High Carbon Stock Approach Overview

Presenter’s Name
Presenter’s Position

02/07/2021
Deforestation Fronts

Source: Deforestation fronts include: the Amazon, the Atlantic Forest and Gran Chaco, Borneo, the Cerrado, Choco-Darien, 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.
Deforestation Drivers

What’s Driving Deforestation?

Production of beef, soy, palm oil and wood products account for the majority of tropical deforestation.

Source: Union of Concerned Scientist web article publication (April 206) https://www.ucsusa.org/resources/whats-driving-deforestation-0

Environmental costs of Agri-food production systems

Figure 15: The environmental impacts of food production
Sources: Adapted from CBD (2014)\textsuperscript{98},
GSDR (2019)\textsuperscript{99} and ELD Initiative (2015)\textsuperscript{103}.

Agriculture is responsible for 80\% of global deforestation
80\% GLOBAL DEFORESTATION

Food systems release 29\% of global GHGs
29\% GLOBAL GHGs

Agriculture accounts for 70\% of freshwater use
70\% FRESHWATER USE

Drivers linked to food production cause 70\% of terrestrial biodiversity loss
70\% TERRESTRIAL BIODIVERSITY LOSS

Drivers linked to food production cause 50\% of freshwater biodiversity loss
50\% FRESHWATER BIODIVERSITY LOSS

52\% of agricultural production land is degraded
52\% DEGRADED AGRICULTURAL LAND

• Conserving and restoring forests are a key Natural Based Solution for climate change mitigation and resilience.
Impact of Climate Change on Agriculture

Temperature increases more than 4 degrees and changes in water cycles and rising sea levels will mean passing critical thresholds.

The High Carbon Stock (HCS) Approach is a global methodology to implement No-Deforestation commitments. It is a land-use planning approach that distinguishes forest (humid tropics) areas for conservation from degraded lands with low carbon, biodiversity and social values that may be developed while ensuring the rights and livelihoods of local peoples are respected.
Why was the HCS Approach created?
HCSA Toolkit V2.0: Modules

**MODULE 2**
Social Requirements
The first step: respecting communities’ rights to their lands and FPIC.

**MODULE 3**
Integration of HCV-HCS-FPIC
The HCS Approach relies on comprehensive HCV assessments and the FPIC of local communities to be put into practice.

**MODULE 4**
Vegetation Stratification
Initial vegetation classification through satellite and LiDAR image analysis and field data to calibrate the vegetation classification.

**MODULE 5**
HCS Forest Patch Analysis and Protection
Conservation science background and principles, using the Decision Tree for patch analysis, the proposed Integrated Conservation and Land Use Plan (ICLUP), and protection of HCV/HCS forest areas.

**MODULE 6**
Developing Issues
Addressing smallholder and community participation, High Forest Cover Landscapes and carbon.

**MODULE 7**
Quality Assurance
Peer review and transparency and monitoring.
Phase 1: Uses remote sensing and ground survey data to develop a map of potential HCS forest areas in a particular development area.

Phase 2: Classification and analysis of patches using HCS Decision Tree and to develop proposed Integrated Conservation and Land Use Plan (ICLUP).

## High Carbon Stock Forest

### High Carbon Stock (HCS) Forest
- **High Density Forest (HDF)**
  - Remnant forest or advanced secondary forest close to primary condition
- **Medium Density Forest (MDF)**
  - Remnant forest but more disturbed than HDF
- **Low Density Forest (LDF)**
  - Appears to be remnant forest but highly disturbed and recovering
- **Young Regenerating Forest (YRF)**
  - Mostly young re-growth forest, but with occasional patches of older forest within the stratum

### Degraded lands (former forest)
- **Scrub (S)**
  - Recently cleared areas, some woody regrowth and grass-like ground cover
- **Open Land (OL)**
  - Very recently cleared land with mostly grass or crops, few woody plants

### Potential HCS Areas

<table>
<thead>
<tr>
<th>Potential HCS Areas</th>
<th>May Be Developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDF</td>
<td>Scrub (S)</td>
</tr>
<tr>
<td>MDF</td>
<td>Cleared / Open Land (OL)</td>
</tr>
<tr>
<td>LDF</td>
<td></td>
</tr>
<tr>
<td>YRF</td>
<td></td>
</tr>
</tbody>
</table>

**HCS Threshold**
HCS Approach Assessment: How does it work

**Step 1**
- Company registers HCSA assessment

**Step 2**
- Company hires an HCSA assessment team to conduct an HCSA assessment

**Step 3**
- Assessment with proposed ICLUP and forest conservation areas is sent for peer review

**Step 4**
- Company implements ICLUP. HCSA members send map to HCSA for forest conservation monitoring
Accredited & trained practitioners conduct assessments which are submitted to a Peer Review panel. Third-party certification is not required.

- Peer Review panel conducts a desktop review & feedback published is with the summary of the HCSA assessment on the HCSA website. Recommendations will be given (it is not a pass or fail system).

- Peer review process is mainly conducted for HCS assessments with HCV reports completed before November 2017.

- Since 2017, HCVRN’s Assessor Licensing Scheme (ALS) undertakes the quality assurance of the Integrated HCV-HCSA Assessments
## HCSA Governance: HCSA Steering Group Members

### Plantation Companies
- APP
- AGRI
- BASF
- FERRERO
- Nestle
- Unilever
- IOI
- MUSIM MAS
- Cargill

### Commodity Users
- BARRY CALLEBAUT
- PROVIA
- CONSERVATION INTERNATIONAL
- Greenpeace
- WWF
- RAINFOREST ACTION NETWORK

### NGOs
- Forest Peoples Programme
- Might
- EKOLOGIKA
- Earthworm
- Proforest
- Rainforest Alliance

### TSOs
- Daemeter
- Aid Environment

### Smallholder

### Steering Group members
- 27

### Sectors
- Oil palm, pulpwood, rubber, cocoa

### Countries
- Liberia, Nigeria, Sierra Leone, Ghana, Gabon, Cameroon, Indonesia, Malaysia, Indochina, PNG, Solomon Islands, Central & South America
HCSA’s Operations: How We Work
High Carbon Stock Approach Theory Of Change 2018 to 2030

Guiding Principles

<table>
<thead>
<tr>
<th>Relevancy</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Driven</td>
<td>Collaborative</td>
</tr>
<tr>
<td>Practical</td>
<td>Inclusive</td>
</tr>
<tr>
<td>Innovative</td>
<td>Transparent</td>
</tr>
<tr>
<td>Adaptive</td>
<td>Scientific</td>
</tr>
</tbody>
</table>

Roles

MOBILISE

An Approach

QA & Monitoring Support

Multi-stakeholder Governance Body

Short & Intermediate Goals & Outputs

ACT

Priority Work Stream Strategies (prioritisation denoted by #)

1. Toolkit integrity consolidation
2. Achieving Conservation
3. Government Engagement & Support
4. Multi-stakeholder Governance
5. Widespread Engagement

More HCV-HCSA assessments, ICUUs at different scales
More markets, governments, actors, institutional support

HCSA governance & organizational capacity strengthened

Tropical HCSA Adoption by 2030
Tropical forests linked to commodity supply chains are conserved through integrated conservation land use plans by 2030
Supporting UN NY Declaration on Forest goal of ending natural

Long-term Outcomes & Contribution toward UN Sustainable Development Goals

HCSA is established in the Humid Tropics

<table>
<thead>
<tr>
<th>Economic</th>
<th>Social</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 1 - No Poverty</td>
<td>SDG 2 - Zero Hunger</td>
<td>SDG 6 - Clean Water &amp; Sanitation</td>
</tr>
<tr>
<td>SDG 8 - Decent work &amp; Economic Growth</td>
<td>SDG 3 - Good Health &amp; Well-being</td>
<td>SDG 13 - Climate Action</td>
</tr>
<tr>
<td>SDG 11 - Sustainable cities &amp; communities</td>
<td>SDG 10 - Reduced Inequalities</td>
<td>SDG 15 - Life on Land</td>
</tr>
</tbody>
</table>

Economic viability
Responsible land use management & supply chain procurement
Ensuring rights & livelihoods
Secure land tenure
Halting Deforestation
Achieving forest conservation
Emissions reductions

16
Thank you

For more information on HCSA, including on the HCSA Toolkit, contact the HCSA Secretariat at info@highcarbonstock.org.

Learn more from our video: www.highcarbonstock.org
Follow us on Twitter: @Highcarbonstock
The most widely recognized and credible method for implementation of tropical no deforestation commitments, offering clear, consistent definitions and practical methodologies for all parties.

This is evidenced by:

- Incorporation in leading certification schemes, as well as production, procurement, and financing policies
- Application in 10 countries
- Ongoing adaptation in a full range of applications and contexts (e.g., smallholders, landscapes)
Strategic Framework – 2021 - 2025

2025 Goal: 5M hectares of tropical forest conserved through HCSA

Impact & Growth Strategies

**Strategy 1:** Ensure successful implementation within commodity certification, verification schemes, and support initiatives, using the palm oil sector as a springboard for other commodities.

**Strategy 2:** Integrate HCSA with landscape and jurisdictional approaches and independent smallholder/farmer support initiatives that present the greatest impact potential.

**Strategy 3:** Advocate and facilitate the connection of active and prospective HCSA Toolkit users (supply chain actors: growers, smallholders, mills, commodity users etc.) to technical partners with comprehensive HCS-HCV and community rights mapping capabilities

2021-22 Milestones

1: Raise growth fund of $500K+
2: Business model & member benefit resolution
3: Growth enabling governance enhancements
4: Technology strategy and implementation
5: Revenue strategy and capacity build-out
6: Marketing-Comms -Socialisation strategy

Metrics

<table>
<thead>
<tr>
<th>Financial</th>
<th>Stakeholder</th>
<th>Organisational</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Months of cash reserve</td>
<td>• # of prospective user contacts</td>
<td>• Cost per ha assessed</td>
<td>• ha of community use areas</td>
</tr>
<tr>
<td>• # of fundraising contacts</td>
<td>• Membership acquisition (&gt;30%) and renewal rates (&gt;90%) by membership group</td>
<td>• Morale</td>
<td>• ha of trial areas</td>
</tr>
<tr>
<td>• Discounted revenue in pipeline</td>
<td></td>
<td></td>
<td>• mt stored carbon/CO₂ equiv.</td>
</tr>
</tbody>
</table>

* Based on further analysis and [tracking/method] development
**HCS APPROACH ASSESSMENTS**

**AS OF JUNE 2021**

Total area covered by HCSA assessments: **3,273,683.13 ha**
Total HCS forest identified for conservation: **626,134.87 ha**

*based on registered and completed peer-reviewed assessments

---

**AFRICA**

22 ASSESSMENTS

22 HCSA assessments
7 companies
Area covered by HCSA assessments: **334,272 ha**
HCS forest area identified for conservation: **7,355 ha**

**SOUTH EAST ASIA**

116 ASSESSMENTS

125 HCSA assessments
22 companies
Area covered by HCSA assessments: **2,904,893 ha**
HCS forest area identified for conservation: **611,798 ha**

**PAPUA NEW GUINEA & SOLOMON ISLANDS**

7 ASSESSMENTS

7 HCSA assessments
1 company
Area covered by HCSA assessments: **34,517 ha**
HCS forest area identified for conservation: **6,981 ha**
The Registered Practitioner must have experience in:

i. Geographic Information System (GIS),
ii. Forest Inventory,
iii. Project Management, and/or

They will attend a HCSA Practitioner Training which will be both a theoretical and practical training course. Formal presentations will introduce material and methods.

By fully attending the course and passing the evaluation, participants will be qualified as HCSA Registered Practitioners.
Les organismes de formation HCSA ci-dessous sont expérimentés dans la conduite d'évaluations en Amérique latine et en Afrique.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Langues</th>
<th>Expérience</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earthworm Foundation</td>
<td>Anglais, indonésien (bahasa), espagnol, français</td>
<td>Pérou, Mexique, Côte d'Ivoire, Ghana, Liberia, Nigeria, Indonésie, Malaisie, Papouasie-Nouvelle-Guinée, Cambodge, Iles Salomon</td>
<td>Charlotte Opal - <a href="mailto:c.opal@earthworm.org">c.opal@earthworm.org</a> +1 202 470 2613</td>
</tr>
<tr>
<td>Hollow-wood Enterprises Pty Ltd</td>
<td>Anglais</td>
<td>Papouasie-Nouvelle-Guinée, Iles Salomon, Pérou, Cambodge</td>
<td>Michael Hansby - <a href="mailto:michael@hollowwood.com.au">michael@hollowwood.com.au</a> +61 418 539 61</td>
</tr>
<tr>
<td>Proforest</td>
<td>Indonésien (bahasa), français, espagnol, portugais, malais (bahasa), anglais</td>
<td>Malaisie, Indonésie, Papouasie-Nouvelle-Guinée, Thaïlande, Ouganda, Nigeria, Ghana, Sierra Leone, Liberia, Côte d'Ivoire, Cameroun, Gabon, Pérou, Équateur, Colombie</td>
<td>Mike Senior - <a href="mailto:mike@proforest.net">mike@proforest.net</a> +44 (0) 1865 243439</td>
</tr>
</tbody>
</table>