

17th September 2020

HCSA SG Member Newsletter

Dear HCSA Steering Group members,

The HCSA secretariat is pleased to share the latest HCSA member newsletter with updates on the following areas of interest from Q1 and Q2 this year:

- I. [Significant announcements](#)
- II. [Progress Updates from Working Groups](#)
- III. [Improvements in Quality Assurance & Updates on Monitoring System](#)
- IV. [Membership and Governance Matters](#)
- V. [Widespread Engagement](#)
- VI. [Current Vacancies](#)
- VII. [Financial status \(spending and current balance\)](#)

Please note the secretariat will soon be moving the latest news and updates to an e-newsletter format that will be shorter in length and more visually appealing that will be sent to members and other external stakeholders on a more regular basis. We look forward to sharing the new e-newsletter with you soon and the meantime please outreach to the secretariat (info@highcarbonstock.org) if you have any questions regarding this edition of the newsletter.

Sincerely,



Judy Rodrigues

I. Significant announcements

Significant updates regarding the High Carbon Stock Approach Toolkit and methodologies for application by smallholders and at landscape scales

On August 12th, the Social Requirements of the High Carbon Stock Toolkit were revised with the publication of “The [Social Requirements](#) of the HCSA” and “[Implementation Guidance](#) for the Social Requirements of the HCSA”. All 14 of the Social Requirements are now final and are required as part of implementing the HCSA Toolkit.

“A Simplified HCS-HCV Approach for Smallholders.” is being trialled by SPKS – a HCSA member and smallholder/farmer support organisation based in Indonesia—in partnership with its members and with financial and technical support provided by the HCSA and some members. The HCSA is working towards the goal of publishing “A Simplified HCS-HCV Approach for Smallholders” in the coming 6 months.

A draft of the HCSA’s ‘Large-scale Mapping Framework Technical Procedure’ is under development and the next phase of consultation will resume after October 2020. Inputs to this exciting new methodology will be sought from HCSA members and other technical partners involved in trialling large-scale indicative HCV-HCS assessments in tropical rainforest regions.

News on HCSA Entity & Secretariat

HCSA is the process of establishing charitable entity in the Netherlands which will be called ‘The High Carbon Stock Approach Foundation.’ HCS Ltd. will be recognised as a subsidiary of the foundation. Additionally, to support the transition of establishing an independent secretariat team the EC supported the decision at the end of July 2020 to establish a HCSA subsidiary in Kuala Lumpur, Malaysia. It is anticipated the physical secretariat office of HCSA Malaysia will be opened by mid-October 2020 and that by the end of 2020 all roles currently supported by Helikonika will be transferred to fully independent HCSA secretariat.

II. Progress Updates from HCSA Working Groups

Click [here](#) to see a full list of HCSA working groups, task forces, and sub-groups, including a list of members of each group. All working groups last met virtually online in late March and April 2020. Please review the following updates provided by the chairs of each group for the main outcomes from these meetings and/or latest WG developments.

Government & Regional Engagement Taskforce (GRETF)

Indonesia Task Force

Chair: Aida Greenbury

In the first and second quarter of 2020, the HCSA Indonesian Task Force continues to support the revision process of the KEE (Kawasan Ekosistem Esensial) – essential ecosystem area/HCS/HCV draft guideline under the Ministry of Environment and Forestry, by providing the additional information

needed by the new KEE team. In June 2020, the final draft of the guideline has been officially handed over to the KEE Directorate to be further processed.

Latin America Reference Committee

Co-Chairs: Judy Rodrigues and Daniel Aranciaba

A consultant (Petra Westerlaan) together with the HCSA Latin America reference committee produced draft strategies for increasing the uptake of the application of the HCSA in key priority countries and/or commodity supply chains in Latin America based on the groundwork analysis and stakeholder interviews. To support stakeholder consultation on the draft strategies the HCSA secretariat launched a stakeholder survey based on key questions for input from until 14th June 2020 and hosted a webinar on 25th June 2020 to present and seek feedback on draft strategies.

Twenty-six participants joined the webinar and shared feedback during and after the call on the strategies proposed. Ten stakeholders submitted input via the online survey. Feedback from the consultation process and survey was reviewed by the reference committee and consultant and taken into consideration during efforts to prepare a final report of the strategies proposed for implementation by the HCSA. In summary, the final report recommended that the HCSA focus on the implementation of targeted strategies to increase the application of the HCSA in the following countries and commodity supply chains: Palm oil supply chains in Peru, Ecuador, Guatemala; Cocoa supply chains in Ecuador and Peru; and Coffee supply chains in Peru, Honduras and Guatemala.

Additional considerations from public consultation included: In addition to the commodity-focused approach, it is recommended also to implement the HCSA tools in a landscape-level approach. Peru and Ecuador should be considered as important focus countries. Guatemala, Colombia, and Brazil as well should be further considered as additional countries to focus on. Honduras was considered less important to prioritise. Lastly, there are several general strategy action recommendations that HCSA may consider that can assist its uptake in the recommended focus areas and beyond. The next steps will be for the HCSA Steering Group members and the Executive Committee to consider these strategies as part of the HCSA strategic business plan development for 2021 until 2026.

West/Central Africa Reference Committee

Co-Chairs: None. Proposal is to put on hold this Task Force.

The HCSA Executive Director recommended to the EC that the development of a strategy to increase the uptake of the application of the HCSA in key priority countries and/or commodity supply chains in West and Central Africa is put on hold. A major reason is that the HCSA was planning to seek inputs from stakeholders to this strategy during two physical meetings in the region which can no longer occur due to travel restrictions because of the Covid-19 pandemic. Furthermore, in early May 2020, the consultant hired to assist HCSA in developing the strategy withdrew his services. Considering the HCSA Toolkit is integrated in the certification standard of the Roundtable on Sustainable Palm Oil (RSPO) certification scheme and is recognised as a key tool for cocoa sector actors and the World Cocoa Foundation to implement no deforestation commitments the profile of the HCSA is growing via these avenues. The HCSA will continue during this period of Covid-19 restrictions to seek opportunities to increase the uptake of the HCSA in West and Central Africa, including via supporting members and non-members in trialling the approach, such as with the cocoa sector in Ghana.

High Forest Cover Landscapes (HFCLs) Working Group

HCSA Legacy Cases Task Force

Co-Chairs: Charlotte Opal and David Burns

The Legacy Task Force (LTF) met on 14th January and on 25 March 2020 to continue provide guidance on the processing of two qualified HCSA legacy cases. On 15 July 2020, one legacy case applicant requested to pause their legacy case application which was accepted by the Legacy Task Force members. A meeting will be held between the HCSA Secretariat and the Legacy Task Force members on the next course of action and the agreed duration on pausing the legacy case application.

The HCSA Secretariat has received additional required due diligence documentation from the second applicant which will be verified through an independent party throughout the due diligence process. Once the Covid-19 situation is abated, this independent investigation will also include a field verification visit to the legacy case concession area. Find out more on HCSA Legacy Cases [here](#)

Large-scale Mapping Technical Working Group

Core oversight group: Grant Rosoman, Rob McWilliam, Aida Greenbury, and Jonathan Byers

Various large-scale or landscape level mapping initiatives are underway by HCSA members or collaborators in Indonesia, Ghana, Mexico, Peru, and elsewhere. There is a broad recognition by stakeholders of the need to coordinate on methods and ensure quality of outcomes when producing indicative HCS-HCV maps and applying the Social Requirements at a landscape scale. To this end, HCSA hosted the Largescale Mapping Working Group meeting in July 2020 to bring together presentations to share techniques and lessons from completed and ongoing mapping efforts. These lessons are being adapted into a revised ‘Large-scale Mapping Framework Technical Procedure’ for landscape level indicative HCS-HCV mapping, incorporating HCV probability mapping.

Protection Working Group (PWG)

Co-Chairs: Mike Senior, Grant Rosoman and Ellen Watson

i. HCSA Guidance: Integrated Conservation Land Use Plan (ICLUP) Development and Implementation

Several virtual PWG meetings were conducted to discuss the development and drafting of the ICLUP guidance document “HCSA Guidance: Integrated Conservation Land Use Plan Development and Implementation”. The first meeting was held on 6 April 2020 whereby PWG members were presented and consulted on the following topics.

- i. ICLUP related stages in the overall HCS Approach
- ii. ICLUP development & implementation steps
- iii. Updates on the ICLUP guidance regarding the document structure
- iv. Components of an ICLUP and geographic scope
- v. Timeline of ICLUP guidance drafting

Along with the discussions, PWG members were also asked several key questions for input into the draft. A subsequent meeting was held on 22 May 2020 in which the revised ICLUP document structure was presented to members. WG members provided their reviews and additional questions focused on community participation and food security were discussed for input as well.

A third meeting was held on 9 June 2020 to discuss the ICLUP progress. A dialogue session was also held to discuss and collect additional feedback by PWG members, SRWG members and HCSA growers. Key topics covered during this meeting included:

- i. Affected communities'
- ii. Food security application
- iii. ICLUP validation, roles, and responsibility
- iv. Role of government
- v. Review process and ICLUP timelines,
- vi. Benefits and incentives
- vii. Retrospective application and existing operations.

Constructive feedback from PWG members, SRWG members, and HCSA Growers were collected and reviewed prior, during and post meetings. Following the positive progress in developing the ICLUP guidance by the Protection Working Group, a final draft has been circulated to the PWG and the SRWG members for a final consultation. The guidance is expected to be finalised by early November after consultation with the HCSA SG members and formal adoption by the EC.

ii. Conservation Financing

From the last meeting in October 2019, it has been agreed to transfer the focus of conservation financing to join with Smallholder work with Sanggau - Sekadau landscapes to link up incentives and benefits together with the application of HCSA with smallholders. There has been piloting of 'A Simplified HCS-HCV Approach for Smallholders' that includes development of the incentives and benefits aspects and how to channel them to the local community.

Quality Assurance Working Group (QAWG)

Coordinator: HCSA Technical Director, Darren Brown

The QAWG meeting was held on 2 April 2020 and covered the HCSA Monitoring Platform, HCVRN and RSPO updates, peer review of registered assessments, and the development of the HCSA Grievance Mechanism. The 'Quality Assurance' section, below, contains details on relevant work progress and key QA updates.

Smallholder Working Group (SHWG)

Coordinator: We are pleased to announce that Happy Tarumadevyanto has been appointed as the coordinator of the HCSA Indonesian SHWG. Happy Tarumadevyanto is a representative from SPKS and will provide continued support on trialling and finalisation of the Simplified HCS-HCV approach for Smallholders. Happy will coordinate with SHWG members and relevant HCSA stakeholders for the remainder of 2020.

A virtual SHWG meeting was held on 9 April 2020 and it was participated by HCSA SHWG members and representatives from the RSPO secretariat. The progress and lessons learnt from the simplified HCS-HCV approach for smallholders' trials in West Kalimantan, Indonesia were presented along with discussions around further trial planning and next steps on the finalisation of the simplified approach. Additionally, the SHWG was presented with the latest updates by RSPO secretariat regarding the progress made by the RSPO to finalise its Independent Smallholder Standard (ISS). The SHWG workplan for 2020 was revisited to identify priorities that are achievable this year and to postpone those are affected by the COVID pandemic situation to 2021.

i. Progress on trials of HCSA Smallholder Approach

SPKS conducted field trials in Sanggau and Sekadau district of West Kalimantan, Indonesia between December 2019 and January 2020 to test the draft version 3 of 'A Simplified Approach to Identify, Manage and Monitor HCS forest and HCV areas: A Practical Guidance and Checklist for Smallholders'. Four villages participated in the trials including Embala village, Lape village, Setawar village and Sungai Jaman village. The final trial report which was translated into English version was produced by SPKS on 25 March 2020, and the draft version 4 of the simplified approach for smallholders was updated based on lessons learnt from these trials.

However, due to the pandemic situation, some of the aspects of the simplified approach were not able to be fully field tested such as the HCS-HCV indicative map. Further trials will need to be carried out to test the pending and new aspects of the simplified approach based on feedback received from HCSA members and partners before the next draft could be finalised. The HCSA and SHWG are working towards the goal of publishing "A Simplified HCS-HCV Approach for Smallholders" in the coming 6 months. HCSA members are invited to support the trialling of this important approach. Expressions of interest can be sent to Happy via [happydevyanto.spks@gmail.com]. The HCSA extends its thanks to those organisations who contributed to the trials earlier this year: Partnership for Forests and Nestlé.

Social Requirements Working Group (SRWG)

Chair: Patrick Anderson, Forest Peoples Programme

The Social Requirements Working Group (SRWG) met on 31st March 2020 which included a virtual workshop on the Preparation Stage of the Social Requirements, presentation of a gap analysis conducted on quality assurance of the Social Requirements, as well as soliciting input on the terms of reference for two desktop studies that will be undertaken on HCSA Social Requirement 5 (see below).

i) Revised Social Requirements (SRs) and Implementation Guide (IG) Now Published

In April 2020, the revised Social Requirements were approved by the HCSA Steering Group and Executive Committee, along with the Implementation Guide. All 14 of the Social Requirements are now final and are required as part of implementing the HCSA Toolkit.

The Implementation Guide (IG) provides advice on how best to understand and apply the Social Requirements and will be regularly reviewed and updated. Indonesian and French versions of the SRs and IG will be added to the website later in 2020. To assist in the implementation of HCSA toolkit, training materials and webinars on key parts of the SRs will be added to the HCSA website in late 2020 and during 2021. The revised Social Requirements and Implementation Guide are now available on the HCSA website link here. If your organization is referencing either publication please refer to each document using the following links:

High Carbon Stock Approach Social Requirements. <http://highcarbonstock.org/wp-content/uploads/2020/08/HCSA-Social-Requirements-Apr-2020.pdf>

High Carbon Stock Approach Implementation Guidance. <http://highcarbonstock.org/wp-content/uploads/2020/08/HCSA-Implementation-Guide-Apr-2020.pdf>

ii) Preparation of training materials to ensure credible application of the Revised Social Requirements (SRs) and Implementation Guide (IG)

In the coming months, the SRWG will produce a suite of online training resources on implementation of the Social Requirements. These will be funded partly with funds originally allocated for fieldwork and in-person training workshops, which is not practicable under current conditions due to Covid-19.

The training resources will take the form of a series of short recorded online presentations (each less than ten minutes in length) and will be produced in multiple languages. The topics to be covered are:

- i. Overview of the SRs
- ii. The four stages of the SRs: Preparation, Assessment, Negotiation, Operations
- iii. Social aspects of the ICLUP (including community agreements, incentives, and benefits)
- iv. Implementing SR 10 on Grievance and Redress Procedures.

Please send any suggestions for further training topics to Patrick Anderson on patrick@forestpeoples.org. The presentations will be available on the HCSA website before the end of 2020.

iii) **Gap analysis on existing Quality Assurance Systems for the Social Requirements**

Consultant Helen Newing completed a draft gap analysis with respect to assessing how existing quality assurance systems provide some coverage of assessing how points that need to be met to implement the Social Requirements have been met, or may be able to do so in the future. The consultancy was undertaken in December 2019 and January 2020 and was distributed to the SRWG and other WGs, to inform their work, including the Protection Working Group developing HCSA Guidance: Integrated Conservation Land Use Plan Development and Implementation”. The draft gap analysis informed a separate gap analysis carried out for the HCSA-RSPO engagement group. The Appendix details a list of indicators that are included in the RSPO P & C that could be referenced if further efforts are undertaken for developing indicators to assess compliance against the Social Requirements. The comparison of other quality assurance systems including the HCVRN Quality Assurance systems for Integrated HCV-HCS Assessments conducted by Licences Assessors under the ALS system, the RSPO’s New Planting procedure, initial certification, surveillance and re-certification audits and peer reviews, as well as the HCSA’s own stand-alone assessments peer review process, were all considered. Once the work of the Quality Assurance Working Group is further advanced, a decision will be taken together with the HCSA Secretariat on whether there is a need to further develop and publish the gap analysis. This work was undertaken in accordance with the ToR for SR guidance and comparison analysis which was finalised early 2020.

iv) **Integration of Social Requirements into draft ICLUP guidance**

Over the summer the SRWG has been collaborating in the drafting of “HCSA Guidance: Integrated Conservation Land Use Plan Development and Implementation” which was led by Proforest for the Protection Working Group. The guidance is expected to be finalised by early November after consultation with the HCSA SG members and formal adoption by the EC.

v) **Conducting two desk studies on Operationalising HCSA’s Social Requirement 5 - Ensuring Food Security and Protecting Livelihoods (SR 5), as follows:**

- i. The first desktop study on SR 5 will set out in detail the actions required in fulfilment of SR 5 for each stage (preparation, assessment, negotiation, and operations), including the different roles and responsibilities of companies and assessors. This desktop study will look at the relevant existing requirements and guidance on SR 5, such as the [Toolkit v.2](#) (including the SRs text), the [HCV-HCSA Assessment Manual](#), the [SRs Implementation Guide \(IG\)](#), [Advice Note 01](#), and earlier sources if relevant. Draft additional guidance will be developed as part of the output, which will then be consulted on with the SRWG, before being developed further as appropriate, and applied during the next phase of work through training and piloting.

- ii. The second desktop study will develop new guidance on appropriate methodologies, tools and indicators that can be used to fulfil SR 5 requirements on social impact monitoring (SIM). The aim of the SIM desk study is to strengthen the implementation of social impact monitoring as a key aspect of the fulfilment of SR 5. The desktop study will cover the following aspects:
 - i. The review and further development of the welfare impact assessment (WIA) tool and its application in the two pilots of 2017
 - ii. A review of the application of social impact assessment/monitoring and management planning in other sectors with relevant experience
 - iii. A gap analysis of existing social monitoring mechanisms, including requirements, guidance and implementation, in the palm oil and pulp and paper sectors
 - iv. Development of draft additional guidance and recommendations for training/piloting

The conduct of these desk studies has been delayed, and they will now be completed during the final quarter of 2020.

III. Improvements in Quality Assurance and Updates on Monitoring Systems

Development of a HCSA Grievance Mechanism

During late 2019 to early 2020, a consultant (Vanessa Jimenez) lead the process to develop a proposal for an improved Grievance Mechanism for the HCSA, that will replace the [HCSA Interim Grievance Resolution Procedure](#) once approved by the HCSA Executive Committee. The consultant conducted a desktop review of HCSA members' existing grievance mechanisms, surveyed and interviewed members about their expectations for the HCSA Grievance Mechanism, and reviewed the mechanisms of comparable entities such as RSPO and Forest Stewardship Council (FSC), as well as those used by public entities such as the International Finance Corporation (IFC) and United Nations Development Programme (UNDP). These reviews were conducted against the backdrop of the HCSA social requirements regarding grievance mechanisms and the "effectiveness" criteria for non-judicial mechanisms provided by the United Nations Guideline on Business and Human Rights (UNGPs). In January 2020, HCSA members received a briefing note about the UNGP effectiveness criteria to facilitate their understanding of the HCSA's way forward.

A complete and comprehensive first draft of the HCSA Grievance Mechanism was developed by 4 February 2020 and subsequently updated following HCSA secretariat feedback on 20 February 2020. The draft HCSA Grievance Mechanism, along with the summary of the consultation results, was shared with the HCSA Quality Assurance Working Group to obtain their input and a call was held with the group to discuss the draft on 18 March 2020. The draft was subsequently sent to the HCSA Steering Group on 20 April 2020 to receive more feedback until 8 May 2020. The 2nd draft of the HCSA Grievance Mechanism was consulted with HCSA SG members from 20 April until 8 May 2020. Feedback from this consultation was incorporated into a 3rd draft which was publicly consulted from 8 June to 6 July 2020. A final draft was presented to the HCSA Executive Committee for their consideration for approval at their meeting on 15 July 2020. The document outlining the proposed HCSA Grievance Mechanism was not approved as agreement could not be reached on the details of the proposal regarding the topic of an appeals process. The EC asked the secretariat to present

additional options for requests for interpretation or requests for appeals of the final decisions that could be considered being incorporated into the GM. It also was agreed that members would have the opportunity to submit additional feedback on this topic and the Grievance Mechanism draft will be updated accordingly and resubmitted for approval by the Executive Committee. Additional options were presented during the Executive Committee's August meeting and remain under discussion.

HCSA peer reviewer quarterly assessor newsletter

The second edition of the HCSA peer reviewer quarterly assessor newsletter was published and sent to HCSA practitioners and Quality Reviewers on 4 May 2020. The newsletter contained updates and information on:

- i. Technical updates affecting how HCS assessments are conducted and reviewed
- ii. Revised Quality Assurance Templates being used in the review process
- iii. News on HCSA Registered Practitioners, Training Providers, and Training Courses
- iv. Development of the HCSA Grievance Mechanism
- v. Updates on linkages between the Roundtable on Sustainable Palm Oil (RSPO) and HCSA
- vi. News on integrated HCV-HCSA Assessments

The next newsletter is anticipated to be published by mid-September 2020.

Publication of new Advice Notes

The HCSA Secretariat has periodically published Advice Notes which respond to technical queries that arise from the implementation of the HCSA methodology and the evaluation of HCV-HCSA and HCSA assessment reports. Queries are gathered through HCSA or HCVRN and centralised in a query tracker. Then, subject area experts propose a response. Next, the query and draft response are shared with the HCSA Quality Assurance Working Group for input. Finally, the advice note is updated accordingly and published. The Advice Notes can be accessed on the [HCSA Documents webpage](#).

Training Assessors on Integrated HCV-HCSA Assessment

Under P4F funding, HCVRN have been leading the development of online training modules on Integrated HCV-HCSA Assessments aimed at refreshing and improving the technical knowledge of assessors and quality reviewers'. Modules cover Social Components, Definition of the Area of Interest, Landcover Classification, Participatory Mapping, and requirements for producing and presenting HCV and HCS maps. The presentations of all modules have been shared with the QAWG for feedback before they are finalised and then hosted on the HCVRN online training platform.

Updates on HCVRN Assessor Licencing Scheme (ALS)

The HCVRN updates documents related to its [ALS](#) from time to time based on new procedures and lessons learned. The most recent ALS document updates include:

- i. [Combined assessment procedure](#) – this is a new pilot procedure for assessments that may cover more than one area of interest or more than one development area (available in English and Bahasa)
- ii. An updated [syllabus for the HCV-HCSA assessment training course](#) (available in English and Bahasa)
- iii. An updated marking sheet for evaluating course participants (available in English and Bahasa)
- iv. An updated [guidance document](#) for Quality Panel members evaluating assessment reports

- v. An updated [appeal procedure](#) for assessors to appeal the results of their HCV-HCSA assessment

HCVRN is planning to update the HCV-HCSA assessment manual and online report evaluation templates in 2020. Updates are being made to the web platform for the evaluation of reports as users gain more experience with the system and find ways to simplify and improve it. HCVRN formed a group of ALS licensed assessors and Quality Panel members to help provide inputs to these processes.

Impacts of travel restrictions on HCV-HCSA assessments

HCVRN has launched a survey, with input from the HCSA secretariat, to collect stakeholder views on possible measures regarding HCV-HCSA assessments considering travel and social distancing restrictions that are in place in several countries where Licensed Assessors work. You can complete this survey via this [link](#).

HCSA assessments

As of August 2020, there were a total of 133 registered HCSA assessments (both HCSA stand-alone and integrated HCV-HCSA assessments). The status of the HCSA stand-alone assessments is as per the table below:

HCSA Stand – Alone Assessments			
No. of on-going peer review assessments	No. of completed peer review assessments	No. of assessments pending to start	No. of cancelled assessments
3	37	60	2

The status of HCV-HCSA Integrated Assessments is as per table below:

HCV – HCSA Integrated Assessment	
No. of Completed Integrated Assessment (Satisfactory)	12
No. of Ongoing Integrated Assessment	19

As of 28 August 2020, the indicative number of HCS forest in hectares (ha) can be referred to as below:

	Registered area for development (ha)	Completed HCSA assessments (ha)*	Ongoing HCSA assessments (ha)
Palm Oil	1,241,835.16	696,411.68	34,457.91
Pulp & Paper	1,414,695.00	172,332.00	NA
Total:	2,656,530.16	868,743.68	34,457.91

Updates on HCSA Monitoring Platform

Coordinator: HCSA GIS Analyst, Jonathan Byers

An overview of the development of the HCSA Monitoring Platform was presented and discussed during the virtual QAWG meeting held on 2nd April 2020. A summary of the background software, web platform, and the data management and processing protocols that have been set up and are ready to receive and process the maps from member companies, was shared during the call. A mapping sub-group was set up to provide more specific inputs to the alert system and monitoring protocol and to provide general guidance on other questions regarding best practices for ongoing large-scale mapping work.

The HCSA continues to communicate directly with plantation companies regarding the need to fulfil their requirements to the submission of maps and spatial data as required in *HCSA Maps Submission for Membership Due Diligence Process Version 2.0* document. The HCSA secretariat continues to work towards finalising and signing Non-Disclosure Agreements (NDAs) with each plantation company and efforts to address concerns held regarding data security. Data security, management, and formatting workflows have been developed to implement the HCSA alert and monitoring protocols. Furthermore, the secretariat is updating HCSA data security policy to ensure it is more comprehensive on its protection of sensitive data.

HCSA has acquired a license for ArcGIS Desktop from ESRI Malaysia through their non-profit program and has set up an account in Global Forest Watch (GFW) Pro. Using preliminary data from HCS assessments, a workflow to check the quality and completeness of the data in ArcGIS, reformat the data using automated scripts, and upload it to the GFW Pro monitoring platform has been developed and tested. The development of this system is a time-consuming step, but the automation of this process will allow the rapid ingest of data into the alert and monitoring system as companies submit data. The HCSA Global Forest Watch (GFW) Pro Internal Platform has been operational since May 2020 and is populated with test data to evaluate the proposed Alert & Monitoring protocol presented during the QAWG meeting. Deforestation and fire alerts generated by GFW Pro are being evaluated for accuracy to provide feedback on the alert and monitoring protocols to ensure swift rollout of the platform once data is received from member companies.

IV. Membership and Governance Matters

Membership

i. Membership Requirements Review (MRR)

On March 3rd, the EC reviewed the Membership Committee (MC)'s recommendations on the MRR. As there were outstanding items on the Indicators and Means of Verification for assessing performance against the Code of Conduct requirements, the EC thus agreed for the (i) Eligibility Requirements (ER) and the Code of Conduct (COC) to be split into 2 separate documents so that the ER could be approved and the COC requirements be further reviewed and deliberations held by the MC to seek agreement on a final version of the Indicators and Means of Verification for adoption.

The ER were formally approved on 22nd April and the MC continues to meet weekly to finalise the Indicators and Means of Verification for COC requirements. It is a top priority for the HCSA secretariat to ensure this review concludes as soon as possible in order to provide clarity to members on membership requirements. Efforts will soon begin to prepare members and the secretariat for the submission of annual reports which will begin in January 2021. The HCSA secretariat and Technical Director will also be working to provide clarity on how performance evaluations of each members

fulfilment of the annual reporting requirements will be undertaken, as the capacity for the HCSA to conduct such evaluations is a main output from the Membership Requirements Review process. Learn more about the MRR [here](#)

ii. New HCSA SG Member

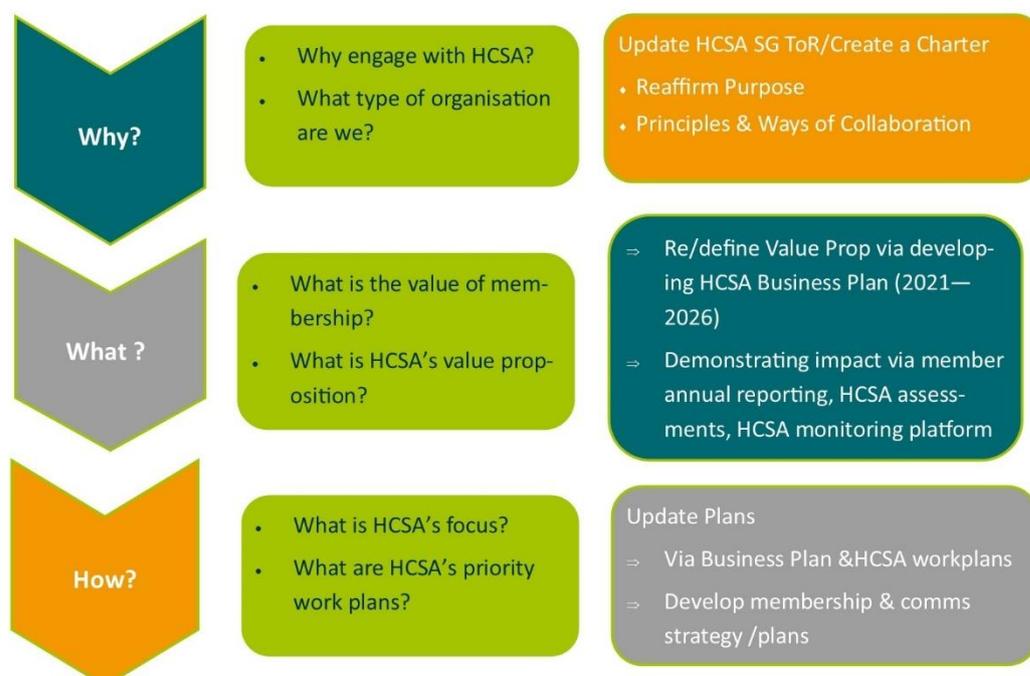
In January, the HCSA Steering Group welcomed its newest member, [Cargill Tropical Palm Holdings Pte Ltd](#). Cargill Tropical Palm Holdings Pte Ltd (CTP), headquartered in Singapore, owns, and operates oil palm plantations and mills in Indonesia’s South Sumatra and West Kalimantan provinces that cover close to 80,000 hectares and employ 18,000 people. CTP sustainably produces crude palm and palm kernel oil from fresh fruit bunches grown on their own plantations and sourced from local smallholders. CTP aims to be the most respected company in improving lives, prioritizing the needs of stakeholders including employees, smallholder farmers, local communities, and customers.

The following organizations ceased to be members of the HCSA during the past year:

Click [here](#) to see a full list of HCSA SG members.

Governance Strengthening Initiatives

In Q2/2020, the HCSA Executive Director set up calls with each HCSA SG membership group to follow up on HCSA governance strengthening initiatives and to have a dialogue about what is going well with HCSA and what may need improvement. The HCSA ED sent SG membership groups the following illustration of key proposals for next steps for the SG and secretariat to work together as a collaborative platform to move the proposals forward.



Succinctly, the first set of next steps is to ask all members to engage in two virtual online governance meetings to review and affirm HCSA's purpose and the principles of the way we collaborate – the first meeting will be on 9th September and the second on 15th September.

Work will also start on the development of HCSA's strategic business plan for 2022 – 2026 which can contribute to the efforts to bring values to members and focus on HCSA's priorities. We will be approaching the work in three phases with the support of the consult group Altruist over the next 3 months: 1) a Performance Assessment that will baseline HCSA against best practices and identify key leverage points for accelerating our impact 2) a Strategic Framework exercise to align us around key concepts, such as our value proposition, impact strategies, and core metrics, and 3) development of an investment-grade business and financial plan to guide our organization and solicit support. Phase I will begin with asking members to fill out a survey which will be sent to you early next week along with more details which is due to be completed by members by 18th September.

Furthermore, demonstration of HCSA's impact will be supported by the outcomes from Membership Requirements Review through members' annual reporting of progress, status of implementation of HCSA assessments and populating the HCSA monitoring platform. It is anticipated the MRR will be finalised soon and updates/outcomes on these initiatives will be communicated to SG members as key developments occur and actions are needed.

V. Widespread Engagement

Key updates on RSPO

i. No Deforestation Joint Steering Group (NDJSG)

The NDJSG formulated two sub-groups to work on socialisation and forest definitions. Socialization plans have been developed (but not yet finalised) to ensure inclusive participation of local CSOs, indigenous people and local communities to seek a mandate from respective local land right holder(s) in case-study areas for the development of procedures for HFCL within HFCC and to seek inputs and feedback to the development and finalisation of HFCC procedures. Lists of stakeholders in the target countries have been developed, as has a questionnaire for gaining stakeholder feedback. An external partner has been engaged to use their expertise to enhance the survey design, translate and set up the survey, conduct data analysis, and report on results. The definitions sub-group has worked on the definition of forests to be used for the identification of HFCL in the definition of HFCLs and HFCCs. In the most recent NDJSG meetings, members have agreed on the decision-making process to be followed within the group, has responded to a request from the RSPO Board of Governors to respond to a proposed resolution regarding the inclusion of particular Indonesian provinces as HCFLs, the continued development of stakeholder lists in target countries, and the contracting of a consultant for preparing and conducting stakeholder surveys and analysing results.

ii. RSPO Independent Smallholder (ISH) Standard

The ISH standard which includes the protection of HCV and HCS forests was adopted by RSPO General Assembly in November 2019. To support its implementation RSPO engaged with Ekologika (a consultancy company) in Q1/Q2 2020 to carry out an independent review of the HCSA's draft "A Simplified Approach to Identify, Manage and Monitor HCS forest and HCV areas: A Practical Guidance and Checklist for Smallholders" and RSPO HCV App to identify overlaps and gaps between the two approaches, and to provide recommendations for a combined simplified approach for HCS and HCV approach for smallholders. HCSA reviewed and provided feedback on the recommendations from Ekologika to RSPO and will discuss further within the HCSA Smallholder Working Group (SHWG) if any

further alignment is required for the next HCSA-HCV simplified approach based on the feedback submitted to RSPO.

The HCSA will continue to work with the RSPO secretariat and the SHWG on the next steps for collaboration on developing a combined simplified HCSA-HCV tool for implementation by the smallholders.

MoU with the High Conservation Value Resource Network

HCSA and HCVRN are close to finalising and launching a formal MoU which details MoU's overall strategic goals; purpose and scope of the collaboration; the common view of partnership; areas of Focus of the partnership including: Quality Assurance (QA), Capacity building, Adapting the approaches for smallholders; Scaling up use of both approaches, Long-term protection and conservation and the two organisations will work together. We hope to share more details on the MoU with members very soon!

Global Platform for Natural Sustainable Rubber (GPNSR)

HCSA secretariat was invited to join the GPNSR policy working group call in May 2020 to exchange information on HCSA and provided feedback on GPNSR policy requirements on deforestation including supporting a reference the HCSA toolkit methodology for the identification and management of areas for development and conservation. The secretariat is exploring additional potential collaboration with GPNSR related to increasing the use of the HCSA by smallholder rubber farmers and further exploration of how the HCSA Toolkit and large-scale integrated HCV-HCS mapping initiatives could be integrated into GPNSR working group initiatives and trials.

World Cocoa Foundation (WCF) & work on the cocoa sector

On 14th May 2020 a call was hosted by the World Cocoa Foundation. The HCSA secretariat was invited to give a presentation to introduce members of the WCF and Cocoa Forest Initiative (CFI) to the High Carbon Stock Approach. Earthworm, a HCSA member, also presented preliminary results of a HCSA trial undertaken in Enchi, Ghana by Lindt and Earthworm. The HCSA will continue to explore future collaborations/opportunities linked with indicative landscape HCV-HCS maps.

On 30th July 2020, the HCSA published a "Statement on deforestation and forest degradation for cocoa & forests initiative (CFI) signatories, national initiatives, public and civil society stakeholders". The purpose of this statement was to clarify how the HCSA methodology is currently applied and how it can best support the implementation of commitments made by members of the CFI to conserve forests and end deforestation and forest degradation in cocoa supply chains. Click [here](#) to view the statement.

The Accountability Framework initiative (AFi)

The HCSA and AFi have been in discussions about establishing a supporting partnership agreement as both organizations have several overlapping goals related to forest and natural ecosystem conservation and for supporting responsible land use management and supply chains; as well as having several overlapping organisational members. Moreover, as the HCSA offers a valuable methodology for companies and other stakeholders seeking alignment with the Accountability Framework in setting and implementing their ethical supply chain commitments, for instance:

- i. The AFi references HCSA as an approach for delineating natural tropical forest that is compatible with the Framework's no-deforestation guidelines
- ii. HCSA can be used in implementing AFi's Core Principles 7 and 8 regarding responsible practices in land acquisition, effective long-term land management and land use planning, and site development
- iii. HCSA's social requirements which integrate of FPIC, grievance mechanisms, and remediation align with multiple AFi Core Principles and guidance

As such HCSA is a natural fit to become a supporting partner of AFi and to work together support achievements of the initiatives' overlapping aims. The HCSA Executive Director and AFi have drafted a supporting partnership agreement which be further worked upon with a subgroup of the HCSA's Executive Committee and relevant AFi staff before sought for approval by the HCSA EC.

VI. Current Vacancies

HCSA Working Groups/ Task Forces

We are looking for new members to join the HCSA Communication Task Force to provide support on reviewing external HCSA communications and publications. If interested, please get in touch with the secretariat.

Secretariat

If you know of anyone that will be suitable for the below vacancies, please write to us on [add the email

- i. [Executive Assistant for the HCSA's Executive Director of HCSA Steering Group \(SG\)](#)
- ii. [Malaysia Office and HR Manager](#)
- iii. [Membership & Communications Officer](#)

VII. Financial status (spending and current balance)

The HCS Ltd. Profit and Loss statement and Balance Sheet has been produce for HCSA SG members and is contained below:

Appendix I: HCS Ltd. Profit and Loss Statement

HCS LTD. (201622314N) Profit and Loss January - June, 2020

	USD
Income	
Grant - P4F	198,946.67
Membership Fee	355,566.55
Peer Review & Training Fee	25,950.00
Total Income	\$ 580,463.22
Bad Debts Written Off	28,000.00
Bank Charges	3,548.37
Consultancy fee	135,700.50
Courier & Postage	49.92
Director's Remuneration	51,493.49
Employment Service Processing Fee	3,469.60
Gift & Donation	52.22
GST Irrecoverable	208.82
Payroll Expenses	53,660.04
Peer Reviewer Fee	5,700.00
Printing & Stationery	21.48
Professional fees	15,447.93
Secretarial Fee	1,327.71
Secretariat Support & Services Fee	118,771.50
Software Subscriptions	2,358.29
Taxation Fee	642.35
Travelling - Accommodation	1,658.00
Travelling - Flight	2,267.00
Realised Exchange Gain or Loss	769.36
Total Expenses	\$ 425,146.58
Net Surplus	\$ 155,316.64

Appendix II: HCS Ltd. Balance Sheet

HCS LTD. (201622314N)
Balance Sheet
As of June 30, 2020

		USD
Assets		
Current Assets		
Accounts receivables		253,495.27
Cash at bank		256,742.76
Deposit and prepayment		72,058.25
Total Current Assets	\$	582,296.28
 Long-term assets		
Property, plant and equipment		5,328.88
Total Assets	\$	587,625.16
 Liabilities and net assets		
Current liabilities:		
Accounts payables		192,326.24
Accrued liabilities		15,688.74
Deferred revenue		177,933.64
Total current liabilities	\$	385,948.62
 Net assets:		
General funds		201,676.54
Total liabilities and net assets	\$	587,625.16