PSU Review Report of
FSC-PRO-30-006 V1-2 Ecosystem Services Procedure: Impact Demonstration and Market Tools

Version 1-0
The Forest Stewardship Council (FSC) is an independent, not for profit, non-government organization established to promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the true value of forests is recognized and fully incorporated into society worldwide. FSC is the leading catalyst and defining force for improved forest management and market transformation, shifting the global forest trend toward sustainable use, conservation, restoration, and respect for all.
## Summary and recommendation

### Reviewed Document

<table>
<thead>
<tr>
<th>Document code</th>
<th>FSC-PRO-30-006 V1-2</th>
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</thead>
<tbody>
<tr>
<td>Document title</td>
<td>Ecosystem Services Procedure: Impact Demonstration and Market Tools</td>
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<tr>
<td>Objective of document</td>
<td>The procedure offers a framework for verifying impacts and approving FSC ecosystem services claims that can be used by forest managers to access ecosystem services markets and/or other benefits. It sets out the requirements for FSC-certified forest managers to credibly demonstrate the impact of their activities on the maintenance, conservation, restoration or enhancement of ecosystem services.</td>
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<tr>
<td>Last approval date</td>
<td>23 December 2019</td>
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<tr>
<td>Review triggered by</td>
<td>☒ Regular review as scheduled</td>
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<td>☐ GA Motion or Board decision</td>
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<td>☐ New or changed FSC policies or legislation</td>
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<td>☒ Change Requests</td>
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<td>☒ Existing interpretations and frequently asked questions</td>
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<tr>
<td>Reviewer</td>
<td>Jiwon Sung (Policy Officer Forest Management)</td>
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<tr>
<td>Draft Review Report</td>
<td>16 November 2021</td>
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<tr>
<td>Public consultation</td>
<td>03.12.2021 – 09.01.2022</td>
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<tr>
<td>Final Review Report</td>
<td>TBD</td>
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</tbody>
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### Recommendation

- ☒ Full revision
- ☐ Minor revision
- ☐ Editorial revision
- ☐ No revision
- ☐ Withdrawal
I. Introduction

This report has been developed according to Clause 9.6 of FSC-PRO-01-001 V3-1 The Development and Revision of FSC Normative Documents to review (assess) the continued development and effectiveness of a normative document. This is a mandatory step before a normative document can be taken to revision.

II. Proposed recommendation and justification

The first version of the FSC-PRO-30-006 (V1-0) was approved in 2018. It was developed to:

- set out the requirements for FSC-certified forest managers to credibly demonstrate the impact of their activities on the maintenance, conservation, restoration, or enhancement of ecosystem services;
- provide FSC-certified forest managers with improved access to emerging ecosystem services markets through the use of FSC ecosystem services claims based on verified impacts;
- improve access to finance for validated ecosystem service restoration/enhancement impacts.

Considering the feedback provided by first users, existing interpretations and frequently asked questions, PSU recommends the full revision of FSC’s FSC-PRO-30-006 V1-2 Ecosystem Services Procedure: Impact Demonstration and Market Tools.

The document can be improved to become more user friendly and accessible, for example separating certain non-normative elements into separate guidelines and notes, to make sure the procedure relevant to forest managers is clear and simple. The range of ecosystem services should be reconsidered, just as the nature and use of claims can be refined to meet developments in demand, and decisions adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA). The improvements to the document can contribute to improve an uptake of FSC ecosystem services certificates. Annex 1 lists topics that are planned to be considered during the revision process.

In 2019 and 2021, small and administrative revisions were conducted to correct errors and improve clarity.

At the FSC General Assembly 2021, Motion 48 (Improvements in Ecosystem Services certification to simplify the procedure, incorporate more services and maximise the potential) has been presented. This motion requests, among other aspects, a revision of the procedure. The secretariat indicated in the analysis of the motion that the review and potential revision were already considered for 2022.

III. Impact analysis

A revision of the procedure will contribute to deliver on several goals of the FSC’s Global Strategy 2021-2026:
- Goal 1.2 Streamline policies and standards towards outcome orientation
- Goal 1.4 Expand the reach of FSC and its relevance in the fight against climate change and loss of biodiversity
- Goal 2.2 Accelerate the market uptake of FSC-certified products and ecosystem services
- Goal 2.3 Unleash the power of data to demonstrate positive outcomes
- Goal 3.4 Accelerate awareness of the value of forests

It is foreseen that FSC’s stakeholders such as forest managers, smallholders, Indigenous Peoples and communities will benefit from a revision as it will bring more clarity to the FSC Normative Framework and contribute to drive change on the ground.

No negative impacts are foreseen.

If Motion 48/2021 is approved by the FSC membership, the secretariat will have a mandate to revise the procedure and guidance on the direction to be taken. If the motion does not pass, the final review report will be presented to the Policy and Standards Committee and the Board of Directors to confirm the need for a revision based on the information provided in this report and gathered through the consultation process.

IV. Stakeholder consultation and feedback

Methodology

Stakeholders were invited to provide comments and feedback on the draft review from 03 December 2021 until 09 January 2022 via the FSC consultation platform.

Results

To be filled in following public stakeholder consultation
Annex 1. Topics to be considered in the revision process

1. Fundamental
   - exploring whether there is an option to verify ES impacts without having FM certification,
   - exploring the possibility of using the ES claims on FSC Mix products,
   - re-evaluating which ES can be partially verifiable,
   - strengthening baseline requirements where the current requirements are not sufficiently robust compared to best practices, and restricting and specifying the duration and definition of baseline period,

2. Simplification and clarity
   - revisiting the structure, wording, and content to improve its readability, for example looking into splitting the procedure into several documents to reduce its complexity,
   - simplifying the procedure for smallholders and group certification,

3. Reconsidering the range of ecosystem services
   - biodiversity claims: Define and specify different types of claims,
   - social impact claims: Define what is meant, how to develop such claims, and metrics and methods applicable,
   - soil, water, recreation: Improve
   - combining claims: options for and limitations of combinations between products at MU and claim levels.

4. Data aspects
   - enhancing requirements on data, baselines setting, and reporting unit,
   - providing and defining templates and criteria for data and sharing of data.
   - clarifying requirements regarding collection, storing, and sharing of all project data with FSC and any relevant open-source repositories with standardized data report.

5. Integrity and governance
   - defining and clarifying in simple terms what compensation and off-setting are for project participants to know and understand from the onset of projects,
   - clarifying terms and conditions for what statements, communication, storytelling, and claims can be made, including on carbon neutrality, net zero, products level benefits, etc.
   - specifying conditionalities for labelling for trademark use and any visual aspect of ecosystem services claims.