



PROPOSAL: Development of a new Normative Document

Name of normative document: *FSC Procedure for Demonstrating the Impact of Forest Stewardship on Ecosystem Services* (hereafter, “*The ES Procedure*”)

Type of normative document: Procedure

Document code: FSC-PRO-30-002

This proposal has been developed in accordance with Section 2 of *The Development and Revision of FSC Normative Documents* (FSC-PRO-01-001 V3-0).

A. A justification of the need for a new normative document, including an assessment of how the proposed document will meet that need.

The FSC mission is “to promote the responsible management of forests, by providing the assistance required to achieve an environmentally appropriate, socially beneficial and economically viable use of natural resources and *provision of ecosystem services*, to avoid deterioration or misuse of such resources, or of the ecosystems or surrounding communities” (FSC Statutes, emphasis added).

The *FSC Principles and Criteria* (FSC-STD-01-001 V5-1) cover, among other things, “the production of ... ecosystem services”. Principle 6 requires the maintenance, conservation and/or restoration of ecosystem services and Criterion 5.1 requires the forest management organization to identify, produce, or enable the production of, diversified benefits and/or products, based on the range of resources and *ecosystem services* existing in the Management Unit (emphasis added)”.

For those forest management organizations wishing to use FSC certification to gain improved market access for ecosystem service payments, an expanded ecosystem services certification is being developed (see the *FSC Ecosystem Services Strategy*). The FSC International Generic Indicators (IGI; FSC-STD-60-004 V1-0) create the opportunity for forest management organizations to meet additional requirements related to the maintenance and/or enhancement of ecosystem services in support of promotional claims to facilitate improved market access to ecosystem service payments:

5.1.3. When The Organization* makes FSC promotional claims regarding the maintenance and/or enhancement of ecosystem services*, Annex C is followed regarding additional requirements.

Annex C (*Additional Requirements for Ecosystem Services*) of the IGI introduces a new normative document, the *FSC Procedure for Demonstrating the Impact of Forest Stewardship on Ecosystem Services* (a procedural document): “The ES Procedure describes requirements for evaluating the outcomes and impacts of activities to maintain and/or enhance the provision of ecosystem services. The ES Procedure also describes how the results of impact evaluation



shall be used as the basis for FSC promotional claims that the Organization may make for the provision of ecosystem services, according to FSC's applicable trademark requirements.”

Methodologies for evaluating the impacts of forest management on specific ecosystem services at the forest management unit level do not currently exist within the body of FSC requirements and guidance. These methodologies will enable verification of ES impacts, which is required to ensure consistency and credibility of FSC promotional claims related to ecosystem services certification. The methodologies are required within a normative document to ensure that certifying bodies can issue corrective action requests, thereby providing a basis of credibility for FSC ecosystem services promotional claims. The ES Procedure is one of the measures put in place to “ensure protection and integrity of the FSC brand” based on risks identified “with respect to claims made and rewards received for the provision of ecosystem services” (Motion 10, FSC 2011 General Assembly).

The development of The ES Procedure is one of the strategies in the draft FSC Ecosystem Services Strategy, for which a consultation is occurring concurrently with this proposal.

B. Reference to any background papers, FSC discussion papers, previous decisions by the FSC Board of Directors, approved FSC General Assembly motions, etc., that support the need to develop the proposed normative document.

- FSC Ecosystem Services Strategy (2015)
- forces.fsc.org
- *Strategic Framework for an FSC Climate Change Engagement* (Update – 2012)
- Motion 10, FSC 2011 General Assembly (2011)

C. Specification of clear aims and objectives of the new normative document, in particular those objectives that focus on social, environmental and/or economic aspects.

The objectives of The ES Procedure are to:

- Describe requirements for evaluating the outcomes and impacts of activities to maintain and/or enhance the provision of ecosystem services;
- Describe how the results of impact evaluation shall be used as the basis for FSC promotional claims that The Organization may make for the provision of ecosystem services.

D. Explanation on how the aims and objectives contribute to FSC's mission.

The ultimate objective of The ES Procedure is to support the fulfillment of FSC's purpose, “to promote ... an environmentally appropriate, socially beneficial and economically viable ... provision of ecosystem services.” The ES Procedure is the cornerstone of expanded ecosystem



services certification because it provides the basis for verified claims of impact to facilitate improved market access to ecosystem service payments.

E. Additionally in the case of standards a documentation of what other standards exist or are in the process of development which meet all or part of the expressed need; and an assessment of how broadly the final standard is intended to be applied.

Not applicable – proposed document is not a standard.



F. Reference to how the proposed normative document relates to other FSC normative documents and analysis of the likely impact it will have on them.

The table below describes the relationship and impact of The ES Procedure to other FSC normative documents:

Other FSC normative document to which The ES Procedure relates	Impact
FSC-STD-60-004 V1-0 International Generic Indicators	The ES Procedure is required to implement requirements in Annex C (<i>Additional Requirements for Ecosystem Services</i>)
FSC-STD-20-001 V4-0 General Requirements for FSC Accredited Certification Bodies	Assessment of conformance with The ES Procedure by certification bodies will require some specific technical expertise. This expertise will be specified in the competency scheme for auditors and lead auditors in this standard. This impact can be addressed during the current ongoing revision of this standard.
FSC-STD-20-007 V3-0 Forest Management Evaluations	Assessment of conformance with The ES Procedure will need to be integrated into the requirements for forest management evaluations. This impact will be addressed during the next revision of this standard.
FSC-STD-40-004a V2-1 FSC Product Classification	The product classification will need to be expanded to include ecosystem services within the scope of ecosystem services certification (carbon sequestration and soil, biodiversity conservation, soil conservation, watershed services, recreational services). This impact will be addressed during the next revision of this Classification.
FSC-STD-50-001 V1-2 Requirements for Use of the FSC Trade-marks By Certificate Holders	The ES Procedure will describe the requirements and evidence for making FSC promotional claims for the maintenance and/or enhancement of ecosystem services. This impact will be addressed during the current ongoing revision of this standard.



G. An assessment of risks in implementing the normative document and how to mitigate these, including identification of factors that could have a negative impact on the ability of the normative document to achieve its objectives; unintended consequences that could arise from its implementation; and possible mitigation measures that could be taken to address these potential risks.

Table of risks and mitigation measures:

Risks	Mitigation measures
Risks of project failure	
FSC does not have the scientific expertise in ecosystem services to develop the methodologies.	<ul style="list-style-type: none"> • FSC is partnering with the Center for International Forestry Research (CIFOR) to develop The ES Procedure. • FSC will collaborate with other organizations with scientific expertise in particular ecosystem services.
The methodologies are not sufficiently robust to create confidence in FSC promotional claims for ecosystem services.	<ul style="list-style-type: none"> • FSC will collaborate with other organizations with scientific expertise in particular ecosystem services.
The methodologies in The ES Procedure support claims that are of limited interest to ecosystem services markets.	<ul style="list-style-type: none"> • Market research will be done to identify preferred claims; these claims will be the focus of the methodologies in The ES Procedure.
The process to develop The ES Procedure is either not finished or not carried out, resulting in an incomplete system for ecosystem services certification.	<ul style="list-style-type: none"> • Complete the development of The ES Procedure.
Risks from unintended effects	
The cost and complexity of the methodologies in The ES Procedure prohibit uptake of FSC ecosystem services certification.	<ul style="list-style-type: none"> • The terms of reference for the development of The ES Procedure will focus on simple proxy indicators for claims that are practical/inexpensive to evaluate. • The development of The ES Procedure will be coordinated with the Transparent Forests project, which may support methodologies based on less expensive, earth observation-based data. • The development of The ES Procedure will be coordinated with the development of the community certification standard to ensure approaches make sense for communities and smallholders.



H. The results of a stakeholder mapping exercise or updated version of an existing stakeholder map to identify all stakeholders that will be affected by the new normative document and the potential impacts upon them.

Stakeholder	Potential impacts	Mitigation measures
<p>Forest management certificate holders – large</p>	<p>The ES Procedure will describe methodologies for evaluating the impact of forest management activities on ecosystem services.</p> <p>Application of these methodologies will verify ES impacts and facilitate verified FSC ES promotional claims and the potential for improved access to payments for ecosystem services.</p> <p>These methodologies will require additional expertise, effort and cost for certificate holders wishing to make FSC promotional claims about the maintenance and enhancement of ecosystem services.</p>	<p>Expanded ecosystem services certification is optional. Certificate holders will only elect to apply the methodologies if they perceive that the costs and complexities of additional requirements are compensated by the benefits of ecosystem services certification, including increased access to payments.</p> <p>The methodologies developed for The ES Procedure will focus on a small number of powerful and easy-to-measure proxy impact indicators.</p>



Stakeholder	Potential impacts	Mitigation measures
<p>Forest management certificate holders – smallholders and communities</p>	<p>The potential impacts for large certificate holders would also apply for smallholders and communities.</p> <p>These impacts will exacerbate existing challenges to smallholder and community certification.</p>	<p>Mitigation measures include those for large forest management certificate holders.</p> <p>Additional measures will be taken to mitigate the impact on smallholders and communities:</p> <ul style="list-style-type: none"> • The ES Procedure will be designed to be applicable in a group certification context; • The ES Procedure will be adapted as required to fit the community certification standard as it is developed.
<p>Indigenous Peoples</p>	<p>The potential impacts for smallholders and communities would also apply for Indigenous Peoples who are also certificate holders or are engaged in FSC certification of ecosystem services.</p> <p>Certification of ecosystem services and ecosystem service payments could have an impact on Indigenous People's land-based rights.</p>	<p>Mitigation measures include those for large forest management certificate holders, certified smallholders and communities.</p> <p>Free Prior and Informed Consent is required for FSC-certified forest management activities, including the maintenance and enhancement of ecosystem services and benefit sharing.</p>
<p>FSC Network Partners</p>	<p>FSC Network Partners will be required to understand the methodologies described by The ES Procedure.</p> <p>FSC Network Partners will be required to answer queries about The ES Procedure and FSC ecosystem services certification.</p>	<p>The FSC Policy and Standards Unit will provide relevant training to Network Partners.</p>



Stakeholder	Potential impacts	Mitigation measures
FSC members and supporters	The ES Procedure will provide new information regarding the impacts of FSC-certified forest management.	N/A
Certification bodies	The methodologies described by The ES Procedure may require additional technical expertise on audit teams.	FSC will specify training requirements for ecosystem services and The Policy and Standards Unit will provide relevant training to certification bodies.
External certification systems	The ES Procedure will provide new methodologies that could also be used by external certifications in assessing the impact on ecosystem services.	N/A



I. Stakeholder participation goals to establish clear targets for stakeholder engagement.

Stakeholder	Participation goal
FSC Member	Review of draft Procedure and submission of comments Potential participation on technical expert working group
FSC Network Partner	Participation in webinars Potential participation on technical expert working group
FSC certificate holders	Participation in webinars Participation in consultative forum Potential participation on technical expert working group
Certification bodies and ecosystem services experts (scientists, certification bodies, external ecosystem services schemes)	Review of draft Procedure and submission of comments Participation in webinars Participation in consultative forum Potential participation on technical expert working group
Ecosystem service market actors	Participate in surveys on desired impacts Participation in webinars Potential participation on technical expert working group

J. Specification whether pilot testing is recommended.

The ES Procedure will be tested on pilot sites within the ForCES project (Forest Certification for Ecosystem Services) as it is being developed.

K. An estimated budget for the development process of the new normative document.

Activity	Budget 2015	Budget 2016
Third party travel	20,000 Euros	10,000 Euros
Third party fees	35,000 Euros	35,000 Euros
TOTAL	55,000 Euros	45,000 Euros



L. The potential resources including funding for the proposed development process.

A Policy and Standards Policy Manager (Ecosystem Services) will coordinate the development of The ES Procedure, with the support of the Program Manager (Ecosystem Services). The total staff capacity dedicated to this project is 0.4 Full Time Equivalent for 2015 and 2016. Additionally, the Center for International Forestry Research (CIFOR) will support FSC in the development of The ES Procedure.

ForCES project donor funds, from the Global Environment Facility through the United Nations Environment Programme, will contribute 16,000 Euros per year towards the total budget to develop The ES Procedure.