

HIGH CARBON STOCK APPROACH
THEORY OF CHANGE (ToC)
&
MID-2018 – MID-2021
GLOBAL STRATEGIC BUSINESS PLAN (GSBP)

Putting No Deforestation into Practice

*Date: December 2018
By High Carbon Stock Approach Steering Group*

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Executive Summary

Forests cover approximately 30 percentⁱ of the earth's land mass and are vital for life on the planet. Forests support up to 80 percent of terrestrial biodiversity, billions of people rely on them for their basic needs including providing cultural and spiritual values, and they support critical ecosystem services such as clean water and air, stable soils, carbon storage etc.

However, despite the increasing global awareness and efforts to protect forests, forests are being destroyed at a rate of 13 million hectares a year with over half this area being lost in tropical forests. Brazil, Indonesia, the Democratic Republic of Congo, and Malaysia have had the highest rates of rainforest loss between 2012 and 2014.ⁱⁱ

One of the main drivers of deforestation and forest ecosystems degradation is agricultural expansion. According to different estimates, agricultural expansion is the primary driver of 27 to 80 percent of deforestation worldwide.ⁱⁱⁱ To tackle this crisis a multitude of political and private imperatives including the UN New York Declaration on Forests, the Bonn Challenge, the Paris Agreement, Consumer Goods Forum, Tropical Forest Alliance have made commitments to support/implement actions to stop deforestation, with majority aiming to do so by 2020. These commitments have been mirrored by hundreds of major brands, commodity traders, manufacturers, plantation companies, banks and investors to ensure production, sourcing nor investments are contributing to deforestation. These commitments are commonly publicly referred to as 'No Deforestation' or 'Zero Deforestation' pledges.

To aid, initially the commercial sector, with practical implementation of deforestation commitments in the tropics the High Carbon Stock Approach (HCSA) was developed. The HCS Approach represents a widely recognised field-tested methodology for distinguishing forest areas that should be conserved and/or restored, from degraded lands, with low carbon and biodiversity values, that may be developed through an integrated land use planning approach in fragmented moist tropical forest landscapes. This has allowed major plantations, consumer goods companies and their supply chains, mainly purchasing/producing in South East Asia (SE Asia), to reduce their impact by not clearing or purchasing goods from forests that have high carbon and/or biodiversity values – High Carbon Stock (HCS) forests.

In the effort to prevent deforestation, HCSA's accomplishments have played a critical role. As of October 2018, close to three million hectares of HCSA assessment area has been registered and over 500,000 hectares of HCS forests have been identified, set aside by companies for non-development and are in the process of being secured for conservation. The Theory of Change (ToC) will provide a roadmap for HCSA to broaden its adoption, impact, achieve and supplement its 'Tropical HCSA Adoption' goal and the UN New York Declaration on Forest goal of 'Ending Natural Forest Loss' by 2030 respectively.

Building on the HCSA's core components of a practical science-based methodology for palm oil and pulpwood plantation concessions in fragmented landscapes in the humid tropics, current work will consolidate and expand this across these sectors and their geographies. In parallel there will be continued development of: an adapted approach for smallholders/farmers, exemptions and alternative development options for High Forest Cover Landscapes (HFCL), social requirements (SRs), a financial mechanism for HCS forest conservation and restoration including incentives and benefits for local communities, adaption for jurisdictional and landscape level, and engagement to bring HCSA through into laws, regulations and other initiatives/schemes' requirements.

The Steering Group will continue to direct the future HCSA development, with needs and opportunities identified, in particular for, Africa and Latin America, and for other sectors seeking to implement No Deforestation commitments by using the HCSA, in particular; cocoa and rubber, and with a key focus on small farmers and their support organisations. HCSA will work through collaborations and partnerships with key initiatives, governments and organisations in these regions and with these sectors to pilot and adapt its implementation, expanding its reach and impact. To demonstrate impact, targeted monitoring of HCS forest and High Conservation Value (HCV) areas and social and livelihood benefits will be carried out.

The ToC short-term strategic goals and priorities are detailed under the mid-2018 – mid-2021 Year Global Strategic Business Plan (GSBP). The progress of the GSBP plan will be reported annually to the HCSA Steering Group, its partners and stakeholders until mid-2021 upon which the effectiveness of the ToC will also be reviewed and adapted as necessary. The HCSA Steering Group also recognises it is accountable to stakeholders impacted by the implementation of the HCS Approach and they will be considered when reviewing and reporting on the HCSA's ToC.

1. Background on the High Carbon Stock Approach

HCSA is a global methodology for putting No Deforestation into practice focusing on corporate commitments. Numerous multilateral policy commitments provide a basis for the approach, including the UN New York Declaration on Forests, the Bonn Challenge, the Paris Agreement and its relevant Nationally Determined Contributions (NDCs), as well as to the achievement of international development targets such as the United Nations Development Programme's Sustainable Development Goals (SDGs (UN, 2015)), including Goals 1, 2, 3, 6, 8, 10, 11, 12, 13 and 15. HCSA is supporting these initiatives through actions on halting deforestation, increasing carbon storage and other ecosystem services (clean water, stable soils, forests gardens) and promoting biodiversity protection through HCS/HCV protection/restoration, supporting appropriate economic development and sustainable livelihoods opportunities.

Hundreds of major brands, commodity traders, manufacturers, plantation companies, banks and investors^{iv} have made sustainable production and sourcing commitments^v, after many had already agreed to protect HCV areas. The definition of HCV is limiting and does not cover a wide area of important regenerating impacted forests and other natural ecosystems that provide essential carbon storage, habitats for biodiversity and livelihoods for local communities^{vi}. As a result, these natural forests are consequently not adequately valued and are not well protected from conversion and degradation.

Launched in 2014, The High Carbon Stock Approach represents a breakthrough in this conservation challenge. It represents a widely recognised practical, field-tested methodology for putting 'no or zero deforestation' into practice. This has allowed agricultural or plantation developments to reduce their impact by not clearing forests that are important to local communities and/or have high carbon and/or biodiversity values – HCS forests and/or HCV areas.

By accounting for variations in local forest types and conditions, the HCS Approach can be applied broadly to identify areas of viable tropical forest. Rather than defining HCS forests by an 'absolute carbon threshold', it uses field data on levels of biomass, vegetation structure and composition, together with a view from above (satellite or Light Detection and Ranging – LiDAR), to create a HCS vegetation classification ranging from high-density forest to degraded former forest areas of scrub and open land. Recent research findings have confirmed that the vegetation structure-based

methodology classification adopted by the HCS Approach is a good proxy for a range of conservation values, including carbon storage capacity and biodiversity levels^{vii}.

In summary, the HCS Approach is a global methodology for integrated conservation land use planning that distinguishes forest (humid tropics) areas for conservation and/or restoration from degraded lands with low carbon and biodiversity values that may be developed, including integration with HCVs and Free, Prior and Informed Consent (FPIC). The methodology was developed with the aim of ensuring a practical, transparent, robust, and scientifically credible approach that is widely accepted to implement commitments to halt deforestation in the tropics, while ensuring the rights and livelihoods of local peoples are respected.

Table 1. HCSA 2014 – 2017 Milestones

| Major milestones delivered by HCSA | |
|------------------------------------|--|
| August 2014 | The HCS Approach Steering Group was formed. |
| April 2015 | The first version of the HCS Approach Toolkit 1.0 was released. |
| November 2016 | The Convergence Agreement on the convergence of the HCSA and HCS+ methodologies was reached. |
| May 2017 | The HCSA released the HCS Approach Toolkit Version 2.0. |
| November 2017 | HCVRN and the HCS Approach Steering Group published the integrated HCV-HCSA Assessment Manual . |

2. Core Purpose and Guiding Principles of the HCS Approach

The HCS Approach core purpose as defined by the HCSA Steering Group is:

“To ensure there is a widely accepted practical, transparent, robust, and scientifically credible approach to implement commitments to halt deforestation in the tropics while ensuring the rights, livelihoods and aspirations of local communities are respected.”

Below are the guiding principles of how the HCS Approach is governed and are integral to creating trust and ensuring the Approach is relevant, credible, encompassing and impactful.

- **Impact on the ground** – practical no deforestation, forest conservation, and Integrated Conservation and Land Use Plans (ICLUP) that are ecologically, socially and economically viable
- **Rights and Livelihoods** – customary and local community rights upheld, participatory processes, leading to livelihood gains
- **Innovation and Adaptation** - methodology is trialled and tested to ensure feasible and effective implementation
- **Based on Markets and Science** – using consumer pressure and best science to ensure methodology is continuously improved to have integrity
- **Inclusiveness and Transparency** – multi-stakeholder processes, consensus decision-making, open source methodology, transparency for accountability
- **Alliances and Collaboration** – working together with other initiatives to achieve common goals

3. Rationale of the Theory of Change

In just the two years after the HCSA Toolkit 1.0 was launched, major plantations, palm oil trading, manufacturing and consumer goods companies and their supply chains support and are implementing HCSA, resulting in several million hectares of tropical forest prevented from being deforested and more than 500,000 million hectares of HCS forests have been identified and are in the process of being conserved (as of October 2018).

However significant challenges remain. The ongoing high deforestation rate may eventually have an impact on unprotected HCS forests. The majority of the deforestation fronts are in the tropics^{viii} and are projected to drive over 80 percent of forest loss (~170 million hectares) globally by 2030.

The main deforestation drivers in the tropics include the production soy, palm oil, beef and wood products by large and small-scale agricultural entities/farmers to varying degrees in different regions.^{ix} Palm and pulp production in concessions (2002-2017) are still the major drivers of deforestation in SE Asia,^x while beef and soy production are the major global contributors to tropical deforestation with their impact largely concentrated in South America.^{xi} Annual crops cause 66 percent of deforestation in Central Africa^{xii} and in Papua New Guinea (PNG) 48 percent of deforestation is caused by commercial logging and 46percent by subsistence agriculture.^{xiii} In most cases, these threats are only increasing with ongoing logging, infrastructure development and subsistence agriculture increasing its impact where rural populations are growing.

Another cause of natural forest destruction is the lack of effective forest protection initiatives being implemented. This should be addressed by national policy and other initiatives such as Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+) implementation, but national resources and governance are lacking. In addition, many other elements need to be addressed before the REDD+ scheme can function properly.

Given oil palm (including smallholders) as well as conversion for tree plantations (primarily rubber and pulpwood) remain significant drivers of deforestation and is where the HCSA has significant coverage and influence, there is still a need for the HCSA to have a continued focus on the palm, pulpwood and rubber sectors in SE Asia and Africa. This work should continue its expansion in other regions and where key sectors/regions are seeking a No Deforestation methodology and where there are gaps in tools and regulations. Additionally, with HCSA now being picked up by the cocoa sector globally, there is a big opportunity for HCSA to support no deforestation and forest conservation connected with this sector.

For the largest deforestation drivers like soya and cattle, where key producer countries like Brazil have existing tools, initiatives (moratoriums, Collaboration for Forests and Agriculture (CFA), etc.) and governance mechanisms (i.e., Forest Code that legally requires to maintain 80 percent of forests as legal reserve in the Brazilian Amazon) HCSA will identify where it can contribute to having the greatest influence and impact.

Utilising the leverage gained from growing level of HCSA commitments, HCSA will scale up through supporting and developing landscape and jurisdictional approaches and collaborating with certification schemes (demonstrating building upon early successes like with the RSPO and moving toward others like PEFC, FSC, etc.), other initiatives and governments to support HCSA being adopted into legal frameworks, standards, and associated methodologies.

The ToC identifies five main priority workstream (PWS) strategies that will direct how HCSA should address the gaps and drawbacks of the implementation to date, build upon its strengths and seize opportunities for broader implementation and adoption. It identifies the PWS critical pathways and outputs that will lead to short-term (mid-2018 – mid-2021), intermediate (mid-2021 – 2024) and long-term (2025 – 2030) outcomes, goals and impacts.

HCSA's short and intermediate term outputs and goals will centre on consolidation and incorporation of social requirements, ICLUP (expanded) and soil conservation and rehabilitation/restoration guidance incorporation into the HCSA Toolkit, with implementation focus on the palm oil and pulp sectors in SE Asia. In collaboration with HCVRN, a strong quality assurance programme will be built including scaling up capacity building for assessors, smallholders and companies and monitoring mechanism established in partnership with the World Resource Institute (WRI). There will be continued development an adapted approach for smallholders/farmers, a financial mechanism for HCS forest conservation and restoration including incentives and benefits for local communities and exemptions and alternative development options for High Forest Cover landscapes.

Targeted expansion will build upon existing outreach and work with rubber and cocoa sectors, with a key focus on small farmers, and in other priority geographies (West and Central Africa, Latin America) for these and palm oil and wood/pulp sectors. Trial application and adaption for jurisdictional and landscape level, and engagement with targeted government and organisations actors to bring HCSA through into laws, regulations and other initiatives/schemes' requirements will be prioritised to propel HCSA's reach across the pan-tropics and over multiple sectors.

To support these ambitions and a growing membership the HCSA will support its organisational maturity and capacity through ensuring its consensus-based multi-stakeholder governance structures are expanded and strengthened, enhancing its membership service and benefits, increasing the secretariat staff capacity, including senior level expertise, and establishing better platforms for efficient internal/external information and communication exchange amongst members and key stakeholders.

For large deforestation drivers like soya and cattle, HCSA will engage with key sectorial actors to identify where it best can play a supporting role and/or fill a gap. Once the HCSA is well established for humid tropics, the Approach will focus on being expanded for other tropical forest ecosystems types such as savannah and wetlands. Moreover, HCSA will continue to seize scalability opportunities such as the continued work with more governments on the inclusion of HCSA maps into governmental spatial and land use plans and forest conservation.

These efforts will support the achievement of 'Tropical HCSA Adoption' linked to commodity supply chains which are conserved through integrated conservation land use plans - ICLUPs. It is estimated HCSA will prevent the deforestation of 25 - 34 million ha by 2030 and achieve conservation with ICLUPs of: 2 million ha by 2021, 5 million ha by 2025, and 8-10 million ha by 2030. Additional, long-term goal success indicators will consider the number hectares: assessed under the HCS Approach, under community land use stewardship and developed and managed responsibly for production (large and small holders); as well as positive impacts on forest health, biodiversity, emissions, economic viability, rights and livelihoods.

The HCSA recognises its ToC should be regularly reviewed to ensure the HCSA has good oversight of emerging/changing deforestation drivers and the Approach's application opportunities/needs in different contexts to make certain it significantly contributes to the UN New York Declaration on Forests 2030 goals and impacts in line with the UN SDGs.

4. HCSA Roles and Process in Driving Change

HCSA Roles

The HCSA plays three main roles that will drive change toward achieving its ToC's outcomes, goals and desired impacts.

- 1) **An Approach** - HCSA is an adaptive approach, and not a standard. It provides technical guidance on how to implement No Deforestation commitments through an integrated conservation and land use planning process to generate positive impacts including HCS and HCV forest conservation, sustainable and aspirational livelihoods and responsible development.
- 2) **Quality Assurance & Monitoring Support** - HCSA provides support for quality assurance of HCS/HCV integrated assessments, ICLUPs and monitoring effectiveness of the Approach to support credible and impactful implementation.
- 3) **Multi-stakeholder Governance Body** – HCSA's Steering Group governing body is a multi-stakeholder membership of NGOs, smallholders, companies and technical organisations that provides oversight and governance of the Approach to ensure its scientifically grounded development, it has broad support from working with key actors and stakeholders, and it is practical. This governance and engagement model fosters innovation thought leadership and a growing level of commitment to the HCSA.

Process of Driving Change

The HCSA process of driving change can be characterised by a progression of three main actions:

Mobilise, Act and Transform.

- i) **Mobilise** – Through various means such as working groups (WGs), task forces (TFs), SG meetings partnerships and joint initiatives, HCSA collaboratively works with members, key actors and stakeholders to define, shape and commit to its ToC.
- ii) **Act** – HCSA actors work together to implement and garner continuous momentum and improvements to deliver on its priority workstream strategies towards supporting and achieving its ToC goals and impacts.
- iii) **Transform** – As HCSA outputs, outcomes and impacts are achieved, monitored and reported upon, no deforestation, forest conservation, sustainable livelihoods and responsible land use and associated supply chain management production become the norm.

5. Theory of Change Assumptions

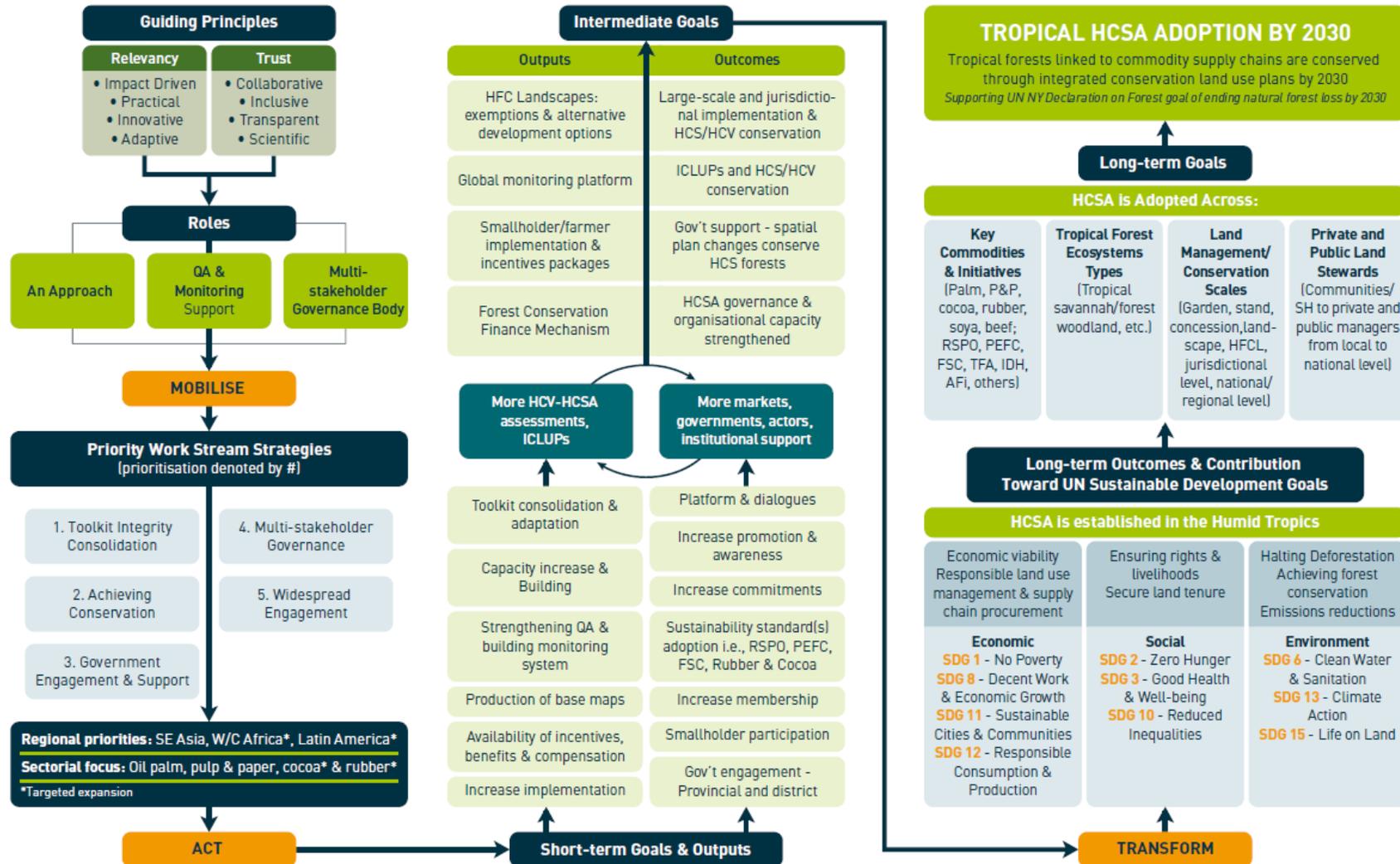
- Viable options for forest conservation and alternative development exist to support No Deforestation implementation.
- The ICLUP design will effectively conserve HCS and HCV forests, support sustainable community livelihoods and appropriate development.
- Shared responsibility for monitoring and evaluation will take place by relevant parties.
- Companies will lead and implement the ICLUP and the multi-stakeholder process by design will support continuous engagement, monitoring and adaptation.
- Benefits of HCSA adoption for smallholders and communities, producers, supply chain actors and governments can be demonstrated.
- HCSA governance and workstreams will maintain active multi-stakeholder engagement and support by key partners, governments and donors.

How to Read the ToC Diagram

On the far right is HCSA 2030 goal of 'Broad Global Adoption of the HCS Approach' which supplements the UN New York Declaration on Forests No Deforestation 2030 goal. The ToC maps the progress of change pathways starting on the top left with the HCSA guiding principles and roles serving as the foundation. The priority workstream strategies runs along the green lines and arrows over time (2018 to 2030) aiming to deliver HCSA's ToC short, intermediate and long-term outputs (key activities), outcomes and goals (results of key activities). Over time as HCSA commitments, adoption and efforts grow the long-term milestones are achieved ultimately supporting impacts that contribute to several UN SDGs, HCSA's 2030 'Pan-Tropical HCSA Adoption' goal and thereby also contributing to the achievement of the UN New York Declaration on Forests goal ending natural forest loss by 2030.

6. HCSA Theory of Change Infographic

High Carbon Stock Approach Theory of Change 2018 to 2030



7. Monitoring and Evaluation

HCS forests

The key to the success of the HCSA and ToC is the conservation of HCS forest areas. Therefore, ongoing monitoring and evaluation are particularly important in the protection of identified HCS forests, especially in fragmented forests where rapid forest cover changes and trends are found and if there is large local community or new migrants are being attracted to the area. To ensure timely intervention and innovation when needed, the adopted monitoring technology must be able to report as close as real time as possible, with high precision. Publicly available monitoring can be done with a collaboration with HCSA's existing partner, WRI, although more precise monitoring for operational purposes might need a different approach such as a combination of radar-satellite or LiDAR and permanent sampling points. Frequent reporting with an alert system is needed. Critical forests with high threat level need to be identified for more scrutiny. Detection monitoring via technology and on-the-ground monitoring should focus on the following inputs, activities, management and output to determine the extent, severity, and causes of undesirable changes to improve the protection of HCS forests:

1. Forest degradation
2. Deforestation
3. Forest fire
4. Peat water level
5. Community settlement
6. Community well-being
7. Indirect Land Use Change - leakage in the surrounding landscape
8. Links to supply chain

Regular evaluations re-examine the protection management and ICLUP design and assess its impacts. Ongoing evaluations support mid-course corrections while ex-post evaluations address mitigation and follow-up activities and offer lessons for the design of other protection areas.

GSBP and ToC

The progress of the GSBP plan will be reported annually to the HCSA Steering Group and its key stakeholders until mid-2021 upon which the effectiveness of the ToC will also be reviewed and adapted as necessary.

8. Mid-2018 – Mid-2021 Global Strategic Business Plan

PWS1: HCS Approach implementation integrity

GOAL: HCSA toolkit integrity will be consolidated through robust social requirements, quality assurance, rehabilitation/restoration, soil conservation, Integrated Conservation and Land Use Plan (ICLUP) guidance and required toolkit adaptation will be completed.

Estimated Budget: USD 2,100,000

Tier One Actors: HCSA SG & Secretariat; SG producers; Producers/ plantations; Communities; Pilot test companies; Science Advisory committee; SPKS; Smallholders in palm oil; Cocoa and rubber sectors; Technical Experts in HCSA network; HCVRN; ALS; Peer reviewers; WRI; HCSA SG Working Groups: SR WG, SH WG, QA WG

Tier Two Actors: World Cocoa Foundation; IDH; Supply Chain Actors with HCSA commitments; HCSA stakeholders; GTZ

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|---|---|--|-----------------------------|-------|
| | | | | |
| 1.1 HCSA toolkit integrity is consolidated | 1.1.1 ICLUP guidance in toolkit is elaborated including on verification to effectively secure HCS forest and community land in concessions/MUs | ICLUP expanded guidance in toolkit is completed | Q3/18 | Q2/19 |
| | | ICLUPs are produced by several HCSA SG members | Q3/19 | Q4/20 |
| | 1.1.2 Finalise development of Social Requirements (SR) guidance (including Indicators for implementation and verification) building on RSPO P&C, FSC IGLs etc | SR are adapted based on SG member feedback and pilot tests | Q2/18 | Q3/18 |
| | | HCSA Toolkit SR are being implemented by several actors | | |
| | 1.1.3 Literature review and field testing of SR guidance in new and retrospective sites. | Evidence of community rights being upheld | Q4/18 | Q2/20 |
| | 1.1.4 Training and workshops | | Q2/19 | Q2/21 |
| | 1.1.5 Social requirements incorporated into the HCSA Toolkit and HCV-HCSA manual (ALS documents) | | Q4/18 | Q1/19 |
| 1.1.6 Field trials of baseline-setting and further application of Welfare Impact Assessments with analysis/lessons learned output | | Q2/19 | Q4/19 | |
| 1.1.7 HCSA soil carbon conservation (especially for peatlands) and rehabilitation/restoration guidance is developed, and pilot tested | | Learnings from pilot test(s) are incorporated into final soil and rehabilitation/restoration guidance and integrated into HCSA toolkit | Q1/20 | Q3/20 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|--|---|--|-----------------------------|-------|
| | 1.1.8 Legacy case criteria are established 1.1.9 Valid plantation legacy cases are assessed including field visits 1.1.10 Limited forest peoples and customary communities HFCL developments exemptions are defined | All legacy plantation cases have been identified and addressed Forest peoples and customary community(ies) development exemptions processes are established | Q2/18 | Q2/19 |
| | 1.1.11 Toolkit V2.0 translation, printing and revision. | Complete translation for Spanish and Portuguese language | Q1/19 | Q2/20 |
| 1.2 Greater support for Smallholder (SH) HCS Approach implementation | 1.2.1 Refine and produce supporting communication and guidance materials | Data verifies SH awareness and adoption of HCSA has sharply increased across several sectors | Q2/18 | Q4/20 |
| | 1.2.2 HCSA engagement in key SH events and initiatives | Active participation is demonstrated in key HCSA SH events and workshops | Q3/18 | Q2/21 |
| | 1.2.3 Smallholder capacity building workshops with SH in palm oil, cocoa and rubber sectors | Smallholder groups receive training on implementation of SH HCS Approach | Q4/18 | Q2/21 |
| | 1.2.4 [Further develop HCSA guidance for supporting smallholders] and/or HCSA toolkit updated with smallholder adaptation including the SR guidelines 1.2.5 Pilot test adaptation in Indonesia, Western Africa and Mekong | Key learnings from field trials are incorporated and finalised into adapted HCSA SH toolkit | Q2/18 | Q2/21 |
| | 1.2.6 HCSA will provide technical support smallholder HCV/HCS area guidance materials (HCV/HCS Area identification, management and monitoring guidance) and maps for Indonesia | HCV/HCS Area identification, management and monitoring guidance and HCS maps completed and supported and implemented by several SH in Indonesia | Q2/18 | Q4/20 |
| 1.3 HCS Approach supports landscape level implementation | 1.3.1 Indicative HCS landscape level mapping is done in several regions for various sectors | Indicative HCSA maps are produced | Q2/18 | Q2/21 |
| | 1.3.2 Develop methodology for conducting landscape-level HCS Approach | HCS Approach landscape level adaptation guidance is completed | Q4/18 | Q4/19 |
| | 1.3.3 Conduct and pilot landscape-level assessments; particularly in areas with | Several landscape level assessments have been trialled | Q1/20 | Q4/20 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|---|---|---|-----------------------------|-------|
| | significant numbers of smallholders in the supply base | New module to the HCSA toolkit on large-scale HCS assessments | | |
| 1.4 In collaboration with HCVRN, a strong quality assurance and monitoring mechanism for forest conservation areas (HCV/HCS set-asides) and ICLUP implementation is established | 1.4.1 Ensure all HCSA stand-alone assessment registered to be processed timely 1.4.2 Clearer guidance to peer reviewers and companies on HCSA peer review process | Increase capacity of peer reviewers in all aspects of review needed especially for Bahasa Indonesia (Social, GIS/forest inventory/image analysis, HCV, lead) Data management system to be used to facilitate and expedite the peer review process HCSA peer reviewers and practitioners to be updated on the progress/update of Quality Assurance process | Q4/18 | Q4/19 |
| | 1.4.3 Training of HCV/HCS assessors 1.4.4 Peer review process is streamlined 1.4.5 Recruitment and induction of Peer Reviewers and assessors | Peer review and assessor capacity is increased by 20 percent/year; from baseline of 30 peer reviewers and 27 assessors in 2017 | Q1/18 | Q4/20 |
| | | Peer Review supports timely HCSA/HCV assessments i.e., limited delays by 2020 | Q1/18 | Q4/20 |
| | 1.4.6 Develop guidance for the establishment of a HCSA complaints mechanism based on UNGP guidance on rights-based complaints mechanisms; interviews with HCSA members and a review of existing complaints mechanisms | Guidance for HCSA complaints mechanism is completed | Q2/18 | Q1/19 |
| | 1.4.7 Establish a grievance mechanism | Grievance mechanism is functioning | Q1/19 | Q2/19 |
| | 1.4.8 Develop guidance and QA procedures for new, revised toolkit modules and adaptations (SRs, ICLUPs, SH, landscape level, soil, rehabilitation/restoration etc.) 1.4.9 Develop guidance and procedures for independent assessment of the implementation of ICLUPs | QA guidance and procedures are produced in tandem or soon after toolkit additions/revisions Peer Review supports timely ICLUP assessments | Q3/19 | Q2/21 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|------------|--|--|-----------------------------|-------|
| | 1.4.10 Review and update HCV-HCSA manual and associated documents | Revisions are completed by Q4/20 | Q3/19 | Q4/20 |
| | 1.4.11 HCSA establishes GFW Pro Internal Platform and necessary technical support 1.4.12 GFW Pro platform webinars held for SG members 1.4.13 SG members submit required maps 1.4.14 Monitoring alert and reporting system is established | HCSA GFW Pro (internal) platform is functioning and regular monitoring is conducted Monitoring alert system has been established and report on findings is transparent and efficient Monitoring system inputs are well supported as is management/response to alerts Conservation HCS/HCV set asides/forest conservation data is regularly reported upon. | Q2/18 | Q4/19 |
| | 1.4.15 Develop guidance on management and monitoring of HCV areas and HCS forests in concessions | Guidance & templates on management and monitoring of HCV areas and HCS forests are produced Medium & Long-term indicators that HCS Forests are being protected and maintained | Q3/18 | Q2/21 |
| | 1.4.16 Field trials and literature review of community-based and -incentivised management and monitoring of conservation areas | Analysis/lessons learned on community-based and -incentivised management and monitoring of conservation areas | Q2/20 | Q2/21 |

PWS2: Achieving Conservation

GOAL: HCS forest/HCV areas in the ICLUP and the adjacent landscape are conserved and protected, including through innovative financing of incentives and benefits in partnership with local stakeholders.

Estimated Budget: USD 450,000

Tier One Actors: Customary and Local communities as primary rights holders; Local and national government: HCSA SG producer companies; HCSA SG Members suppliers (through a partnership with HCSA members); HCSA supply chain consumer goods companies; Local implementation partner organisations; HCVRN; Rights based development experts; Smallholders – SPKS; HCSA SG WG: SR WG, SH WG, P WG, HFCL WG; NGOs; and the private sector

Tier Two Actors: Funders; University studies collaborators; Partners (certification schemes/ISEAL-Global Impacts Platform)

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|---|--|--|-----------------------------|-------|
| 2.1 Establish a platform for tracking & reporting on conservation achievements | 2.1.1 HCSA conservation and social data are documented, tracked and regularly reported on. | HCSA conservation and social data are documented and published regularly on an external HCSA platform | Q3/18 | Q1/19 |
| 2.2 Innovative approaches are developed for incentivising and achieving conservation of HCS forest/HCV areas and alternative development options with local communities | 2.2.1 Research, identify, and develop strategies, financing, stakeholder engagement tools and guidance development to secure rural livelihoods and forest conservation– additional to those in the current HCSA methodology – including than can assist actors in HFCL areas with existing forms of land use that are compatible with forest conservation, and identify alternative development models that will allow development without degrading HCS forests | Case studies on potential viable models are published Alternative development and conservation support in HFCL key options are launched and utilised by several actors Strategies, tool and guidance to secure rural livelihoods and forest conservation are developed and trialled Small grants partnership plan(s) are established, and small grants are being issued to communities or small, local NGOs assisting communities | Q3/19 | Q2/21 |
| | 2.2.2 Explore developing partnerships with small grant givers to assist communities or small, local NGOs getting access to small grants | Small grants partnership plan(s) are established, and small grants are being issued to communities or small, local NGOs assisting communities | Q3/18 | Q2/19 |
| | 2.2.3 Building the Foundations: research, principles and piloting of ground-level projects and funding options 2.2.4 Establishment of the mechanism and on-the-ground incentives. Agree and | HCSA criteria for projects eligible for funding developed Pilot projects identified and completed | Q3/18 | Q2/20 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|------------|---|---|-----------------------------|--|
| | formalise funding eligibility criteria for projects 2.2.5 Formalize process for determining funding sources and contributions 2.2.6 Formalise fund management and dispersal mechanisms 2.2.7 Growing the Fund, Forest and Carbon Protected and Benefits Gained | Initial pledges made to support pilots Protocol or process for determining contributions established Flow-through Fund dispersal mechanism(s) tested, agreed and formalised | | |

PWS3: Government Engagement and Support

GOAL: To achieve the support for and adoption/adaptation of the HCS Approach by governments as a methodology for implementing No Deforestation in the tropics relating to commodity production, thereby reducing emissions from land cover change. By 2021 the Indonesian government demonstrates support of HCSA and two governments in other regions are also engaged.

Estimated Budget: USD 580,000

Tier One Actors: Government- e.g. Cameroon, PNG, Indonesia; UK and Norway, Sabah and South Sumatra; Ministry of Environment and Forestry; Spatial planning bodies; SPKS; USAID

Tier Two Actors: Government- e.g. Papua, Siak, Sintang; Collaboration with smallholder networks, science and research institutions and other government implementation partners; HCSA experts + Universities (scientific technical mapping teams)

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/18 to Q2/21 | |
|---|--|--|-------------------------|-------|
| | | | Q2/18 | Q2/21 |
| 3.1 HCSA Government task force is established, develops and executes engagement strategy, and develops tool for key identified actors | <p>3.1.1 Stakeholder mapping in producer and user countries, government implementation partners</p> <p>3.1.2 Develop an engagement plan for the identified key stakeholder including 'influencers'.</p> <p>3.1.3 Analyse the opportunities for different government recognition of HCSA in laws, regulations, standards, and methodologies (including reporting).</p> <p>3.1.4 Liaise and collaborate with key government officials in HCSA expansion regions – Africa and Latin America</p> | <p>Stakeholder maps and contact lists of government representatives</p> <p>Government engagement plan and strategy is finalised and executed</p> <p>Presentations and briefers on analysis of opportunities for the recognition and integration of HCSA into government policy and regulation</p> <p>Calendar of events and possible HCSA delegates to lead engagement at each event</p> <p>Success stories and business case</p> <p>Number of opportunities identified</p> <p>Number of indicative maps produced</p> <p>Number of national standard SOP incorporate the use of HCSA</p> | Q2/18 | Q2/21 |
| 3.2 Engagement with the Indonesia government leads to | <p>3.2.1 HCSA Government taskforce to further develop a strategy for achieving HCS forest recognition and conservation in Indonesia</p> <p>3.2.2 Continued engagement with Indonesian and international</p> | <p>HCSA recognised as a credible tool by Indonesian government</p> <p>HCS forest areas are recognised, mapped and used as a conservation management tool by the Indonesian government</p> | Q2/18 | Q2/21 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/18 to Q2/21 | |
|---|---|---|-------------------------|-------|
| support for the HCSA | <p>governments in inter/intra governmental fora</p> <p>3.2.3 Active engagement with relevant Ministries and Land Planning Agency</p> | <p>Several HCS forests are legally protected in Indonesia or classified as ‘Other Effective Area-Based Conservation Measures’</p> <p>HCS conserved forests are used as indicators of advancement against national CBD and NDCs commitments by Indonesian government</p> | | |
| 3.3 Sabah, South Sumatra, and other jurisdictional approaches demonstrate support of HCSA | <p>3.3.1 Preparation of an indicative HCS forest map: based on data available produce an indicative HCS forest map.</p> <p>3.3.2 Trial implementation at jurisdictional scales to support jurisdictional initiative action plans</p> <p>3.3.3 Support and advise jurisdictional initiative on ICLUP development</p> | <p>HCSA indicative maps are produced for Sabah</p> <p>Sabah Jurisdictional Certification process requires use of HCS approach</p> | Q2/18 | Q4/20 |

PWS4: Multi-Stakeholder Governance

GOAL: HCSA multi-stakeholder governance is supporting successful HCSA implementation demonstrated by several completed ICLUPs and forest conservation areas established; and HCSA membership, regional presence and secretariat capacity has significant grown from 2018.

Estimated Budget: USD 1,650,000

Tier One Actors: HCSA Secretariat & SG members; ASG; Donors; Partners; HCVRN; Fundraising TF; WRI; Key African and Latin American stakeholders; HCSA SG affiliates

Tier Two Actors: Interested SG members; Consultation Forum; HCSA Stakeholders

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|--|---|--|-----------------------------|-------|
| | | | | |
| 4.1 Credible multi-stakeholder consensus-based HCSA governance structures are strengthened | 4.1.1 Consensus process to agree on HCSA Theory of Change (ToC) and Global Strategic Business Plan (GSBP) | HCSA ToC and GSBP is finalised and agreed upon | Q3/17 | Q1/19 |
| | 4.1.2 High level meeting to secure support for HCSA and its ToC | At least 10 leaders of SG organisations join high-level meeting and demonstrate external support for HCSA ToC | Q3/18 | Q1/19 |
| | 4.1.3 Research multi-stakeholder governance models for governance protocols for growing HCSA organisation | Governance models and protocol proposals suited to HCSA are completed and consulted with Executive Committee (EC) | Q2/19 | Q4/20 |
| 4.2 Build HCSA organizational maturity and capacity | 4.2.1 Increase HCSA secretariat capacity with establishing the following staff roles and support functions: <ul style="list-style-type: none"> - Senior technical officer (to support WG coordination and toolkit development/revisions) - Communication/fundraising officer - QA/membership coordinator | Working Groups, work streams and TFs are supported HCS Ltd and Secretariat staff have the skills and capacity and are sufficiently resourced and supported Transparent account and Financial management and funds raised | Q4/18 | Q1/20 |
| | 4.2.2 Establish a HCSA foundation | HCSA foundation created | Q1/19 | Q4/19 |
| | 4.2.3 Fundraising strategy is developed, and active fundraising is managed | Necessary annual funds are raised | Q2/18 | Q2/21 |
| | 4.2.4 HCSA membership review and services programme | Review of HCSA membership requirements Development of membership services and benefits package | Q4/18 | Q2/21 |
| | 4.2.5 Formalise Africa Steering Group (ASG) | ASG is established and functioning – i.e., produced a | Q2/18 | Q2/20 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|------------|--|--|-----------------------------|-------|
| | 4.2.6 Provide ASG secretariat support 4.2.7 Establish Latin America (LatAm) SG | strategy and workplan for HCSA in Africa ASG and LatAm SG meetings HCSA Secretariat regional support and/or branches are established | | |
| | 4.2.8 Intranet web platform (doc library, report library, other SG/EC relevant documents) 4.2.9 Get expert assistance in setting up and using collaborative information sharing and document management within and across the secretariat, EC, and steering group | User friendly intranet for SG and HCSA stakeholders is revamped and/or launched | Q3/18 | Q4/19 |
| | 4.2.10 Establish a communication strategy | Communication materials on HCSA outcomes, achievements, and impacts and to support HCSA's ToC and GSBP objectives are regularly produced, distributed and tailored to key targeted audiences | Q1/19 | Q2/21 |

PWS5: Widespread Engagement

GOAL: Widespread engagement with multiple sectors, actors and initiatives achieves significant increased awareness and commitment to HCSA, measured by increased public references and commitments to HCSA from mid-2018 baseline, in key commodities of palm oil and pulpwood, in key regions where produced in tropical fragmented landscapes in Asia, Africa and Central and North Latin America are implementing the HCSA and within cocoa and rubber sectors where the current tool can be used.

Estimated Budget: USD 115,000

Tier One Actors: Palm oil and pulpwood producers and supply chains; RSPO; Consumer Goods Forum; AFi; CDP; TFA; Multi-national banks, investors, funders with No Deforest commitments; Cocoa and rubber smallholders; World Cocoa Foundation; Responsible Rubber Platform members; Major Tyre supply chain actors; IDH; ASG; SH WG

Tier Two Actors: FSC; PEFC; Fairtrade; Rainforest Alliance; Bonsucro; Textile Exchange; RTRS; Other ISEAL members

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|--|--|--|-----------------------------|-------|
| 5.1 Majority palm oil and wood trade/timber, pulpwood producers and supply chains and key initiatives committed/adapt HCSA in SE Asia and a significant number of smallholders are implementing HCSA | 5.1.1 Formal engagement teams to collaborate on the inclusion of HCSA within responsible production certification standards/platforms and cross cutting initiatives with targeted focus on RSPO, PEFC, FSC and the rubber platform and the Cocoa Forest Initiative. | Revised RSPO P&C include HCSA FSC references HCSA for tropical forest definition and for implementing restoration commitments Evidence of increased number of HCSA commitments by palm oil and pulp and paper supply chains actors in SE Asia Increased HCSA membership of key companies and smallholders by sector and NGOs working on these sectors and/or forest regions | Q2/18 | Q2/20 |
| 5.2 Key leaders and influencers adopt HCSA commitments | 5.2.1 Work with strategic communications expert(s) to develop and implement strategic communications strategy supporting broader awareness and understanding of the methodology and how it could be used to support or complement other tools/initiatives. 5.2.2 Outreach to multinational companies and financial institutions | Data (surveys, interviews etc.) confirms awareness of HCSA has increased amongst a wide variety of actors linked to responsible land use management and conservation Accountability Framework Initiative adopts HCSA as a No deforestation implementation tool | Q2/18 | Q2/21 |

| Objectives | Key Activities | Success Criteria / Key Performance Indicators | Timeline Q3/2018 to Q2/2021 | |
|--|--|---|-----------------------------|-------|
| | and investors (direct meetings, networking at events, recruitment of SG members) | Several multinational companies and financial intuitions and investors have committed to HCSA Provide stakeholder/company training on 'What is the HCSA' | | |
| 5.3 Provide support for implementation of the HCSA in cocoa sector | 5.3.1 Field trials of an adapted HCSA for cocoa farmers/cooperatives in West and Central Africa. 5.3.2 Large-scale indicative HCS forest mapping achieved for priority regions of cocoa expansion. 5.3.3 HCSA representation/engagement in key forums 5.3.4 Support the Africa Steering and Consultation Group 5.3.5 Coordinate HCSA training and workshops with focus on smallholders | Successful adoption of HCSA by several actors in the cocoa sector through engagement and small farmers, in particular cocoa, in West and Central Africa, and their cooperatives/'accumulators' are implementing the HCSA Increased HCSA membership of key companies and smallholders by sector and NGOs working on these sectors and/or forest regions An African Steering Group is providing support of implementing HCSA. Key African governments support HCSA implementation. | Q2/18 | Q2/21 |
| 5.4 HCSA is recognised as the main ND implementation tool in the rubber sector | 5.4.1 Support pilot projects for testing HCS Approach in dry/savannah tropical systems 5.4.2 HCSA representation/engagement in key rubber sector forums such as the WBCSD Tire Industry Forum. 5.4.3 Coordinate HCSA training and workshops with focus on smallholders | Successful adoption of HCSA by key players in the rubber sector through engagement with stakeholders and the tyre sector is demonstrated Rubber land use working group adopts HCSA as the main tool for demonstrating No Deforestation commitment implementation in the rubber sector | Q2/18 | Q2/21 |

9. Acronyms

| | |
|----------------|--|
| AFI | Accountability Framework Initiative |
| CBD | Convention on Biological Diversity |
| CFI | Cocoa Forest Initiative |
| FPIC | Free, Prior and Informed Consent |
| FSC | Forest Stewardship Council |
| GFW | Global Forest Watch |
| GSBP | Global Strategic Business Plan |
| HCS | High Carbon Stock |
| HCSA | High Carbon Stock Approach |
| HCV | High Conservation Value |
| HCVRN | High Conservation Value Resource Network |
| HFC | High Forest Cover |
| HFCL | High Forest Cover Landscapes |
| ICLUP | Integrated Conservation and Land Use Plan |
| IDH | The sustainable trade initiative |
| IFC | International Finance Corporation |
| ISEAL | International Social and Environmental Accreditation and Labelling |
| IUCN | International Union for Conservation of Nature |
| LiDAR | Light Detection and Ranging |
| NDCs | Nationally Determined Contributions |
| NGO | Non-governmental organisation |
| PWS | Priority Workstream |
| PEFC | Programme for the Endorsement of Forest Certification |
| REDD+ | Reducing Emissions from Deforestation and Forest Degradation |
| RSPO | Roundtable on Sustainable Palm Oil |
| SDGs | Sustainable Development Goals |
| SE Asia | South East Asia |
| SG | Steering Group |
| SPKS | Serikat Petani Kepala Sawit |
| SR | Social Requirements |
| TF | Taskforce |
| TFA | Tropical Forest Alliance |
| TOC | Theory of Change |
| UK | United Kingdom |
| UN | United Nations |
| WCF | World Cocoa Foundation |
| WCS | Wildlife Conservation Society |
| WG | Working Group |
| WRI | World Resource Institute |

10. Endnotes

ⁱ Global Forest Resources Assessment 2015 (FAO, 2015a), the global forest area fell by 129 million hectares (3.1 percent) in the period 1990–2015, to just under 4 billion hectares; and

Forest area (percent of land area) data based from Food and Agriculture Organization, electronic files and web site. As last seen 20th April 2018 on <https://data.worldbank.org/indicator/AG.LND.FRST.ZS>

ⁱⁱ Hansen M.C., Potapov, P.V., Moore, R., Turubanova, S.A., Tyukavina, A., Thau D., Stehman, V., & Goetz, S.J. (Nov 2013) High-Resolution Global Maps of 21st-Century Forest Cover Change. *Science* 15 Nov 2013: Vol:342, pp 850-853. Global Forest Change 2000–2017. Data Download from University of Maryland, Department of Geographic Sciences also available: https://earthenginepartners.appspot.com/science-2013-global-forest/download_v1.5.html

ⁱⁱⁱ Kissinger, G., Herold, M. & De Sy, V. 2012. Drivers of deforestation and forest degradation: a synthesis report for REDD+ policymakers. Vancouver, Canada, Lexeme Consulting. Curtis, P.G., Slay, C.M., Harris, N.L., Tyukavina, A. & Hansen, M.C. (2018). Classifying drivers of global forest loss. *Science* 361, 1108–1111.

^{iv} The following website outline numerous actors with sustainable sourcing, producing and investing commitments: <https://www.theconsumergoodsforum.com/initiatives/environmental-sustainability/key-projects/deforestation/>; <https://www.tfa2020.org> ; <http://supply-change.org/>; <https://forest500.org/>

^v These include a number of similar conceptual approaches, including No Deforestation (also known as Zero Deforestation or No Deforestation Peat & Exploitation / NDPE).

^{vi} Gareth D Lennox, Toby A Gardner, James R Thomson, Joice Ferreira, Erika Berenguer, Alexander C Lees, Ralph Mac Nally, Luiz E O C Aragão, Silvio F B Ferraz, Julio Louzada, Nárgila G Moura, Victor H F Oliveira, Renata Pardini, Ricardo R C Solar, Fernando Z Vaz-de Mello, Ima C G Vieira, Jos Barlow. Second rate or a second chance? Assessing biomass and biodiversity recovery in regenerating Amazonian forests. *Global Change Biology*, 2018; DOI: 10.1111/gcb.14443

^{vii} High Carbon Stock Approach Toolkit Module 1 Version 2.0 May 2017 & Deere et al 2017. High carbon stock forest provides co-benefits for biodiversity. *Journal of Applied Ecology*

^{viii} Deforestation fronts include the Amazon, the Atlantic Forest and Gran Chaco, Borneo, the Cerrado, Chocodarién, the Congo Basin, East Africa, Eastern Australia, Greater Mekong, New Guinea and Sumatra. [WWF Living Forests Report Chapter 5: Saving Forests at Risk](#). 2015. World Wildlife Fund.

^{ix} Ibid and; Supply Change: [Tracking Corporate Commitments to Deforestation-Free Supply Chains](#). Forest Trends. 2017.

^xWijaya, A., Reidinar, J., Firmansyah, R., Samadhi, T.N.S., and Hamzah H. [‘Drivers of Deforestation in Indonesia, Inside and Outside Concessions Areas](#). *World Resources Institute*, 19 July 2017. <https://www.wri.org/blog/2017/07/drivers-deforestation-indonesia-inside-and-outside-concessions-areas>

^{xi} [Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains](#). June 2016. Forest Trends.

^{xii} Mosnier, *et al.* 2017. CoForTips Congo basin forests: tipping points for biodiversity conservation and resilience. Final Report (La modélisation des changements d’utilisation des terres dans les pays d’Afrique Centrale 2000-2030).

^{xiii} [Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains](#). June 2016. Forest Trends.