used for:</p> <ul style="list-style-type: none"> • data-driven storytelling and improved promotion (by The Organization); • evidence in the form of third-party verification of a positive impact as a criterion to benefit from a nature-related fund (by The Organization and by the manager of the nature-related fund); • providing third-party verified evidence of positive impacts in mandatory or voluntary non-financial sustainability disclosures (including reporting on a company’s ES footprint) and tracking progress towards ecosystem services targets (by The Organization or by a sponsor); • within value chain mitigation (or within value chain abatement) to incentivize and reward positive action/ impact in its value chain to advance key sustainability targets (by a sponsor); • beyond value chain contributions, when these are not used to compensate or neutralize residual negative impacts (by a sponsor); • evidence that an ES impact has happened, triggering or justifying payments for ecosystem services (by a sponsor). <p>Phase 2 of the revision of the procedure exists to implement Motion 49/2021 which asks to allow the use of ES claims for compensation or neutralization of impacts beyond value chains. FSC needs to make a systemic change to allow this use of ES claims. The next milestone is a consultation of research material, expected for Q4 2024 or Q1 2025. The consultation insights will support FSC in drafting the Terms of Reference for Phase 2, which will be submitted to FSC Board of Directors for approval.</p>
<p>2 The procedure can be used to assist The Organization and sponsors in sustainability reporting and disclosure.</p>	
<p>3 The procedure can be used to strengthen the credibility of payment for ecosystem services (PES) projects thanks to the FSC label and third-party verification.</p>	
<p>4 The procedure can be used to promote wider values of FSC certification, not only timber-based products. The procedure offers robust results to be used for promotional purposes by The Organization and sponsors since the verified ES impacts and ES claims are backed by data and third-party verification.</p>	
<p>5 Sponsors can use the procedure for compensation or neutralization of impacts beyond the supply chain.</p>	

Question 67. Please share any additional comments on the Draft 2-0. If possible, please refer to the clause(s) in the document your comments relate to.

Consolidated key feedback	FSC Responses
<p>1 Key feedback was consolidated in the tables above.</p>	<p>Responses were consolidated in the tables above.</p>

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!

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



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