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Payment for Ecosystem Services (PES)

An exploration of PES to provide additional income for forest-dependent communities in Suriname

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1 Executive summary

This report explores the potential of Payments for Ecosystem Services (PES) as a sustainable income source for forest-dependent Indigenous and Maroon communities in Suriname. While these communities play a vital role in forest conservation, they face significant barriers to accessing sustainable income from timber and other forest products due to limited market access, investment capital, and technical capacity.

Through the Cities4Forests (C4F) and SUStainable Timber SurinAME (SUSTAME) projects, Probos, ESS and other partners have supported communities, including Bigi Poika, in developing sustainable forest management practices and accessing European markets for 'conservation timber'. However, sustaining these efforts requires long-term financial mechanisms. In potential, revenue from PES could provide a portion of the needed financing, in addition from income from sustainable timber harvests.

PES methods can facilitate income generation from ecosystem services such as carbon sequestration, biodiversity, water regulation, and ecotourism. However, monetization remains limited, especially in tropical countries like Suriname. With an established market for carbon credits, this is the most obvious ecosystem service that forest-dependent communities could monetize. While the forests of Suriname are already generating significant national carbon revenue, communities currently lack direct access to these funds. Other ecosystem services can potentially provide various income opportunities, such as water-based PES, ecotourism, and biodiversity credits. However, these mechanisms are often not yet operational, lack monetization pathways, or face other challenges, such as a lack of accessibility and infrastructure for tourists, or a lack of knowledge and finances to develop the specific ecosystem service payment mechanism.

The most promising PES pathway for Suriname's communities is through the FSC certification process. The FSC certification for sustainable forest management first of all enables communities to prove their sustainable forest management practices. In addition, it provides opportunities to quantify and verify the impact of their improved forest management practices on forest ecosystem services. The FSC ecosystem services procedure could lead to 'verified impact claims' on ecosystem services, with a potential of monetization through sponsorships.

2 Introduction

An estimated 30 percent of forests in the Amazon alone are under community forest management (Sist et al., 2023). Communities play an important role in forest conservation worldwide. Multiple studies show that management by these communities is a highly effective form of conservation. Sustainable management by communities is an effective tool against illegal logging, deforestation and forest degradation. For these communities, the forest is not only vital for their daily existence, but also as a source of income. Timber sales are often an important part of this. However, communities often face major barriers in gaining (international) market access for their timber and other forest products to generate a sustainable income.

In Suriname, a total of 111 logging permits have been granted to indigenous and maroon communities inhabiting Suriname's forest areas, covering a total area of more than 826,000 hectares (SBB, 2024). Although Community Forest Enterprises (CFEs) in Suriname tend to be heavily focused on timber harvesting, the livelihood benefits for communities are often limited, with most income being obtained by larger (foreign) logging companies. These companies pay communities a fee per cubic metre of timber harvested from the forest, but communities often have limited bargaining power (van Kanten & Razab-Sekh, 2020). Additionally, communities often have limited investment capital and insufficient knowledge or skills to carry out commercial logging practices themselves.

The Cities4Forests (C4F) project has facilitated market access for several communities by establishing relationships with buyers, specifically European cities. Utilising timber in Europe that originates from sustainably managed community forests in the tropics not only contributes to safeguarding the forest ecosystem but also ensures the livelihoods of communities reliant on these forests. This commitment to sustainability has earned the timber from these community forests the designation 'conservation timber'. Within the C4F project, the Bigi Poika community from Suriname has successfully partnered with the city of Amsterdam. This partnership has resulted in the construction of wooden benches in public spaces of Amsterdam using Bigi Poika's conservation timber. To further ensure the sustainability of the timber from Bigi Poika, the community has also received training in areas such as sustainable forest management, forest inventories, certification, and value chain cooperation.

The C4F project was followed by the SUSTAME (SUStainable Timber SurinAME) project 'Support Livelihood Benefits for Indigenous and Maroon communities'. This project continued to develop market opportunities for the export of conservation timber from indigenous and Maroon communities in Suriname. This involves local value addition by the use of local processing capacity through mobile sawmills. But the project particularly involves further capacity building in the community on sustainable forest management, training and guidance on FSC certification. A certificate for sustainable forest management strongly facilitates and is often a requirement to access high-quality markets in the Netherlands and other European countries with conservation timber.

As part of the project, the FSC certification process was initiated for Bigi Poika using the Continuous Improvement Procedure (CIP). However, limited funding is available within the SUSTAME project to further implement the FSC Continuous Improvement Procedure in Bigi Poika and thus sustain certified sustainable forest management. Hence, sustaining the impacts of sustainable forest management through various ecosystem services (ES) and impacts on the community of Bigi Poika is not financially guaranteed. Payments for these Ecosystem Services may

serve as an incentive to further sustain the certified forest management by the forest-dependent communities in Suriname.

3 Payments for Ecosystem Services (PES)

Through a Payments for Ecosystem Services (PES) mechanism, the necessary funding could be secured to further sustain certified sustainable forest management and consequently maintain important ecosystem services such as biodiversity, carbon storage, and the forest ecosystem as a basis for the community livelihood.

PES covers all ecosystem services with valorisation potential, such as carbon, biodiversity, watershed services, soil conservation, and recreational services. Ecosystem services provide many benefits to forest managers and local communities, such as conservation of soil and water and biodiversity. There are examples of payments for these ecosystem services by governments (PROFOR, 2024; UNFCCC, 2023) or the private sector, but in general, it must be said that these ecosystem services are often not monetized. Monetizing the essential and non-substitutable resources that forest ecosystems provide does inevitably involve the willingness to pay for it, hence such a payment mechanism does not recognize the true value of these ecosystems (Farley & Costanza, 2010). Although there are several examples of ecosystem services marketing, separate statistics for forest-based ecosystem services are mostly unavailable for tropical countries (Li et al., 2022).

The only ecosystem service that has a significant established market and for which regular statistics are recorded is the carbon market (Forest Trends' Ecosystem Marketplace, 2024). Worldwide, and in tropical regions specifically, there is a significant potential for carbon credits, which is not yet fully developed (Koh et al., 2021; Pearce, 2001). Over the past decades, a significant carbon market has been established. This is on the one hand a compliance market, regulated by national, regional, or international policies. In the compliance market, developing countries can receive results-based payments for emission reductions when they reduce deforestation. This means that revenues from the compliance market are not directly available for forest managers as a source of forest income, because payments are made to national governments.

Besides the compliance market also a voluntary carbon market has developed, which is driven by the desire of entities to voluntarily offset their carbon footprint or contribute to climate action. Income through payments for carbon sequestration is a growing element of commercial forest-based revenues. Overall, the large majority of all nature-based carbon credits worldwide in the voluntary carbon market is made up by carbon credits from 'Reduced Emissions from Deforestation and Degradation in Developing Countries' (REDD+) projects, followed by 'Afforestation-Reforestation and Revegetation' (ARR), 'Improved Forest Management' (IFM), and 'Blue Carbon' (Forest Trends' Ecosystem Marketplace, 2024).

In the context of tropical natural forests, specifically the categories REDD+ and IFM are relevant. In case of REDD+, the '+' stands for additional forest-related activities that protect the climate, namely sustainable management of forests and the conservation and enhancement of forest carbon stocks. Forest managers can develop carbon projects for emission avoidance (REDD+) or increased carbon sequestration through Improved Forest Management (IFM) activities.

In the context of a tropical forest, forest managers may opt to set aside productive forests for conservation purposes. In such case, this management choice will reduce emissions from regular forest harvesting, which can potentially be claimed as REDD+ carbon credits and as such can be sold in the carbon market. However, current market prices for carbon credits are far from the current order of magnitude to break even compared to timber harvesting under a Sustainable Forest Management applying reduced impact logging (RIL) (Chaudhary et al., 2016; Koh et al., 2021; Lentini et al., 2020; van Loon, 2018).

As an alternative to setting aside productive forests, specific measures taken to protect a forest from deforestation or degradation may also qualify for REDD+ carbon credits. This could be in a context of ongoing forest degradation and deforestation, but also where sustainable forest management through Reduced Impact Logging minimizes the forest loss compared to conventional logging through responsible forest management practices. This may be complemented by increasing the rotation length which will result in a higher forest carbon stock.

It must also be recognised that a sustainably managed forest, such as an FSC-certified natural forest, has limited access to carbon finance unless forest land is specifically set aside for carbon income. Qualifying activities such as Reduced Impact Logging are inherently part of sustainable forest management and therefore do not meet the additionality principle of carbon projects. The principle of additionality means that the management activity is undertaken specifically to deliver carbon sequestration benefits that would not have occurred without the carbon project. It ensures that conservation efforts go beyond business-as-usual scenarios, but also means that existing certified forest management that is already using reduced impact logging is not eligible to generate carbon credits. There are additional Improved Forest Management (IFM) activities that a certified forest owner could undertake, such as increasing rotation length to increase forest carbon stocks. However, the feasibility of such activities depends largely on the local context and the financial implications of such management interventions.

In theory, forest-dependent communities have an equal opportunity to benefit from forest carbon revenues as commercial forest managers, as similar impacts can be achieved. However, there are several challenges that make payments for ecosystem services, and carbon projects in particular, less accessible to communities than commercial forest enterprises. First, unlike commercial forest enterprises, many forest-dependent communities in the tropics do not have formal land titles, and may not even have the capacity to control land and resource use (Engel & Palmer, 2008; Wunder, 2005). This excludes these communities from payment schemes for ecosystem services. In addition, the carbon market is internationally oriented and very knowledge-intensive. This means that local communities' income from carbon credits is highly dependent on their connection to an external party with links to the carbon market and the capacity to set up a project. This also makes it a challenge to ensure the payment for ecosystem services becomes accessible to the community based on a fair distribution of benefits (Coria & Calfucura, 2012). For commercial forestry companies that operate in an international environment and having more negotiation power, the available capacity, access to finance and links to expert parties are more readily available. Nevertheless, there are many examples of both commercial forest enterprises and community-managed forests generating income through the sale of carbon credits (Asquith et al., 2002; Forest Trends' Ecosystem Marketplace, 2024).

The Voluntary Carbon Market (VCM) has so far typically not been regulated in national jurisdictions. But with developing countries having targets through their nationally determined contributions (NDCs) and developing national carbon pricing systems, this is changing rapidly. This implies that for some tropical countries ownership of forest carbon rights is not necessarily with the forest managers, and hence forest managers may potentially lose the opportunity to generate direct income from carbon credits. For many other tropical countries, carbon taxes are being implemented where governments receive a share of the carbon revenues. Though this will allow

forest managers to earn income from carbon credits, it puts a pressure on the profitability of carbon projects and makes it less likely to function as a main revenue source for forest managers.

4 PES as a source of revenue for forest-dependent communities in Suriname

Revenue for forest-dependent communities from PES schemes are uncommon in Suriname as of today, with the exception of ecotourism in Indigenous and Tribal community forests. Until now, both concessionaires and communities remain dependent on the willingness of the government to share their carbon revenues. For other ecosystem services, PES schemes are rare and often complex, and the market for ecosystem services is still underdeveloped. In Suriname, there is a lack of clear laws or rules on how forest-managing communities can apply for existing PES programs or claim the benefits.

The FSC ecosystem procedure (FSC-PRO-30-006) could provide a relevant tool to gain additional income, but this is only accessible for FSC-certified forests that are managed based on Sustainable Forest Management (SFM) principles. However, thus far the procedure remains undiscovered in Suriname. The potential of income from ecosystem services other than carbon in Suriname should not be overestimated, especially not on the short- to medium-term. Besides an underdeveloped market, it would also require a significant effort of forest managers to get familiar with these procedures to be able to make use of them.

4.1 Carbon

As a High Forest, Low Deforestation (HFLD) country and one of the three countries with a carbon negative status, Suriname's forests are significant carbon sinks, absorbing more CO_2 annually than they release (Conservation International Suriname et al., 2020).

The Forest Reference Emission Level reports (FRELs) of Suriname from 2018 and 2021 (Government of Suriname, 2018, 2021) provide a baseline scenario for measuring emissions from deforestation and forest degradation. Additional efforts in terms of forest conservation and sustainable forest management (SFM) can decrease emissions from deforestation and forest degradation from the baseline scenario. The difference between the baseline scenario and actual proven emissions can be converted into verified mitigation outcomes (i.e. carbon credits) of various kinds.

Suriname is participating in two large carbon finance initiatives, REDD+ and International Transferable Mitigation Outcomes (ITMOs). While REDD+ focuses on results-based payments for emission reduction, the ITMOs provide a possibility for the government to sell the outcomes on the international market. The benefits received for efforts through both REDD+ and the sale of ITMOs, will come to the national government of Suriname. To prevent 'double counting' of mitigation outcomes, forest managers cannot develop carbon projects themselves and participate on the voluntary market through voluntary carbon projects. Forest-dependent communities are therefore dependent on the government as to what extent they will be compensated for their efforts under the REDD+ strategy. For the moment, forest-managing communities are left with empty hands.

The total carbon stock in the forests of Suriname is estimated at approximately 200 tons per hectare (SBB, 2024), underscoring the significant carbon stock in the extensive Surinamese forests that can be conserved. It is estimated that carefully planned timber harvesting under sustainable forest management principles can reduce around 40% of the carbon emissions compared to conventional logging (SBB, 2024; Zalman et al., 2019), resulting in an emission reduction of ca. 1,4 ton CO_2e per cubic metre of harvested wood. Both the total carbon stock and potential avoided emissions as a result of sustainable forest management show the potential for carbon income from community forests. This can however not be monetized through voluntary carbon projects, as the government policies prevent forest managers to develop these carbon projects themselves to avoid potential 'double counting'.

4.1.1 REDD+

The REDD+ framework provides financial incentives for countries that actively contribute to reducing emissions, for example, through SFM and forest conservation. In contrast to ITMOs, which involve the sale of carbon credits on international markets, REDD+ focuses on results-based payments linked to emission reductions, which do not function as 'offsetting credits'.

Suriname has been engaging with REDD+ since 2009, and has since then made strides towards the publication of its national REDD+ strategy in 2019, and is currently in the implementation phase. In this phase, mechanisms to reduce emissions from forest degradation and deforestation are being put into place. According to the REDD+ strategy, the following activities should be undertaken by forest managers to conserve forests and prevent degradation (Government of Suriname, 2019):

- Conservation of forests against deforestation and degradation;
- Implementation of sustainable management practices;
- Setting up a monitoring mechanism to understand the effects of restoration efforts;
- Involvement of local communities in forest management;
- Verification of CO_2 reductions.

Since REDD+ operates on a performance-based framework, payments are distributed only after successful verification of reduced emissions. In November 2024, the news that the Green Climate Fund (GCF) has ratified the REDD+ results of Suriname in the period 2018-2020 came out (Government of Suriname, 2024). The ratified 10 million 'results units', equaling 10 million metric tons of CO_2 that were sequestered, or counted as 'prevented emissions', are rewarded for 8 USD each, leading to a payment of 80 million USD to the government of Suriname by the GCF. The government has expressed its ambitions to use these funds to finance work on forest conservation, biodiversity protection, and the social and economic development of ITP. Efforts have been taken to set up a benefit-sharing mechanism, however, no framework has yet been communicated by the government. It should be expected that a significant portion of these funds shall be allocated to the sustainable management of community forests.

4.1.2 Internationally Transferred Mitigation Outcomes

Since 2024, Suriname has established a framework to participate in the sale of Internationally Transferred Mitigation Outcomes (ITMOs) under the Paris Agreement. The country aims to issue ITMOs based on reduced forest-based emissions by sustainably managing and protecting its forests, and thus ensuring high carbon stock retention and sequestration.

The ITMOs are also generated as part of the REDD+ strategy of Suriname, however, they are attributed to efforts made during another period (starting 2021). As opposed to the initial 10 million 'results units' claimed under REDD+ for the efforts in the period 2018-2020, the ITMOs will be sold to other countries or companies through a market-based mechanism, and are generally

used to contribute to the Nationally Determined Contributions (NDCs) to the Paris Accords of other countries.

Suriname aims to offer 4.8 million ITMOs on the international market. These ITMOs are linked to Suriname's efforts from 2021 onwards under the national REDD+ strategy, leading to a reduction in deforestation and forest degradation over recent years. The price of ITMOs is set between USD 25 and 30 per ton of CO_2 (IMF, 2025), and could thus bring some USD 144 million of income to Suriname. In 2025, the first 1.5 million ITMOs will be traded on the international market, making Suriname the first country to offer ITMOs under this framework. Similar to the REDD+ revenue, no concrete benefit-sharing mechanism has been published for the ITMO revenues. The national government has stated that 40% of the revenue will go into the national budget, 30% to development and sector management, 20% would go into the country's sovereign wealth fund, and 10% would be allocated to Suriname's Indigenous and Tribal People (ITP) (Radwin, 2024).

4.2 Water

Forests in the Guiana Shield, including those in Suriname, play a critical role in the regulation, purification, and retention of water — functions that are essential for maintaining the region's hydrological balance (Rosales, 2003). Recognising the ecological and economic value of these services, Rosales outlined strategies for monetising hydrological functions through Payments for Ecosystem Services (PES).

These strategies could present an interesting opportunity to forest-dependent communities in Suriname. By engaging in practices that enhance the hydrological functions of forests, such as erosion control, deforestation prevention, and watershed protection, they could potentially access new revenue streams through PES frameworks. Stakeholders who depend on a reliable supply of clean water, such as urban water utilities, hydropower companies, and agricultural users, may be willing to compensate the communities in exchange for the conservation of the hydrological functions of upstream forested areas.

International examples illustrate this potential. In countries like Brazil (Young & de Bakker, 2014) and Costa Rica (Pagiola, 2008), PES systems have successfully incentivised forest conservation by linking payments directly to water quality and flow regulation outcomes. A similar framework in Suriname could involve stakeholders paying communities for measures that maintain or improve the hydrological integrity of forest landscapes (Young & de Bakker, 2014).

However, hydrology-based PES frameworks are not yet operational in Suriname and largely depend on awareness about their importance and the associated willingness to pay for maintaining and improving this ecosystem service. Nevertheless, over the longer run they could present a promising approach to sustainable forest financing. This will require that reliable buyers of these watershed services are identified and approached. Furthermore, the efforts needed for setting up these schemes would need to be financed, potentially by donors or the government.

4.3 Ecotourism

Ecotourism is a form of tourism where visitors engage in activities that are not harmful to the environment or the local area. It is gaining popularity in Suriname, where it is recognised as a potential source of national economic development (Olsder, 2004).

Ecotourism can be a significant source of revenue for Indigenous and Tribal villages in Suriname, especially for villages close to the country's rivers and streams. Tourists can visit their villages with the guidance of a local guide, stay in cabins or hammocks, and participate in different natural

and cultural activities. With the increasing shift towards ecotourism, more communities are opting to develop activities in this area to generate additional revenue. Local communities in particular have the potential to increase revenue by establishing tourist attractions and businesses, rather than selling access to their land to tour operators (Bhairo-Marhé et al., 2009). Nevertheless, ecotourism also comes with multiple challenges that frequently lead to failure to deliver the expected benefits to indigenous communities, such as lack of human and financial capital within the community, or lack of a fair benefit distribution mechanism (Coria & Calfucura, 2012).

NGOs that promote nature conservation, along with frameworks such as the REDD+ strategy, support ecotourism initiatives as a means to enhance the sustainable development of forests. By encouraging ecotourism, these efforts may contribute to both forest conservation and the creation of economic opportunities for local communities. However, Coria & Calfucura (2012) suggested that the relatively low levels of ecotourism in Latin America may be associated with, among others, low visibility of charismatic wildlife, access difficulties and low visitation rates. Especially, the accessibility of the community forest area, and the presence of attractive features for tourists will largely determine the likely success of ecotourism in Suriname.

4.4 Biodiversity

In recent years, there is an increasing interest in payment mechanisms for biodiversity. This recognizes the invaluable ecosystem services that are associated with biodiversity and acknowledges the threatening loss of biodiversity worldwide (OECD, 2010).

There are various approaches developed for biodiversity payment, such as 'biodiversity credits' that represent specific units for conservation and restoration of biodiversity through either avoided loss or active restoration (Rao et al., 2024). Like the carbon markets, they are leveraging nature-based solutions to achieve the goal of nature conservation. Biodiversity credits add a layer of complexity over carbon credits, as there is no uniform metric as there is for carbon credits that are expressed in tons of CO2 equivalent. Examples of biodiversity metrics are area based, or expressed as a percentage uplift compared to a baseline scenario.

A more established standard covering biodiversity impact is the Climate, Community & Biodiversity Standard of Verra, which is often used in conjunction with the VCS carbon standard. This is then used as an add-on for the carbon credit, representing a co-benefit on biodiversity and communities beyond the carbon impact of the carbon credit. Such a co-benefit may result in a price premium of the carbon credit, but the CCB standards in itself do not generate something that can easily be monetized separately. Although there is transparent reporting on the biodiversity and community impact of a CCB project.

5 PES strategy for forest-dependent communities in Suriname

It is evident that community forests in Suriname offer multiple critical ecosystem services with great value. However, as elaborated in the chapters above, the valorization of the ecosystem services to provide additional income is challenging. This is particularly the case for forest-dependent communities, as PES schemes are often knowledge-intensive and the identification of parties that have a willingness to pay is hard. Moreover, the more obvious route of developing a voluntary carbon project, eventually in conjunction with a Climate, Community and Biodiversity (CCB) project, is in the context of Suriname not possible due to prohibitive government policies. Nevertheless, both the carbon conservation potential as well as the reduction of carbon emissions as a result of careful planning of sustainable timber harvesting is significant. The opportunities for other ecosystem services, such as water conservation, ecotourism and payments for biodiversity remain uncertain.

It would also be possible to identify specific project-based payment mechanisms, such as identifying specific parties who might be willing to pay for ecosystem services provided by individual communities. However, this is time and resource consuming and the outcomes are unknown. Connecting to existing mechanisms, a more established generalist approach with fewer uncertainties. This does not preclude exploiting existing opportunities for PES. In the case of Bigi Poika, there is already an accommodation that could be utilized as a recreational facility. But it is highly desirable to adopt a more general approach that is less dependent on the specific situations of a forest community, and that can be applied by multiple communities participating within the FSC CIP program.

Since the market for other ecosystem services is uncertain, the FSC Ecosystem Services procedure, as far as is known, offers the best possibilities in the context of forest communities in Suriname participating within the FSC CIP program in the project as funded within SUSTAME. This procedure can be applied for the following ecosystem services:

- biodiversity conservation,
- carbon sequestration and storage,
- water services,
- soil conservation,
- recreational services,
- cultural practices and values, and
- air quality.

As a prerequisite for applying this procedure, the forest must be responsibly managed, which is independently verified as part of the FSC certification. As such, the FSC certification functions as a guarantee that the positive impact of the community forest management on specific ecosystem services is realised in a context that meets all aspects of sustainable forest management.

This procedure quantifies the impact of FSC-certified community forest management on specific ecosystem services. After the realised impact has been independently verified, a verified impact can be claimed. Within the FSC network, sponsors of ecosystem services can be identified and linked to specific projects that protect these services. Thus, the FSC network can facilitate payment for specific community forest ecosystem services. Sponsors can claim sponsorship of a particular ecosystem service, but these claims are not in the form of compensation. Therefore, it is still possible to determine the impact on carbon, water, biodiversity, and so on, and develop a payment

mechanism for these services. As the FSC network helps identify potential sponsors, it also makes this form of financing more accessible to forest communities.

The forest communities that are currently in the process towards FSC-certification in the FSC Continuous Improvement Procedure under the SUSTAME program can have access to this Ecosystem Services procedure as add-on to their FSC certificate. For that purpose, the FSC certification needs to be successfully completed.

Besides that, for the specific communities the individual ecosystem services need to be identified that will be protected and for which the impact can transparently be claimed. This must then be documented in a so-called Ecosystem Services Report. This document describes the past and present status of the ecosystem service, its beneficiaries, and potential threats. In addition, it describes the forest management and how this will achieve the anticipated impacts. The selected ecosystem services will focus on the impacts of conservation timber, achieved through FSC certification in the context of community forestry. The report also defines what should be measured, when, and the methodology used to do so. The report will require local information, including specific details about the location and the implemented forest management.

The first concept of this Ecosystem Services report should be shared with the certification body for preliminary feedback and to ensure alignment of the process between the different parties involved. Also, it will facilitate the identification of potential ES sponsors in collaboration with FSC, as they will know what the anticipated impacts will be, where they will be generated, and when validation and verification can be expected.

After achieving FSC certification, efforts can be focused on data collection to establish the baseline of the identified Ecosystem Services. This data is needed as it will be used as a basis to determine the potential impact of sustainable forest management on the different ecosystem services. Based on the collected baseline data and the concept Ecosystem Services Report, a final report must be prepared, which is validated by the certification body.

After max. 5 years the impact on the ecosystem service will be verified. This requires data collection in the field. The collected data is processed in the Ecosystem Services Report, in which the realized impact of the Ecosystem Services is quantified against the established baseline measurement. This is then processed into the Ecosystem Services Report, including relevant other updates based on project progress. The full report is provided to the community for verification during the FSC audit. Based on the impacts that have been demonstrated to the certification body and the verification by the certification body, the certification body will issue a Verified Impact statement. These verified impacts can be used by the sponsor of the ecosystem services.

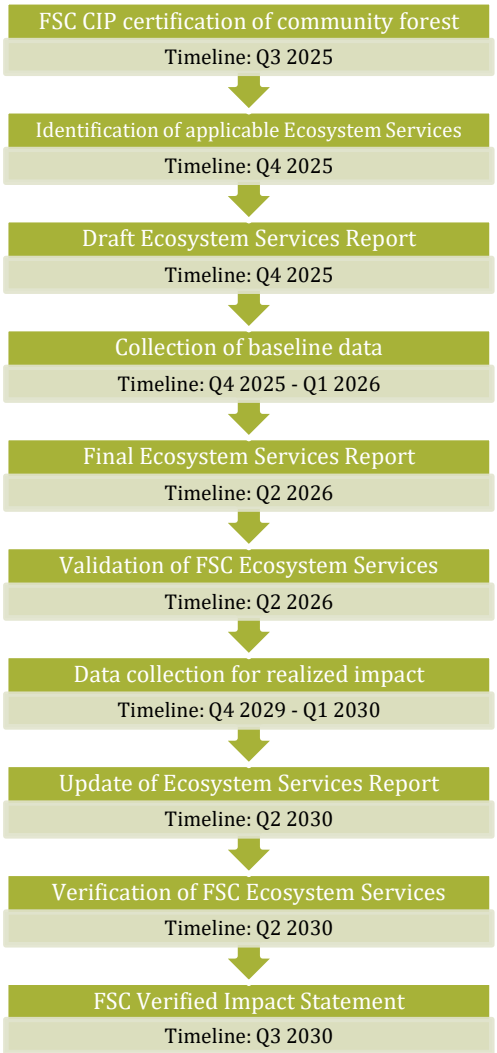

Figure 1 Indicative process FSC Ecosystem Services Procedure

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