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FSC ECOSYSTEM SERVICES FACTSHEET

FSC is creating incentives for the preservation of valuable ecosystem services in responsibly managed forests.

Through certification, the Forest Stewardship Council (FSC) ensures forests and their ecosystem services are responsibly managed. We have now developed new tools that will show businesses and investors that these natural benefits are being preserved, and will reward participating FSC certificate holders for doing so.

What is FSC?

The Forest Stewardship Council (FSC) is an independent non-governmental organization that promotes environmentally sound, socially beneficial, and economically prosperous management of the world's forests. FSC was created in 1993 to help consumers and businesses identify products from well-managed forests. FSC sets standards by which forests are certified, offering credible verification to people who are buying wood and wood products. Currently, more than 187 million hectares of forest are certified to FSC standards (13 per cent of the world's production forests), and 31,000 forest management and chain of custody certificates have been issued worldwide.

What are ecosystem services?

Ecosystem services (water, carbon, biodiversity, soil, recreational services) are the benefits that we obtain from nature. They provide society with a wide range of services from reliable flows of clean water to productive soil and carbon sequestration. People, companies, and societies rely on these services for raw material inputs, production processes, and climate stability.

Ecosystem services are one of our greatest allies as we try to defend our most vulnerable communities from the effects of climate change. Ecosystem services account for up to 36 per cent of total wealth in 43 of the world's low-income countries (World Bank).

How is FSC ensuring that ecosystem services are maintained?

FSC-certified forest management already requires the protection of ecosystem services. As rates of deforestation increase globally, FSC tools to promote ecosystem services payments are an alternative incentive model to the short-term economic benefits of forest degradation for those not yet FSC certified, and an added economic support for FSC certificate holders already managing their forests responsibly. It is a model that will reward FSC certificate holders for their ongoing commitment to reduce deforestation, and help communities preserve the forests and ecosystems on which their livelihood depends.

How will FSC ecosystem services tools work?

The ultimate goal of the FSC ecosystem services programme is to offer new tools for certificate holders to access emerging markets for ecosystem services.

Building on existing world-renowned certification, these tools are designed to strengthen incentives for responsible forest management, forest protection, and forest restoration; and to deliver greater value for certificate holders, forest communities, and other actors along the supply chain.

These new tools will also help governments and businesses demonstrate the impact their purchases, payments, and investments have on preserving ecosystem services, and their commitment to sustainability, and to reducing deforestation and forest degradation.

What are the FSC ecosystem services tools?

- 1. Measurement:** The first tool is a common methodology that FSC certificate holders can use to demonstrate the impact of their forest management activities on ecosystem services. This tool is FSC-PRO-30-006, FSC's new ecosystem services procedure.
- 2. Transparency:** Impacts will be verified by third-party auditors and recorded in a publicly available Ecosystem Services Certification Document, which will be uploaded into FSC's online certification database.
- 3. Ecosystem Services Claims:** FSC ecosystem services claims will provide governments, investors, buyers, and businesses with assurance that the impacts they are paying for do preserve ecosystem services. These claims can be used to promote forests with verified ecosystem services impacts; promote FSC-certified products from these forests; and attract and promote financial sponsorship of ecosystem services protection.
- 4. Adding value to saleable assets:** Sellers and buyers of environmental assets (e.g. carbon credits) from FSC-certified forests will also be able to increase the value of these assets by adding information about verified ecosystem services impacts.

FSC ecosystem services tools will provide the financial sector with timely, audited, and localized data about the impact of their investments on ecosystem services.

How can my organization be involved?

Ecosystem services support our economy and society. They are essential, indispensable and irreplaceable. FSC ecosystem services tools will help governments, investors, buyers, and businesses demonstrate that investment in ecosystem services is a sound business decision.

For more information on using or helping us promote FSC ecosystem services tools, or to support or invest in ecosystem services markets, please contact Chris Henschel, FSC International, Programme Manager (Ecosystem Services), c.henschel@fsc.org