

SINGAPORE

JANUARY 2019

HCS APPROACH SUMMARY PROGRESS AND HIGHLIGHTS

November 2016 to January 2019

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IMPLEMENTING NO-DEFORESTATION COMMITMENT

Established in 2014, the High Carbon Stock Approach (HCSA) is a global methodology to implement No-Deforestation commitments. It is for land-use planning that distinguishes forest (humid tropics) areas for protection from degraded lands with low carbon and biodiversity values that may be developed, including integration with High Conservation Values (HCVs), peatland protection, community rights and livelihoods.

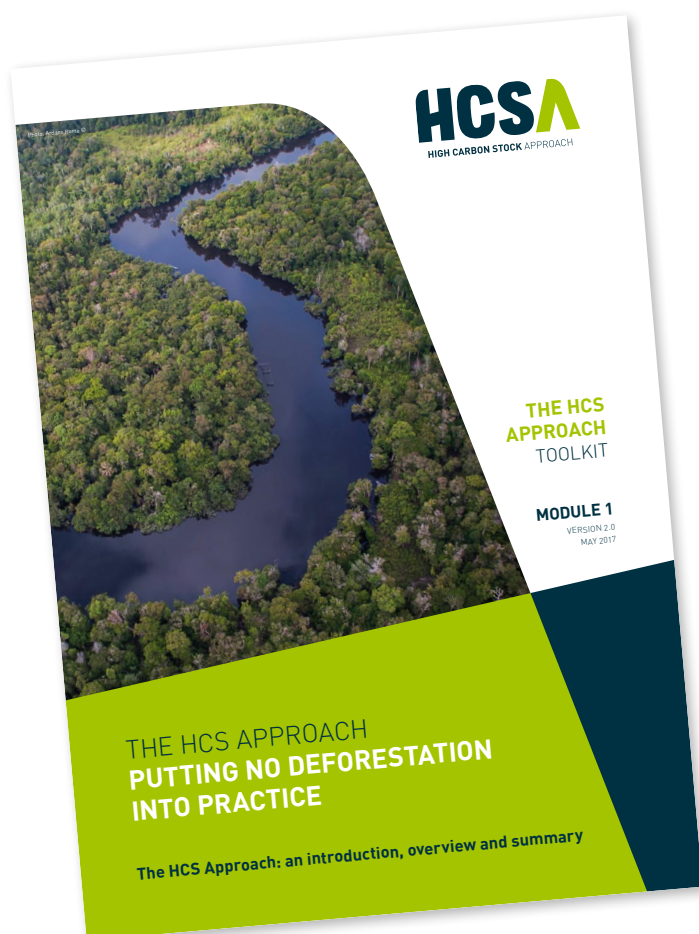
1. Convergence between HCSA and HCS+

In November 2016 after an extended period of negotiation with the Sustainability Palm Oil Manifesto (SPOM) group of companies and technical alignment with the HCS Science Study, convergence was achieved to have **one global unified High Carbon Stock (HCS) methodology that would be known under the name High Carbon Stock Approach.**



2. Production of Toolkit Version 2 and Integrated HCV- HCSA Assessment Manual

The 2015 Version 1 of the HCSA toolkit was thoroughly reviewed, tested and revised for robustness and effectiveness to produce **Version 2 – now translated in Indonesian and French**. Through a partnership with High Conservation Value Resource Network (HCVRN) an **integrated HCV-HCSA assessment manual was produced** to align and streamline the two approaches.



3. HCSA Membership and Organisational Growth

Membership Growth

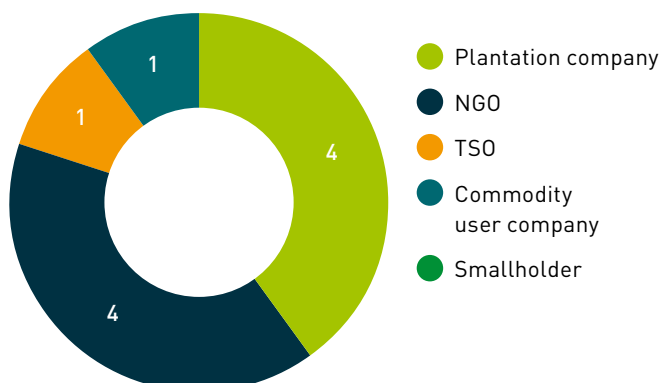
- Multi-stakeholder membership of NGOs, businesses and technical organisations now stands at **28 with 8 applicants** in process.
- The Africa HCSA Steering Group was established during the TFA in Accra 2018 to provide guidance on HCSA implementation in Africa.
- A comprehensive survey has been carried out to assess the perceptions of the performance of HCSA and to better meet the needs of members and stakeholders.



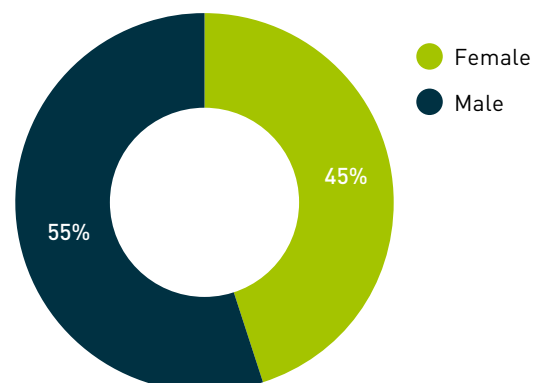
Organisational Growth

- A new Executive Director Judy Rodrigues was appointed, the secretariat expanded and HCSA Adviser Aida Greenbury appointed.

HCSA EC Members



Gender Breakdown of HCSA EC Members



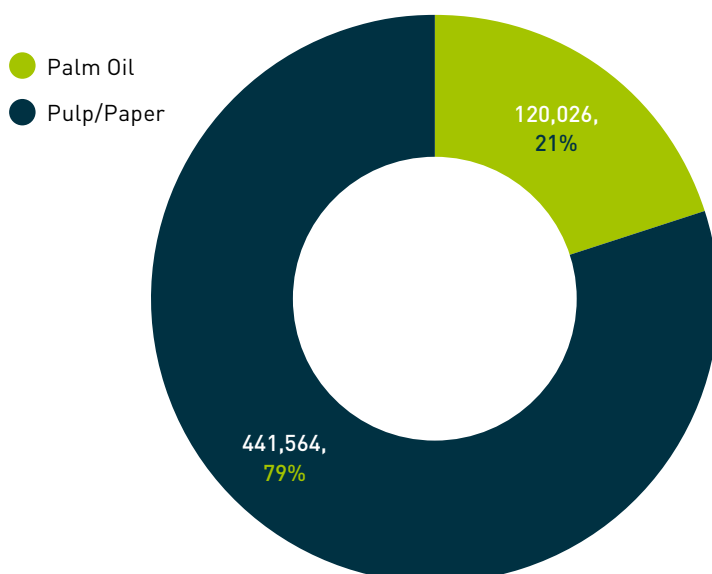
4. HCSA global implementation progress



- Hundreds of companies have committed to and are implementing HCSA, in particular palm oil (all major companies), pulpwood (incl. APP and APRIL), rubber (11 major tyre companies in the Sustainable Natural Rubber Platform), and cocoa (more than 30 companies in the Cocoa and Forest Initiative) sectors.

Number of registered HCSA assessments submitted for review	Total land area of assessments submitted for review (ha)	Area of identified HCS forest being conserved, from assessments submitted for review (ha)	Additional impact through temporary prevention of deforestation (ha) including via NDPEs
83	2,456,129.23	561,589.86	1.4 - 7 million
		Palm 120,025.86	Asia 1 - 6.2 million
		Pulpwood 441,564	Africa 400,000 - 800,000
Steering Group members	Sectors	Countries	Toolkit and Guidance
28	Oil palm, pulpwood, rubber In preparation: cocoa	Liberia, Nigeria, Sierra Leone, Ghana, Gabon, Cameroon, Indonesia, Malaysia, PNG, Solomon Islands In preparation: Central & South America	Toolkit v1 Toolkit v2 (May 2018) HCV-HCSA Integrated Manual

Potential Area of HCS forest conservation by commodity (ha, %)

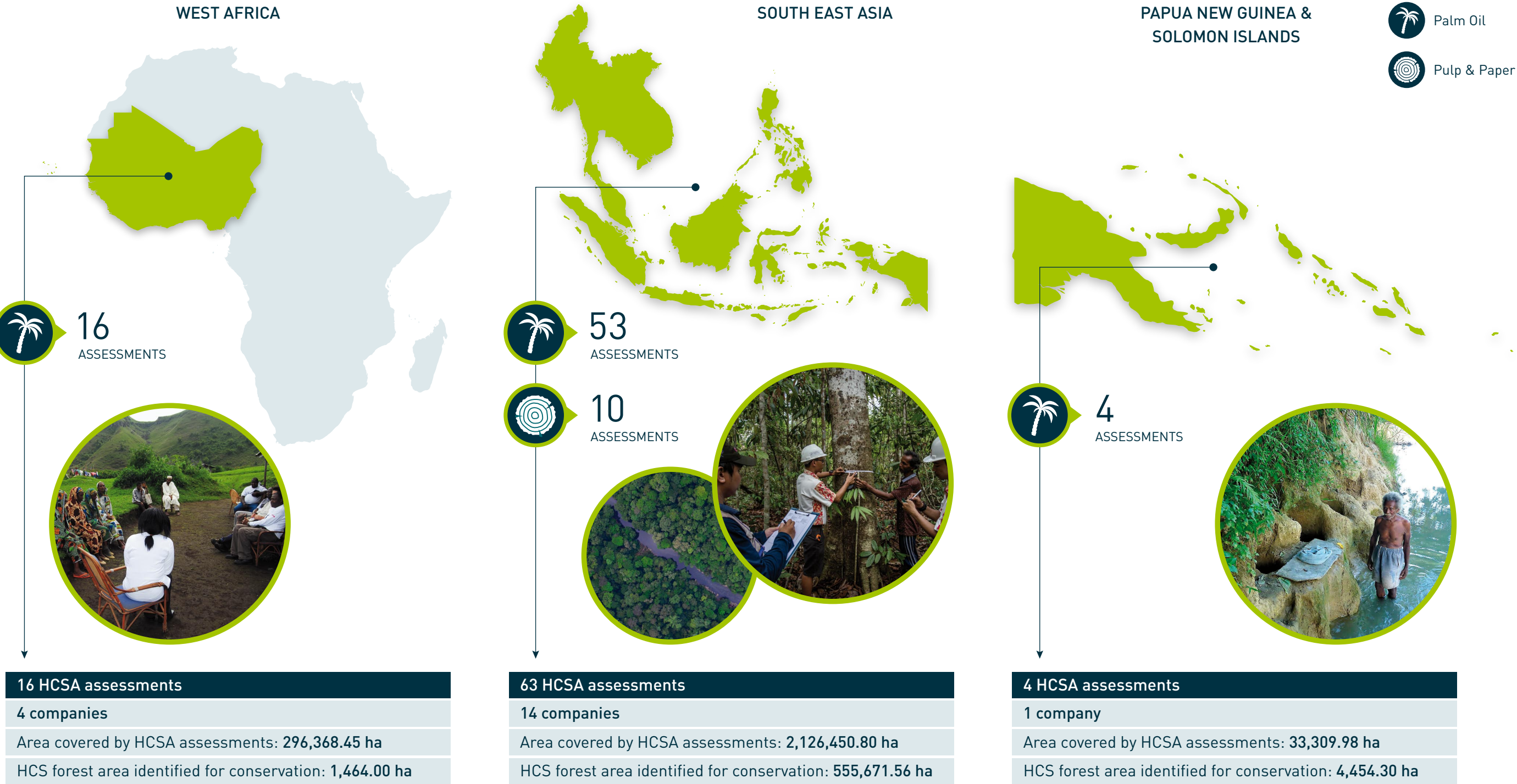


HCS APPROACH
ASSESSMENTS

AS OF OCTOBER 2018

Total area covered by HCSA assessments: 2,456,129.23 ha
Total HCS forest identified for conservation: 561,589.86 ha*

* based on registered assessments for peer review





5. Progress toward achieving long-term forest conservation

- HCS forest/HCV area conservation project/activity selection criteria have been developed towards implementation trials on the ground.
- Continued progress on conservation finance mechanisms including a concept note for a HCS/HCV forest conservation fund, discussions with the supply chain on providing financing for conservation, consultation with potential donors, and research on conservation financing mechanisms.
- Monitoring and transparency: Through a collaboration with WRI and HCVRN, member and supplier concessions and HCS forest areas are being mapped and monitored.



Photo: Meri Orth ©

6. Key developments

Smallholder adaptation

- A collaboration with the Indonesian Palm Oil Farmers Union (SPKS) has been ongoing for two years focused on producing an adapted HCSA Standard Operating Procedure for smallholders that has been field tested and is undergoing further simplification. The intention is to extend this to pulpwood, rubber and cocoa small farmers combined with large-scale and jurisdictional-level HCS and HCV mapping, and to replicate and adapt it for other regions.
- Additionally, HCV/HCS awareness materials were produced and there was a survey of stakeholders on incentives for smallholders including HCS forest/HCV area protection.



Position on High Forest Cover Landscapes

After more than two years of deliberation the HCSA Steering Group agreed on a position on HFCLs that upholds the integrity of HCSA as a no deforestation methodology but with consideration of a limited exception for existing 'legacy cases' subject to eligibility and due diligence requirements developed in collaboration with RSPO.



Large-scale HCS assessments

- HCSA is moving quickly to trial procedures for large/landscape-scale indicative HCS assessments for advance identification of HCS forest areas in particular for smallholders and supplier risk assessments, and to feed into jurisdictional, regional and national-level spatial planning.

7. Government engagement

	Marrakesh declaration: 7 African nations support HCV & HCS.
	Indonesian government: HCS is included in P.18/MenLHK-II/2015 DGR Technical Guidance for HCV Area Identification and the regulation is undergoing further development.
	Jurisdictions adopting HCSA: e.g. Sabah State, South Sumatra, West Papua.
	Papua New Guinea government declaration on sustainable palm oil (draft) includes HCV and HCS (due to be launched).
	EU biofuel regulations towards 2030 phase out includes a study on emissions and indirect land use change including HCS.
	French government strategy on importing deforestation references the HCSA toolkit.
	Joint agreement (Letter of Intent) between governments of Liberia and Norway allowing only companies with ambitious zero deforestation commitments to do business in Liberia, including HCS and HCV.

8. External collaboration

HCVRN

HCSA has partnership with HCVRN with a focus on Quality Assurance and have produced the Integrated HCV-HCSA Assessment Manual.



RSP0

On 15 November 2018, RSP0 voted to fully integrate HCSA into its Principles and Criteria. HCSA will continue collaboration with RSP0 to Implement No Deforestation in High Forest Cover Landscapes.



Climate Bonds Initiative

Climate Bonds Initiative included HCSA as a requirement in its November 2018 Forestry criteria.



Rubber and cocoa adoption and collaboration

- Building on commitments to HCSA by the tyre sector, HCSA has been contributing to the formation of a 'Sustainable Natural Rubber Platform', including ensuring HCSA is in its standards.



- A collaboration with the World Cocoa Foundation and several chocolate companies is in development.



Financial institutions

- Morgan Stanley report** (June 2016) on **ESG Valuation Opportunities** on ASEAN Plantation & Commodity Traders factor HCSA commitments under Supply Chain Management Transparency & Traceability Analysis.

Morgan Stanley

- ShareAction 'Banking on a Low-Carbon Future' ranking report** (Dec 2017) of the 15 largest EU banks' responses to Climate Change uses HCSA as No Deforestation implementation benchmark. BNP Paribas & Standard Chartered policies are aligned with HCSA Approach as a verifier of No Deforestation implementation.

ShareAction

- Of the 28 major banks profiled by **Forests and Finance**, seven have a policy that references HCS, with three of these explicitly prohibiting operations in HCS forests.



9. Press Recognition

HCSA has received external recognition through considerable media coverage that mention HCSA:

“...the High Carbon Stock Approach, a new global methodology that helps answer such questions and implement No Deforestation commitments. It’s a land use planning tool focused on achieving No Deforestation. It integrates social considerations—local community customary rights, livelihoods and needs, high conservation values, peatlands, riparian zones and plantation operational aspects.”

Towards Zero Deforestation (31 December 2018)
United Nations Environment Programme.

“To meet the RSPO’s [Roundtable for Sustainable Palm Oil] new certification standards, growers will have to ensure future land clearance does not cause the deforestation of critical forests, under a methodology known as the High Carbon Stock Approach.”

Tougher palm oil rules agreed amid polarising debate over crop (16 November 2018), *Al-Jazeera.*

“Forests are important sinks for emissions contributing to climate change. Hence various stakeholders (plantation companies, NGOs and technical support organisations) have developed the High Carbon Stock Approach (HCSA), which represents current best practice in this field. The HCSA is a methodology that distinguishes forest areas for protection from degraded lands with low-carbon and biodiversity values that may be developed.”

Banking on a low-carbon future, a ranking of the 15 largest European banks’ responses to climate change (December 2017), *ShareAction.*

“Certification schemes, coupled with land-use planning tools such as HCS, can help secure sizeable forest patches of high conservation value in agricultural estates, and offer a further safeguard to minimise encroachment.”

High Carbon Stock forests provide co-benefits for tropical biodiversity (6 November 2017), *Journal of Applied Ecology.*

“The newly updated HCS Approach Toolkit lays out the fundamental elements of a methodology for protecting high carbon stock (HCS) forests and other high conservation value (HCV) areas such as peatlands. But achieving “Zero Deforestation” is not the only goal of the revised HCS Approach, as the role forests play in regulating the global climate by sequestering carbon and the implementation of free, prior, and informed consent (FPIC) for indigenous and other forest communities are also factored into the toolkit.”

Industry-NGO coalition releases toolkit for making ‘No Deforestation’ commitments a reality on the ground (10 May 2017), *Mongabay.*

“... the now textbook High Carbon Stock (HCS) Approach, a practical way for agribusiness firms to implement a zero-deforestation policy, which was developed by GAR, Greenpeace and The Forest Trust.”

How a palm oil company is fighting slash and burn culture (11 April 2017), *Eco-Business*

“Bridgestone is showing it’s serious about conservation and human rights by requiring suppliers to protect High Carbon Stock and High Conservation Value lands and respect the right of local communities to provide Free, Prior and Informed Consent about the use of their land. Bridgestone’s use of the credible High Carbon Stock Approach as its sustainability standard shows suppliers the company means business when it comes to sustainability.”

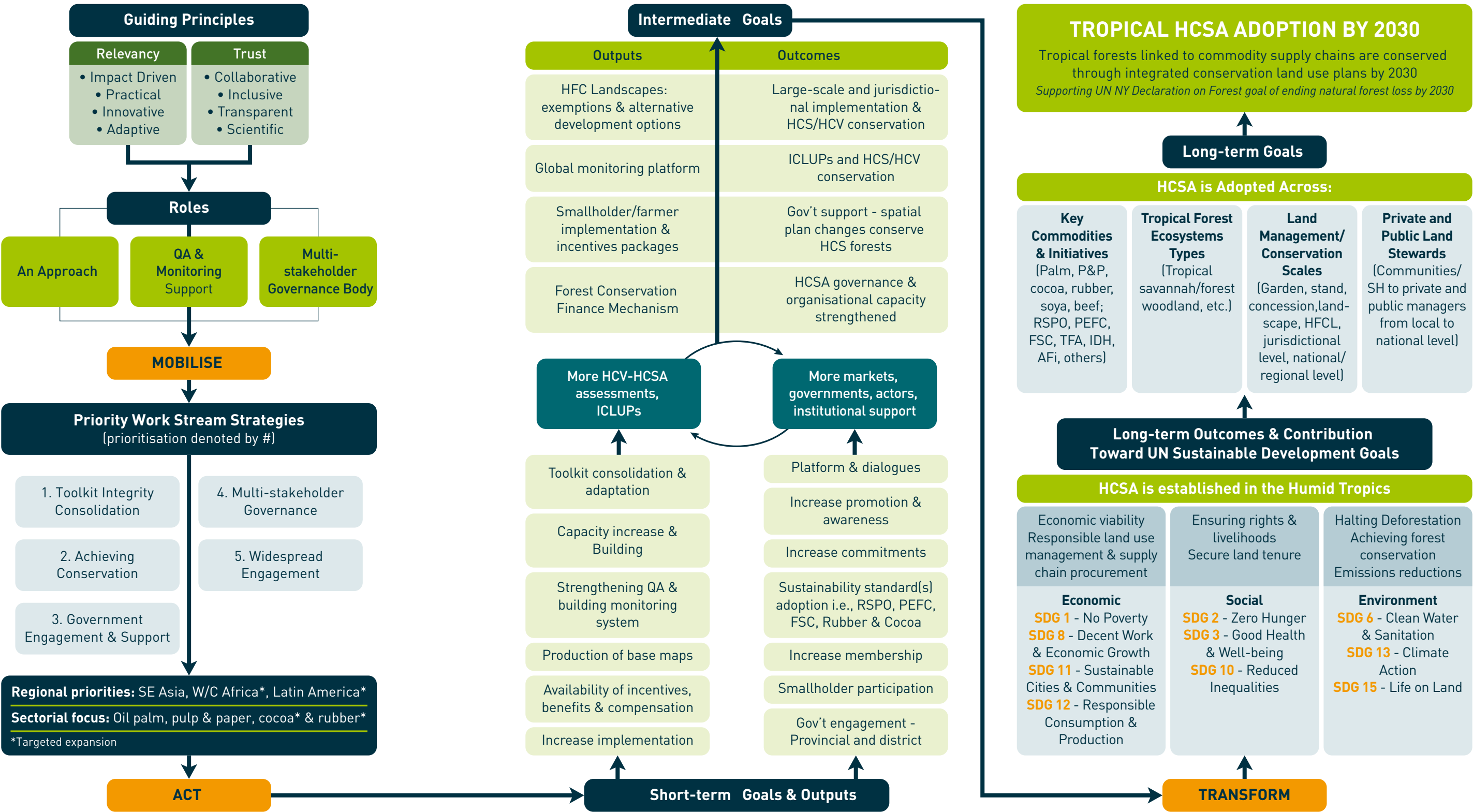
Bridgestone Commits to Zero Deforestation Policy (7 February 2017), *Tire Review.*

10. HCSA Theory of Change and Global Strategic Business Plan 2018-2030



3-year strategy and revised business plan:

The HCSA strategic business plan and theory of change was approved in December 2018 after 12 months of workshops and consultation.





FURTHER INFORMATION

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