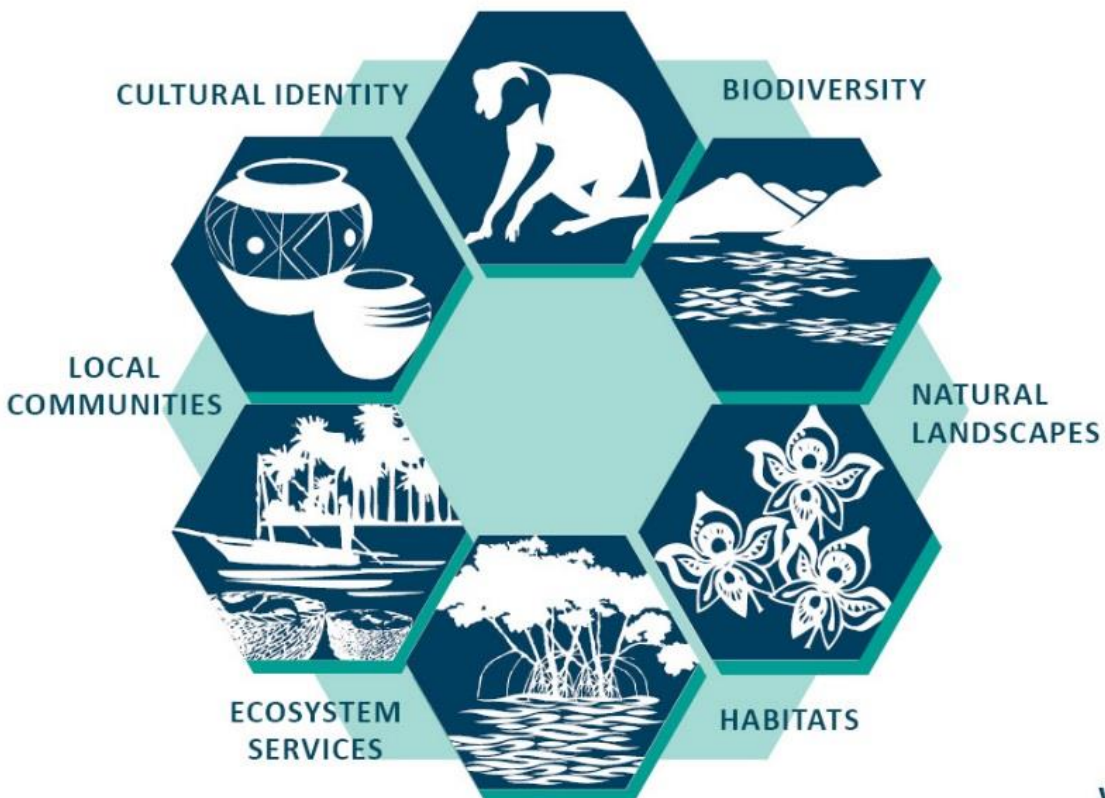




Annual Report 2015



About the HCV Resource Network

The High Conservation Value (HCV) Resource Network is an umbrella organisation that oversees the development and practical implementation of the HCV approach. It is a member-based organisation composed of NGOs, commodity producers, companies, certification schemes and conservation organisations who care about protecting outstanding environmental and social values in farming and forestry.

Since its founding in 2005, the Network's governance structure has evolved from a Steering Group to a Management Committee elected by the Members. In 2015 the HCV Resource Network was officially incorporated as a non-profit company under the name of HCV Network Limited.

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HCV Network Limited is a registered company
in England and Wales (no. 9710578)

1 Members

In 2015, **TFT Indonesia** and the **World Resources Institute** joined the HCV Resource Network as Members.

Since	Organisation	Sector
2014	Coapalma Ecara	Profit
2014	Solidaridad	Non-profit
2014	RECOFTC	Non-profit
2014	Centro de Producción Más Limpia Honduras	Non-profit
2014	Tetra Pak	Profit
2014	Forest Peoples Programme (FPP)	Non-profit
2014	Mondi	Profit
2014	Ekologika	Profit
2014	The Nature Conservancy (TNC)	Non-profit
2014	Forest Stewardship Council (FSC)	Non-profit
2014	NepCon	Non-profit
2014	ReMark Asia	Profit
2014	Greenpeace International	Non-profit
2014	Rainforest Alliance	Non-profit
2014	WWF International	Non-profit
2014	Daemeter Consulting	Profit
2014	Olam International	Profit
2014	Golden Veroleum Liberia (GVL)	Profit
2014	Golden Agri Resources (GAR)	Profit
2014	Round Table on Responsible Soy (RTRS)	Non-profit
2014	IUCN	Non-profit
2014	Fauna & Flora International	Non-profit
2014	BioRef	Non-profit
2014	Roundtable on Sustainable Palm Oil (RSPO)	Non-profit
2014	GIZ	Non-profit
2015	TFT Indonesia	Non-profit
2015	World Resources Institute (WRI)	Non-profit

2 Supporters

Since	Organisation	Sector
2014	Casa da Floresta	Non-profit
2014	UNEP-WCMC	Non-profit

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3 Letter from the Co-Chairs

2015 was another exciting year for the HCV Resource Network. With support from our Members and Supporters and from generous donors the Secretariat implemented important projects and participated in international events, which helped raise the profile of our Network and the HCV approach.

The year that just ended was a very active year for the HCV Resource Network. The HCV Assessor Licensing Scheme became fully operational, with refinements constantly made in response to feedback from licensed assessors, peer reviewers, the Quality Panel and many other stakeholders.

In July, the HCV Resource Network Secretariat became independent from Proforest, its institutional host since 2011. A non-profit company (HCV Network Ltd) is now the formal legal entity through which the Network operates.

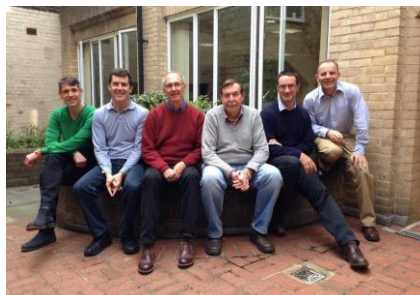
This year, the Network, through its Secretariat, several Members and through its Management Committee, actively engaged with the High Carbon Stock Approach (HCSA) Steering Group and supported efforts to find ways of implementing HCV, HCS and FPIC (the right of indigenous peoples and communities to give or withhold free prior informed consent to activities affecting their rights and territories) jointly in practice. We provided input to the development of a quality assurance mechanism for HCS assessments based on our experience in designing and implementing the HCV Assessor Licensing Scheme and we participated in several meetings and workshops that helped align HCV and HCS more.

We also engaged more proactively with sectors other than palm oil and forestry, and in collaboration with the ISEAL Alliance we held a workshop in November in which more than 10 certification schemes discussed how HCV is being used in their standards and came up with ideas on how to work together to implement HCV requirements in a more consistent way. This work will translate into further collaboration activities in 2016 and beyond.

These and many other activities will continue to make the HCV Resource Network grow. We would like to thank the Secretariat team (Paulina, Anders, Ellen and Hannah) for their professionalism, hard work and continued ability to achieve amazing results.

Sincerely,

Rod Taylor & Peter Gardiner, HCV Resource Network Co-Chairs



4 Summary of key activities in 2015

Date	Activity	City
Jan	Management Committee teleconference	N/A
Feb	RSPO Biodiversity & HCV Working Group meeting	Jakarta
Apr	Management Committee physical meeting	Oxford
May	High Carbon Stock Approach Steering Group meeting	Singapore
	RSPO Biodiversity & HCV Working Group meeting	Kuala Lumpur
	RSPO Compensation Task Force meeting	Kuala Lumpur
	HCV, HCS, FPIC Integration workshop	Bogor
	HCV introductory session for Bonsucro	London
	HCV introductory session for GES Invest	London
Jun	RSPO European Roundtable	Amsterdam
	University of York HCV workshop	Amsterdam
Jul	Management Committee teleconference	N/A
Aug	RSPO Biodiversity & HCV Working Group meeting	Kuala Lumpur
Sep	World Forestry Congress (via WWF International)	Durban
	GES Invest HCV follow-up session	London
	Colombian Palm Oil Conference	Cartagena
	RSPO Compensation Procedure Consultation	Cartagena
	High Carbon Stock Approach Steering Group meeting	Singapore
	High Carbon Stock Approach Quality Assurance Working Group meeting	Singapore
Nov	ISEAL Alliance & HCVRN HCV workshop	London
	RSPO Biodiversity & HCV Working Group meeting	Kuala Lumpur
	RSPO Compensation Task Force meeting	Kuala Lumpur
	RSPO Smallholder Working Group meeting	Kuala Lumpur
	RSPO RT 13	Kuala Lumpur
Dec	FSC Intact Forest Landscapes meeting	Bonn

5 Highlights

5.1 Independence from Proforest

In July 2016, the HCVRN Secretariat became a fully independent legal entity after being successfully hosted by Proforest since 2007. The Secretariat's independence from Proforest was largely possible to the annual fees paid by our Members and Supporters and support received from Proforest, WWF, RSPO, FSC and other generous donors.

The independent Secretariat is now a non-profit company based in UK, with Rod Taylor of WWF International and Peter Gardiner of Mondi Group, appointed as legal directors. Both Rod and Peter were previously elected by HCVRN members to be co-chairs of the Management Committee and during a meeting in April 2015 it was decided that they were best suited to legally represent the new company.

Independence was also possible thanks to the technical, administrative and financial support provided by Proforest since 2007 as well as the many generous donors who have supported the HCVRN since its creation in 2005.

5.2 Operationalising the HCV Assessor Licensing Scheme

The HCV Assessor Licensing Scheme (ALS) was launched in October 2014 to improve the competency of High Conservation Value (HCV) assessors and the quality of HCV assessment reports. The ALS issues licences to lead HCV assessors with relevant qualifications and experience; provides an HCV Assessment Manual and reporting templates for assessors to use and evaluates the HCV assessment reports produced by licensed assessors.

In 2015, the Secretariat focused on operationalising the ALS. Although the ALS generated income in 2015, we received substantial financial support from the Roundtable on Sustainable Palm Oil (RSPO). We are very thankful to RSPO for helping us cover the costs of running the ALS on its first year of operation.

5.2.1 ALS in numbers*

Category	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	2015 Total
Provisional licences	56**	64	66	64	64
Full licenses	0	0	0	0	0
Expired licenses	0	0	0	4	4

Online accounts opened	145	169	N/A	228	228
HCV reports submitted	0	3	3	12	12

*Figures shown in this table are cumulative. **This figure includes 23 licences issued in 2014.

5.2.2 Recruitment and training of the Quality Panel and Peer Reviewers

In 2015 we focused on training the members of the Quality Panel so that they could effectively evaluate incoming HCV assessment reports in various languages. We also recruited and virtually trained (via webinars and calls) 24 peer reviewers.

ALS Quality Panel

Name	Role	Bio
Hannah Scrase	Quality Manager	British with 15 years' experience in auditing, accreditation, sustainability certification schemes and forestry.
Daniel Arancibia	Quality Panel Member	Peruvian with 15 years' experience including a wide range of HCV work in forestry, soy and palm oil sectors, training, peer reviewing, certification and accreditation.
Reza Azmi	Quality Panel Member	Malaysian with 20 years' experience in HCV, training, and is a lead auditor for forestry and oil palm in Asia and Africa.
Sophie Dirou	Quality Panel Member	French citizen working mainly in Africa with 11 years' experience in auditing (forestry and oil palm), EIA and HCV.
Remi Duval	Quality Panel Member	French citizen, based in West Africa with 9 years' experience in auditing (forestry and oil palm), HCV assessment and training.
Dwi Muhtaman	Quality Panel Member	Indonesian with 16 years' experience including a wide range of HCV work, auditing in forestry and oil palm, training and peer reviewing.
Aisyah Sileuw	Quality Panel Member	Indonesian with over 20 years' experience as a trainer and auditor and in HCV assessment and policy development.

5.2.3 Launch of the Expert Registry

In late 2015 we launched an Expert Registry composed of a list of people with HCV-relevant educational backgrounds and experience, who wish to participate in HCV assessments. Those on the Expert Registry are not yet qualified to lead HCV assessments or obtain a licence.

The Expert Registry was launched having in mind that there was a need to provide HCV assessment opportunities for professionals who were interested in applying for an HCV assessor licence but who did not yet meet the minimum HCV

assessment experience requirements to apply. In late 2015, we accepted 8 experts.

5.2.4 HCV Assessor Training Courses

Six HCV Assessor Training Courses were imparted by registered training organisations in 2015. A total of **94 professionals** were trained, out of which **81 passed the course** and will be able to use their examination as part of their application towards a provisional HCV licence.

Training calendar in 2015

Dates	Training Provider	Location	Languages	Participants
27 Apr- 04 May	Daemeter & Proforest	Bogor, Indonesia	Bahasa Indonesia	16
25-29 May	Proforest	Antigua, Guatemala	Spanish/English	10
23-27 Jun	Proforest	Accra, Ghana	English	7
13-19 Jul	Proforest	Accra, Ghana	English	8
27-29 Jul	Wild Asia	Bangkok, Thailand	English	22
14-18 Dec	Daemeter	Bogor, Indonesia	Bahasa Indonesia	31

5.2.5 Other activities

- Monthly webinars were organised in different languages (English, Spanish and Bahasa Indonesia) to keep assessors, peer reviewers and other stakeholders informed about ALS updates and to solve questions;
- A monthly newsletter was sent to licensed assessors, peer reviewers, experts, training organisations and other relevant stakeholders starting October 2015. The newsletters were sent in English and Bahasa Indonesia and included important information;
- 1:1 calls were organised with assessors to communicate important updates and also to request their feedback and solve any doubts that they may have.

5.2.6 ALS finances in 2015

Concept	Total
Income	£28,580
Expenditure	£41,717
Total*	-£13,137

*RSPO's financial support in 2015 helped cover ALS deficit. See financial update at the end of this document for more information about RSPO funding.

Income

Concept	Total
Applications & licence renewal fees	£20,391
Report evaluation fees	£8,189
Total	£28,580

Expenditure

	Title
Quality Panel	£35,858
Communication & outreach	£3,409
Document improvement	£2,450
Total	£41,717

Although the ALS was designed to be financially self-sustaining, as 2015 was the first year of implementation the costs of operating the scheme surpassed the income generated by report evaluation fees and applications.

5.3 Engagement with the High Carbon Stock (HCS)

The HCV and HCS approaches are both practical and effective tools for breaking the link between the deforestation and the production of commodities such as palm oil, rubber and others. In 2015 we actively engaged with the HCS Steering Group to explore the integration of HCS, HCV and the Free, Prior and Informed Consent (FPIC) tool in practice. The idea is that a more streamlined HCV-HCS assessment process will guarantee efficiencies and also reduce the likelihood of stakeholder confusion.

The HCV Resource Network Secretariat participated in three HCS-related activities this year:

5.3.1 HCS Steering Group Meeting

May 4th, 2015, Singapore

In this meeting the potential to work more closely with the HCVRN was discussed, as well as the potential future opportunities for HCVRN to provide an institutional home for the HCS Approach. The HCVRN Secretariat gave an update to the Steering Group members about ALS progress and other relevant activities.

5.3.2 HCS-HCV-FPIC Workshop

May 8-9th, Bogor, Indonesia

A small group of experienced practitioners met to build technical consensus about how to integrate the HCS approach with other well established tools such as the

High Conservation Value approach, as well as procedures for ensuring Free, Prior and Informed Consent (FPIC). The objectives of the workshop were:

- To reach mutual understanding of the term 'integration' in this case;
- To agree on the value of clear procedural guidance for integrating processes;
- To identify the overlaps, differences and synergies of each process; and
- To frame a draft procedure for integrating their principles and methodologies.

It was anticipated that the workshop would generate key ideas for a guidance document for integration. This document is intended to be available for both wider consultations as well as for field-testing by practitioners. To read more about the workshop go [here](#).



5.3.3 HCS Approach Steering Group Meeting

30th of September, Singapore

Some of the key points discussed in this meeting were:

- The HCS methodology and toolkit
- HCS assessment quality assurance and lessons learned from the HCV Assessor Licensing Scheme
- Convergence with SPOM HCS Study
- HCV/HCS/FPIC integration

The HCV Resource Network Secretariat gave an update on relevant activities and provided input with regards to HCS assessment quality assurance based on our experience running the HCV Assessor Licensing Scheme.

5.4 Forest Stewardship Council (FSC) support

5.4.1 Controlled Wood National Risk Assessments

In early 2014, FSC International asked the HCV Resource Network Secretariat to support Proforest in the development of the CNRAs for Controlled Wood Category 3 for the top 20 Controlled Wood priority countries. In 2014, a pilot study was carried out on two countries (Brazil and Finland) to develop preliminary national risk assessments for each of the 6 HCVs following the process requirements set out by FSC.

In 2015 a second phase of this project was agreed and focused on developing preliminary national risk assessments in 5 additional countries: France, Sweden and South Africa.

5.4.2 Motion 12 support

In the FSC General Assembly 2014, the FSC membership asked FSC to fast-track the implementation of Motion 18 (GA 2011) to create a chamber-balanced process to consider challenges and opportunities related to restoration and conversion. The process explores ownership loopholes in conversion contexts, the process that organizations need to follow to get certified if they have converted post-1994 and how to deal with subsistence conversion by communities. The membership also asked FSC to allow for a possible amendment of the P&C outside the defined 5-year revision schedule and request an electronic ballot by the membership to allow for charges in the P&C to be approved before the next GA.

In 2015, the HCVRN Secretariat provided technical support to FSC for addressing Motion 12. We engaged in preparatory work before the Working Group was established and conducted a literature review on conversion and restoration, and drafted suggestions regarding subsistence conversion by communities, among other work. In 2016 we will continue to be involved in this process to provide our technical expertise. The HCV Resource Network Secretariat has experience in dealing with conversion situations via our work with RSPO and the HCV Assessor Licensing Scheme. We are grateful to FSC for including us as technical experts in this important process.



5.5 FIA tool

5.5.1 Development of a FIA tool manual

The Forest Integrity Assessment (FIA) tool was developed in 2015 with support from WWF Sweden. It is a simple and user-friendly checklist approach designed to overcome the constraints related to the assessment of biodiversity conservation values through species inventories.

The methodology focuses on habitats as proxies for biodiversity rather than on the species themselves. The tool is designed for assessments of larger forest areas as well as for remnant forest patches in agricultural landscapes.

The FIA assessments fulfil multiple purposes such as the assessment of biodiversity conservation values, monitoring of biodiversity, guiding responsible management and raising awareness about conservation.

The FIA tool can be used by companies, for self-assessment by smallholders and for participatory monitoring with community members after some very basic training in the field.

Forest Integrity Assessment

A simple and user-friendly tool for assessing and monitoring biodiversity conditions in forests and forest remnants

February 2016



5.5.2 FIA tool training course

Earlier funding from WWF allowed the HCV Resource Network to refine the FIA tool approach and methodology through workshops and field exercises during

2013 in US NW and SE (with FSC US), in Sabah (with the Royal Society of London) and in Laos (with WWF Mekong) and in 2014 (in Panama with WWF Colombia and Panama) and in Chile (with WWF Chile). As a result of these workshops, generic field assessment templates, suitable for national/regional adaptation, have been developed for moist and dry tropical and temperate forests, respectively.

In 2015 we reviewed the draft version of the field form developed in Laos 2013, we adapted a version of the tool for use in WWF's community forest use projects in Cambodia; and we built capacity on how to use the methodology for monitoring forest conditions with an emphasis on sampling of field sites and evaluation of monitoring data; and we provided updated generic templates for further national/regional adaptation in the Greater Mekong.

This work was followed by a 4-day workshop/training course in Cambodia during the first week of November 2015 in the Toap Cheang community, Sre Ambil District, Koh Kong Province. The training course was built around a mixture of field visits and classroom format discussions. The course was targeted at WWF Mekong staff involved in community forest projects.

5.6 Launch of the HCV for smallholder's tool

In 2015 the Roundtable on Sustainable Palm (RSPO) Biodiversity and HCV, and Smallholder Working Groups officially approved the simplified High Conservation Value (HCV) approach for independent smallholders with established plantations, as developed by the HCV Resource Network and the SHARP partnership.

The decision means that oil-palm smallholders can use the approach to comply with criterion 5.2 of the RSPO standard, as part of achieving RSPO certification for their products. As a result, they will no longer have to follow the ordinary HCV assessment approach (explained here), which is generally considered too challenging and costly for smallholders to undertake.

A cost-effective yet robust methodology to manage and maintain HCVs

The approach endorsed by the RSPO has been developed through extensive field trials with smallholders. These include trials led by SHARP partners in Ghana, Honduras, Indonesia and Tanzania, as reported on this website. The approach has been tailored to independent smallholders, who do not have easy access to support, and provides a cost-effective yet robust methodology for them to manage and maintain HCVs. However, scheme smallholders, who have access to support from mills or companies, cannot use this approach to show compliance with criterion 5.2 and are required to participate in ordinary HCV assessments as part of a company or mill's responsibility. This methodology is also not applicable to smallholders with new plantings or in situations of expansion (addressed by RSPO criterion 7.3).

To accompany its endorsement, the RSPO has published guidance for group managers to oversee the approach. The guidance is based on the concept of

applying Precautionary Practices. Group managers start with scoping and pre-identification of potentially present and affected HCVs, followed by a dialogue with group members to identify, validate and agree on a common set of Precautionary Practices and subsequent verification that these practices are actually implemented.

Download the guidance for independent smallholders on managing HCVs in established oil-palm plantations from RSPO's website [here](#).

5.7 Colombia Palm Oil Conference

September 22nd–25th, Cartagena de Indias, Colombia

In 2015 we participated for the first time in the 18th International Palm Oil Conference held in the Convention Centre of Cartagena de Indias, Colombia.

The conference addressed several topics such as sustainable production of palm oil, good management practices, findings and advances on palm oil research, among other.

Simultaneous lectures were given about oil palm cultivation, extraction and trends in trade and sustainable development. A booth was set up to provide information on the HCV approach in the context of palm oil.



5.7.1 Information session for growers

The HCVRN Secretariat organised an information session on the last day of the conference. During the session we resolved questions from growers and other stakeholders about the use of the HCV approach in the RSPO standard.

5.8 RSPO RT13

November 16th – 20th, Kuala Lumpur, Malaysia



The HCVRN Secretariat was part of the [13th Annual Roundtable Conference on Sustainable Palm Oil](#) (RT13). In this year's Roundtable Conference speakers from all over the world shared up-to-date knowledge and experience on palm oil. A total of 834 delegates from 45 countries attended the conference, which was held in Kuala Lumpur, Malaysia. This year's Roundtable major coup was the implementation of jurisdictional certification, a scheme that aims to make the certification process more resource-efficient.

The HCVRN Secretariat set up a booth to provide information about our projects, the HCV Assessor Licensing Scheme and our membership scheme. We had parallel meetings with HCV licensed assessors and many other stakeholders to discuss projects and resolve questions they had.



5.9 HCV Workshop ISEAL

November 6th, London, United Kingdom

The HCV Resource Network Secretariat and ISEAL Alliance held a workshop about High Conservation Values with sustainability certification schemes.

The objectives of this workshop were:

- To understand how HCV is currently being used by sustainability certifications schemes and how it is being applied in practice.
- To understand the three different risk contexts in which HCV assessments currently take place (ranging from smallholders to medium size/risk plantations to large scale/higher risk plantations/concessions).

- Explore member interest in collaborating more closely with the HCVRN Secretariat to test different risk approaches, craft common language for use in standards and provide guidance for auditors on HCV.

During the workshop, more than 10 schemes shared their views on opportunities and challenges of using HCV, and seemed very keen on collaborating more with the HCVRN Secretariat to improve the way in which HCV is currently being used. Follow-up actions include supporting the schemes that have HCV work planned in the next six months, which include drafting language for standards, supporting HCV implementation, capacity building and training, among others.

5.10 ‘Things That Matter’ campaign

In 2015, WWF, The Nature Conservancy and the HCV Resource Network launched the #ThingsThatMatter Campaign at the XIV World Forestry Congress.



The HCV Resource Network, The Nature Conservancy and WWF with support from SIDA, Tetra Pak, Solidaridad Network and RSPO developed a video and a microsite to generally explain the HCV concept to decision-makers at the XIV World Forestry Congress.

During the congress, WWF organized a video launch event and Rod Taylor, one of our two Co-Chairs and the Director of Forests at WWF International shared his views on how leaders around the world can take action to protect HCVs.

Watch the #ThingsThatMatter [video and microsite here](#).

6 Financial report

6.1 Summary

Category	Total 2015
Total Income	£229,476
Total Expenditure	£225,128
TOTAL to be carried forward to 2016	£4,348

6.2 Income

Category	Description	Total*
NORAD	Via The Proforest Initiative	£75,146
RSPO	ALS ongoing support	£35,084
WWF Sweden	FIA tool manual & workshop	£14,818
DFID	Via The Proforest Initiative	£14,791
Donations	The Fox Foundation Other (carried over from 2014)	£6,250 £7,894
Membership fees	Annual fees from Members & Supporters	£43,447
HCV Assessor Licensing Scheme	ALS application fees ALS report evaluation fees	£20,391 £8,189
Income from Services	FSC Controlled National Risk Assessment support work	£3,832
Total income		£229,476

*Includes 2014 carry-over.

6.3 Expenditure

Category	Description	Total
Personnel	Internal staff salaries	£155,201
Contractors & Partners	ALS Quality Manager, Quality Panel, translators, other	£45,399
Travel & Subsistence	Air fares, travel, hotels, subsistence	£14,062
Meetings and Workshops	Materials, planning, meetings	£6,971
Outreach and Publications	Document creation, outreach activities	£2,204
Other direct costs (incl. materials)	Materials development	£1,291
Total expenditure		£225,128

6.4 Support from Proforest

In 2015, The Proforest Initiative did not charge the HCVRN Secretariat for the following costs. We are very grateful for this.

Category	Description	Total
Design and Communications	Graphic design of documents	£6,126
Administrative support for Q4	Invoicing, administration, taxes	£8,715
Total income		£14,840

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