

The High Carbon Stock Approach: an update

February 2017

Over the past 5 years, an increasing number of supply chain companies have made commitments to eliminate deforestation from their sourcing of agricultural and forest commodities. A [report](#) by Forest Trends, released in June 2016, identified that 61% of companies active in palm oil supply chains have made commitments to shift their supply base to sustainable sources that avoid deforestation.

The High Carbon Stock (HCS) Approach is a tool to help companies implement their 'no deforestation' commitments with a major focus on palm oil supply chains. The approach is also being used in pulp and paper, and rubber, and is starting to be used with other commodities.

It is a methodology that distinguishes forest areas that should be conserved, from non-forested land that could be considered for conversion to oil palm or other agricultural commodities.

The HCS Approach was developed to be applied to developments in fragmented landscapes in moist tropical forests. In this context, it offers a coherent set of rules for companies to implement their 'no deforestation' commitments.



Key points

- The HCS Approach provides a tool to help companies distinguish forest areas, from non-forest areas, that should be conserved as part of their 'no deforestation' commitments.
- A single HCS methodology now means that there is an agreed mechanism for identifying viable forest areas.
- The current toolkit does not apply to high forest cover or non-forested habitats (e.g. natural savannahs or grasslands).
- HCS does not replace HCV assessments or other legal or certification requirements; it is a complementary and integrative tool to protect important environmental and social values.

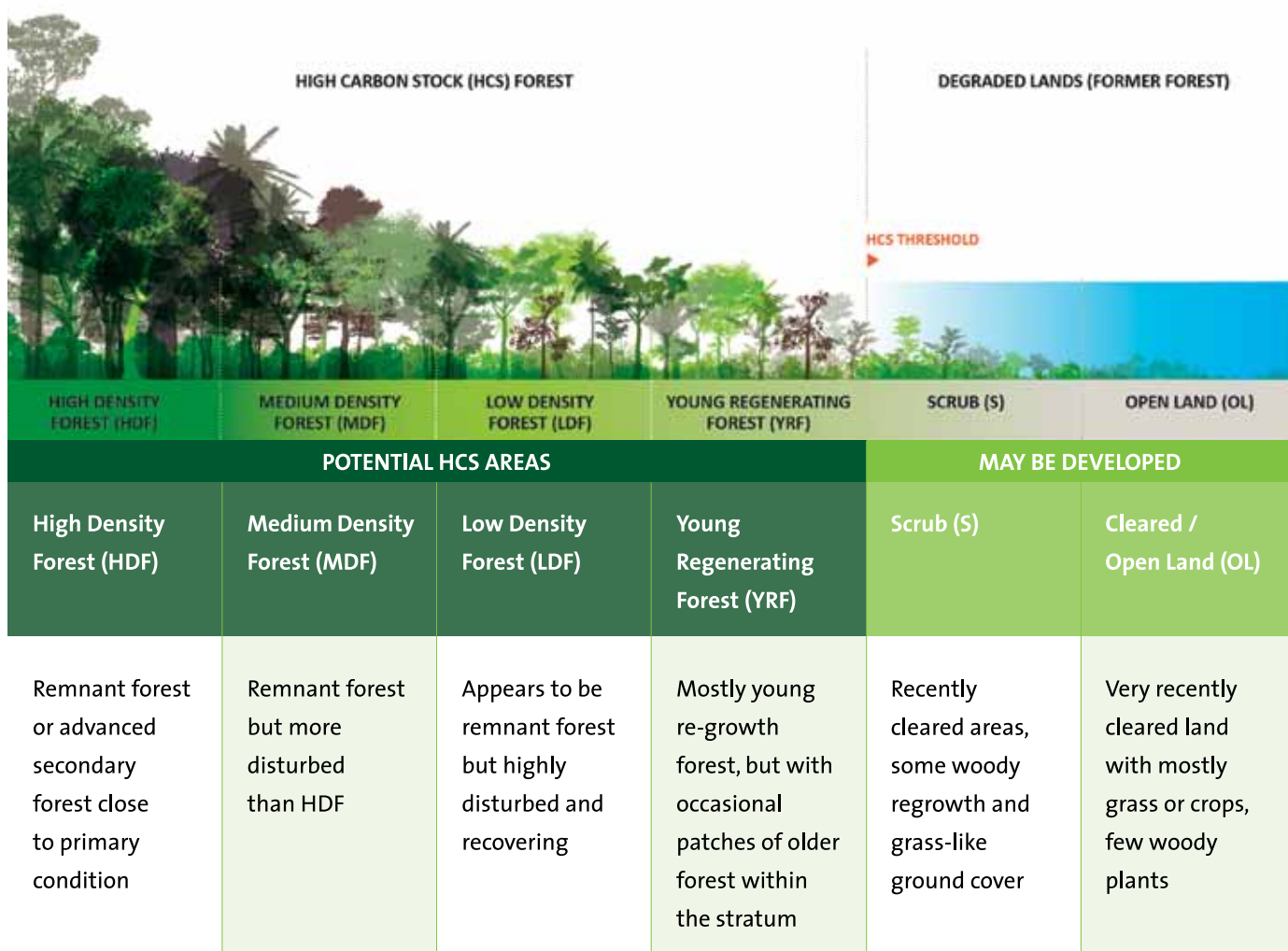


Figure 1: Schematic of the HCS threshold approach to distinguish forest from non-forest land. From High Carbon Stock Approach Brochure, December 2016 (www.highcarbonstock.org)

The approach uses vegetation classifications, which can be identified using satellite imagery or other remote sensing technologies, as well as field plot measurements. Based on this classification, it delineates a threshold between forest and non-forest land (Figure 1). Patches of natural forest are then analysed to define 'viable forest areas' that should be maintained and conserved based on size, connectivity and quality.

A little history

The HCS approach was initially proposed in 2011 by Golden-Agri Resources Limited (GAR), together with Greenpeace and The Forest Trust (TFT). The proponents recognised that the High Conservation Value (HCV) approach identifies primary forests and those forests with special ecological or social values for conservation. While this is an essential part of good management, another mechanism is needed to define forest areas that should be conserved as

part of 'no deforestation' commitments.

After the HCS Approach was initially proposed and trialled, a second method (HCS+) was put forward by the Sustainable Palm Oil Manifesto Group. However, under the leadership of the HCS Convergence Working Group, the two groups have recently worked together to develop a single, converged approach to avoid confusion and duplication.

What does the converged HCS Approach deliver?

There are many areas of agreement between the two HCS approaches which have now been brought together into the converged approach. In particular the converged HCS approach stipulates that:

- Conversion for plantations should be restricted to low carbon scrubland and open land.
- Primary forests, forests subject to moderate levels of logging disturbance and older secondary forests should be conserved.
- Young regenerating forest (YRF) should be conserved in line with the patch analysis decision tree (as described in the HCS toolkit).
- There must be a rigorous assessment and conservation of all HCVs.
- Robust processes are needed to ensure there is Free, Prior and Informed Consent (FPIC) of local communities that recognises their rights and interests.
- Peatlands must be identified and conserved.

The relationship with carbon accounting

Given that one of the driving forces behind the development of the HCS Approach was to address the emissions associated with deforestation, carbon stocks clearly have a key role to play. However, carbon stock estimates alone are not the only basis for defining HCS forest: carbon stock measurements, species composition and forest structure are all used to help determine and map vegetation classes. Importantly, the forest patches resulting from the vegetation classification are then further analysed to assess ecological viability and livelihood values.

Carbon stock assessment clearly needs to be consistent with national carbon accounting measures and must support national greenhouse gas reduction strategies.

The future of HCS

In early 2017, the revised HCS toolkit will be published by the HCSA Steering Group, incorporating the converged HCS methodology. Following field trials, this will provide clarity on the converged HCS methodology and set out clear steps for companies to implement the agreed approach. This is expected to expand support for HCS to organisations working in the financial and investment sector, other commodities and government. It will also support implementation across a wider range of countries. Further progress in the development of the methodology will be made in 2017 in five key areas:

Integration of HCS, HCV and FPIC

There is significant overlap between the data collection, communication and quality assessment requirements of HCS, HCV and FPIC processes. Running these as separate activities within the same area of land and with the same stakeholders is likely to create confusion, conflicting signals, additional costs and delays.

There is agreement that all three processes are required as part of an HCS assessment. An integrated approach to implementation is therefore needed. An Integration Working Group, chaired by

Proforest, has been established and is developing an integrated methodology for identifying HCVs and HCS forests, and ensuring compliance with FPIC requirements. A new Integrated HCV-HCS Manual for Assessors is currently being prepared by the HCV Resource Network and HCSA Working Group.

Guidance on HCS in high forest cover landscapes

The converged HCS Approach provides a methodology for use in proposed developments in fragmented landscapes in moist tropical forest. Yet in many countries or regions, such as Papua New Guinea, Papua Province in Indonesia, and countries in the Congo Basin, a high proportion of forest cover remains in the landscape. HCS lands are so extensive that application of the current HCS methodology would preclude any commercially viable agricultural development and would conflict with national or sub-national development agendas and socio-economic needs.

There is an urgent need for guidance on how to achieve 'no deforestation' commitments in these landscapes. The HCSA High Forest Cover Working Group is developing recommendations for addressing high forest cover scenarios during 2017.

Adapting the HCS Approach for smallholders

Smallholders often make up a significant proportion of the palm oil and other commodity supply bases. However, they frequently have insufficient resources and technical support to implement complex approaches like HCS or HCV. The HCSA Smallholder Working Group aims to adapt the HCS methodology and produce materials designed to help small producers understand and participate in the application of the HCS methodology. It also aims to generate new mechanisms and resourcing to provide incentives for and benefits from HCS and HCV protection. Findings from initial work in Indonesia will be tested in West Africa in 2017.

Social requirements and best practice

Both HCS and HCV approaches include guidance on social best practice or social components, while FPIC is a tool for ensuring social safeguards exist in land development. The HCSA Social Requirements Working Group, chaired by the Forest Peoples Programme, will bring together best practice social

requirements from the HCS Approach for palm oil development and align these with best practice for HCV and FPIC processes. A package of broad social requirements is being field trialled.

Guidance on the protection, management and monitoring of HCS and HCVs

HCS and HCV methodologies have predominantly been developed through a top-down approach, with limited input from government, private sector and local community stakeholders in forested areas. To ensure the long-term protection of HCVs and HCS areas, incentives are needed to develop ownership and promote protection of these areas. Different rules and incentives may be needed for different types of producers. Existing initiatives such as Reducing Emissions from Deforestation and Forest Degradation (REDD+) or national policies and development programmes might be means of providing long-term support. The HCSA Integration Working Group will develop recommendations for promoting long-term protection of HCVs and HCS areas.



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International Office (UK)
T: +44 (0) 1865 243 439
E: info@proforest.net

Africa (Ghana)
T: +233 (0)302 542 975
E: africa@proforest.net

Latin America (Brazil)
T: +55 (61) 8624 2519
E: latinoamerica@proforest.net

Latin America (Colombia)
T: +57 (2) 3438256
E: latinoamerica@proforest.net

Southeast Asia (Malaysia)
T: +60 (0)3 2242 0021
E: southeastasia@proforest.net