



**Forest Asia Summit Discussion Forum
Moving certification to the landscape level with ecosystem services
Hosted by the Forest Stewardship Council® (FSC®)**

Summary Note

In the forest, Ecosystem Services (ES) are the benefits that we obtain from nature, such as goods that can be harvested, traded and consumed, to the support and protection we enjoy from plants and animals.

ForCES - Forest Certification for Ecosystem Services – is a pilot project between FSC, WWF, UNEP and GEF, to determine the viability of expanding the existing concept of Payment for Ecosystem Services (PES) in 4 pilot countries including Indonesia, Vietnam, Nepal and Chile under the certification model of FSC.

FSC invited the ForCES local partner in Indonesia, Dita Ramahdani (WWF Indonesia) to share the progress and challenge of ForCES pilot project with program introduction and regional perspective by Alistair Monument, FSC Asia Pacific Regional Director. FSC General Director Kim Carstensen joined them in the panel discussion, moderated by Prabianto Mukti Wibowo, Assistant Deputy Minister for Forestry, Ministry for Economic Affairs Indonesia.

■ **Key Messages**

1. ForCES aims to maximize the impact and benefit based on a strong foundation of existing certification system with landscape approaches, including carbon conservation, water resource management, biodiversity, eco-tourism etc.
2. The challenge is engagement with existing national law framework. In term of Indonesia where MoF already established KPH¹, it is needed to research to bring up ForCES into KPH management practices/guidance for implementation of ecosystem services.
3. FSC will contribute sustainable landscape management by continuing multi-stakeholder dialogue to incorporate various commodity-based certification scheme (forestry, agriculture, fishery etc) into integrated sustainable management on landscape level through the ecosystem service certification project (ForCES).

¹ Kesatuan Pemangkuan Hutan: Forest Management Unit, with one or more main function/purpose of forest management systems in Indonesia

■ **ForCES, a groundbreaking pilot project to expand FSC's scope and relevance- Alistair Monument, Asia Pacific Regional Director, FSC International**

1. The untapped socio-economic value of ecosystem services exceeds that of goods many times over and ForCES aims to provide business value for PES.
2. However, current FSC standards do not sufficiently provide; (a) ES specific management guidelines; (b) a methodology for quantifying ES; (c) a methodology for evaluating the impact of a market-based reward mechanism for ES.
3. ForCES Expected results include defining the viable business model(s), market analysis, potential dual certification with other certification scheme (carbon, agriculture etc), benefit sharing mechanism.

■ **ForCES in Indonesia- Dita Ramadhani, Responsible Trade & Networking Coordinator for Global Forest & Trade Network (GFTN) program, WWF Indonesia**

WWF Indonesia, the local partner in ForCES pilot project, aims to give recommendations for FSC to set up a ForCES system that is credible, verifiable and also applicable for smallholders and replicable to other areas in the world.

1. Activities:
 - a. Market analysis to see willingness to pay from potential PES buyer/user.
 - b. Define M&E methodology.
 - c. Participatory process and consultations on the ground.
 - d. Create suitable PES business model.
 - e. Certification Body to test FSC PES standard draft in pilot site.
2. Pilot sites:
 - a. Lombok: Local water supplier pays for maintaining forest water supply.
 - b. West Kalimantan: Corridor between two National Parks is managed for biodiversity and eco-tourism.
 - c. East Kalimantan: Logging company for biodiversity and carbon.

■ **Discussion Minutes**

1. How did the project involve stakeholders, including government?
 - a. *In Lombok, the local government, as owner of the water supply company, was actively involved in the project from the beginning, including defining M&E methodology.*
 - b. *In West Kalimantan, the local government was also involved since the corridor cuts across two kabupaten.*
 - c. *In East Kalimantan, the local government was involved only as an institution to issue the licenses for managing the forest.*
2. In East Kalimantan, in terms of working at the landscape level, how did you engage other sectors involved in the site, such as agricultural and mining?

The project doesn't cover the landscape level management practices, but only compares the FSC certified and non-certified forest on PES management.

3. MoF already has a policy on Forest Management Unit called KPH (Kesatuan Pemangkuan Hutan) that covers all kind of forest services (production, protection, conservation). How did the project consider the policy in the implementation of PES?

The implementation of KPH on the ground is at different levels, there are some KPH that the organization has established, and the other's it has not. In Lombok, the project presented to the KPH on its activities, while in West Kalimantan the KPH is not yet established.

4. If ForCES moves FSC to the landscape level, and sectors also have certification schemes, how do you propose to integrate them all?

FSC is member of ISEAL Alliance, an association of certification schemes that cover divers sectors such as agriculture, palm oil, and marine life. Through this alliance obstacles to integration among the sectors can be resolved.

5. Japanese businesses are still not very aware of FSC certification - even if their producers are already certified, they sell uncertified products in Japan. How is FSC approaching this?

FSC is not a marketing agency, but through our Key Accounts Program we work with many large companies to promote FSC in Japan. Together, with other organizations such as TBI, FSC supports the development of a certified product market in Japan.

6. FSC certification is valid for 5 years and then companies have to renew their certificates. But there is a possibility the company will fail to continue the certificate, meaning FSC standards cannot ensure the sustainability of the forest management and its business. How can FSC guarantee that its system will make companies sustainable?

FSC prefers to use terms "well managed" or "responsible" forest instead of "sustainable" due to the difficulty in measuring something into the future. So, the standard guides companies toward long-term business and forest management.

Periodic audits of FSC certified businesses ensure that if there are any significant changes, such as change in ownership or government regulation, the company can confirm that they are still willing to adhere to FSC standards and comply with new regulations.

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Rapporteur: Hartono Prabowo, FSC National Representative Indonesia
h.prabowo@fsc.org

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FSC Global Development GmbH · Charles-de-Gaulle-Straße 5 · 53113 Bonn · Deutschland ·
T +49 (0) 228 367 66 0 · F +49 (0) 228 367 66 30 · fsc@fsc.org · www.fsc.org · FSC® F000100
Geschäftsführer | Director: Kim Bering Becker Carstensen · Sitz der Gesellschaft | Registered Office: Bonn, Deutschland
· Handelsregister | Commercial register: Bonn HRB 15990