



HCV Resource Network Steering Group Meeting: 12-13 September 2011

Public Summary Notes of Main Discussion Points

1. Introduction

The HCV Resource Network Steering Group (SG) held its annual physical meeting on 12-13 September 2011 in Oxford (UK); main purpose: to discuss recommendations resulting from project to develop a sustainable business model for the Network, identified as a high priority in previous SG meeting ([April 2011 telecon](#)).

Participation

SG members physically participating: Marcus Colchester (Forest Peoples Programme, FPP), Lena Dahl (Tetra Pak), Peter Gardiner (Mondi), Anders Lindhe (WWF International), Laura Somerville (Fauna & Flora International, FFI), Richard Robertson (FSC International), Jon Hutton (UNEP-WCMC) and Fran Price (The Nature Conservancy, TNC); additionally Richard Donovan (Rainforest Alliance, RA) able to join in various sections of the meeting via telecon.

Network Secretariat, currently hosted by The ProForest Initiative (PFI): Heather Ducharme (Network Manager) & Nilofer Ghaffar (Network coordinator); PFI also represented at selected sections of meeting by Dawn Robinson (Proforest Associate Director); Jose Castro (Proforest Operations Manager) and Bob Andrews (PFI Board Trustee).

Apologies

Apologies received from: Jan Maarten Dros (Solidaridad), John Leigh (ITTO), Fernanda Marques (Funbio), and Simon Siburat (Wilmar), and Christoph Thies (Greenpeace)

Absent

Andrey Kushlin (World Bank) and Stewart Maginnis (IUCN).

Meeting jointly chaired by SG co-chairs, Marcus Colchester and Peter Gardiner.

Objectives

Primary objectives:

- Update and review Network activities and HCV developments since the last meeting;
- Discuss recommendations from a project aimed at the development of a sustainable business model for the HCV RN

[Agenda](#) available; main points of discussion and decisions taken summarised below (in note form).

2. Discussion summary - notes

2.1 Network and HCV Activities Update

Steering Group HCV Updates

SG members provided following contributions on HCV activities and perspectives from the point of view of respective organisations:

- **Mondi** – highlighting a significant new external development: Nestlé sourcing guide which refers to no deforestation and no loss of high conservation values, and hence could present significant opportunities for direct involvement with the Network; also suggested that this may require 3rd party verification.
- **TNC** - continued in depth engagement with HCV through assessments in the Canadian boreal and Indonesia with additional work in Brazil; also noted that Ronnie Drever conducting independent peer reviews of HCV assessments (a requirement written into the FSC Canada boreal standard); Secretariat requested to ask for these and post on website
- **FFI** – 1) plans for a HCV national interpretation for Liberia have been developed and are being actively fundraised for. This will involve the Liberian oil palm association (Liberian National Initiative for Sustainable Oil Palm Development – LNISOD) and is being partially funded by Sime Darby; 2) initial engagement with mining industry through BBOP initiative has been postponed whilst they are in transition.
- **FSC** -1) update on the HCV guide which has been delayed due to unforeseen circumstances (namely Tim Synnott having been busy with the P&C review); a chamber balanced small editorial group comprising of Tim Rayden (environmental), Dwi Muhtaman (social), and John Palmer (economic) has been formed to help finalise the guide (plus individual offers of additional technical input); 2) FSC and HCV performance: FSC is conducting an analysis of CARs; also formalising terms of reference for control wood review.
- **UNEP-WCMC** - background information on history of involvement with the HCV concept, detailing the formation of the Proteus Club consisting of 14 to 15 extractive super majors (mining/oil and gas) who are interested in the business case for biodiversity and in particular avoiding priority biodiversity and ecosystem service areas. In particular emphasised growing company requirements for: 1) Standardisation – development of tools such as World Database of Protected Areas (WDPA); IBAT which combines PAs and red list species to make spatial data on internationally important areas available; the A-Z of biodiversity website 2) on going monitoring and 3) lessening the burden of complexity; suggested that the Network could play a major role in

addressing these issues by providing definitive guidance and simple advice (however also noted that HCV framework is not another methodology for regional conservation planning and rather should be seen as akin to a convention / agreement).

- **WWF** – 1) planning a meeting for the end of October to address the problems of internal consistency and in particular misunderstandings amongst systematic conservation planning team; 2) Need to review the consistency of HCV toolkit definitions, using selected examples from Indonesia where there are considerable discrepancies between HCV area maps when using the Indonesian toolkit as opposed to the global toolkit (generally the former sets a lower bar for HCV identification and is therefore more inclusive suggesting HCV areas); additionally noted that the use of HCVs as a tool to address a very wide range of conservation issues in the RSPO standard may stretch the concept beyond what it was originally designed for. Concerns were also expressed that in many cases HCV identification is being adapted to suit realities, with assessors making political judgements due to ambiguities.
- **FPP** – 1) emphasised a quality control role for the Network, and in particular suggested that the Network is lacking a presence on the ground and is therefore unable to effectively watchdog or monitor malpractice; 2) In central Kalimantan FPP has been working on identifying legal challenges posed by Indonesian laws (involved in RSPO ad hoc HCV working group in Indonesia); field assessments suggest that even for HCV 1, conservation is not viable in the long term as the areas set aside are too small. For HCV 5 & 6, the toolkit leads to very little land being set aside so that displaced communities are obliged to enter HCV 1, 2, 3 and 4 areas. Fortunately RSPO is taking this issue seriously, and FPP has been invited to join the HCV & Biodiversity working group (FPP and the HCV Network also invited to share a spot at RT9); 3) FPP will soon publish a regional review of the palm oil sector, including its expansions in Thailand (where 70% of the production is from smallholders and there has been lack of traction to deliver on HCV from other NGOs), the Philippines and Cambodia.
- **Rainforest Alliance** - 1) update on HCV guidance in Australia and expectations surrounding HCVs and the controlled wood standard review (CoC & FM); 2) also expressed concern regarding quality control issues, especially amongst HCV developers not participating in formal certification systems and therefore questioning the strength of “credentialing”.

Secretariat update

Network Secretariat provided overview of activities since last SG meeting (see PowerPoint presentation: [HCV RN - Secretariat report Sept 12 2011](#) for details).

Additional significant discussion points noted in this context:

- RSPO HCV training proposal –as board decisions require a sponsor, suggested that WWF request that the proposal be considered at the next EB meeting in October (via direct approach to Adam Harrison WWF)
- North America Stakeholder meeting – consensus that this is not a priority for time being; discussion of original intent, noting institutional outreach could be helpful but less need to address technical issues; conclusion that if appropriate opportunities arise, Network could reach out at other meetings and thus heighten visibility
- HCVs 4-6 methodologies – discussion of recent notes provided by FPP to develop a proposal for project to address this.

Funding opportunities:

- EU green development mechanism- funds for on the ground projects;
- UNEP / UNDP
- Gates Foundation (CI contact – Sandy Andleman)
- IFC Performance Standard 6 - more thinking on critical habitats; WB revisiting safeguards policy

SG organisations interested in collaboration: FFI, TNC – pilots and case studies, FSC (work on methodologies through HCV guidance)

- BMU Grasslands Project – Network involvement recently revived; related opportunities: SANBI meeting with WWF in October (South Africa); WWF scoping discussion in Brazil which could lead to a grasslands workshop later in year (in SA); also interest from TNC (Argentina) and FFI (Eurasian grasslands eg: Romania, Uzbekistan)
- Technical Panel – revision and promotion of PR process; suggested that revised PR process with simplified procedure be adopted subject to careful editing; also request for clarification that TP process is best suited to larger operations e.g., include a rider re. size and scale of operations using SLIMF definitions and thresholds.
- Technical panel selection: noted that Neil Franklin is ex-APRIL employee and now Advisor to Indonesian chapter of the WBCSD; Secretariat therefore requested to seek additional clarification on current status; general consensus in favour of diversifying TP and accepting all current nominations (pending above clarification).

Agreed Actions
<ol style="list-style-type: none"> 1. Anders Lindhe to contact Adam Harrison with request to get EB approval of RSPO training proposal 2. HCV 4-6 Methodologies – FPP with other interested SG members and Network staff support to continue to develop proposal, seek funds.

3. TP Peer Review process – revised procedure accepted subject to edits (Secretariat to finalise post receiving additional comments from SG)
4. Sec to clarify Neil Franklin’s position re. membership on TP

WBCSD resignation and related legal issues

Noted that Sustainable Forest Product Industry WG of WBCSD recently resigned as SG member due to lack of consensus over participation amongst member companies over anti-trust considerations; on the back of this Mondi currently conducting an anti-trust investigation and looking into an appeals process with results expected in a few weeks – this may necessitate revisiting Network Charter. Also discussion of bringing in new sectors eg: The Responsible Aluminium Initiative (via existing Tetra Pak involvement).

MOU with Proforest Initiative (PFI)

Discussion of draft MoU with PFI, the body legally responsible for hosting HCV RN and employing the Network Secretariat. PFI Trustee Bob Andrews and PFI Associate Director Dawn Robinson introduced the MoU as friendly agreement clarifying roles and responsibilities in light of new PF charity structure, and as a work in progress. Several SG members commented on high level of detail describing Secretariat activities and desired to have more time to review.

Agreed Action

SG members requested to make any additional comments on current draft document prior to next PFI Trustees’ meeting on October 10.

2.2 Fund-raising and business plan

Network Secretariat presented report on the development and transition to sustainable business model for the HCV RN which includes history of the report, financial history and needs of the network, update on the 2011 finances, and results of recently conducted network [stakeholder feedback survey](#) and a number of specific recommendations for SG to consider (see PowerPoint presentation: [Development and transition to a sustainable business model for the HCV RN](#))

Financial considerations:

- 1) **2011** income to date is £79K, and expenditure is £68K – at current staffing levels (1.6 FTE), approximately £22K extra needed (core funding anticipated to expire in Oct); a number of applications are still in process (either submitted or about to be submitted, e.g., concept note to World Bank for

three strategic projects, FFI internal proposal for core funding). Organizations present committed to (continue) looking for funds to support Network.

- 2) **2012** - Tetra Pak committed core funding contribution for 2012 (at current level of approx. £22K GBP); Mondi pledged payment for 2012 of £20K (to be invoiced in Q1); will still leave significant shortfall for 2012. Projected cost of Network Secretariat (1.6 FTE) for 2012 was estimated at £132K.
- 3) Additionally recognised that PFI has not been charging any overhead or management costs associated with housing Network (but intends to do so from 2012).
- 4) Suggested that SG should make an immediate appeal to the rest of the members for urgent funding to cover 2011 shortfall

Staffing

- 1) SG consideration of current staffing needs in light of recent resignation of HCV RN manager (primarily due to personal circumstances), and financial situation highlighted above.
- 2) Suggested that Heather Ducharme (current Manager) should leave at the end of September, and current co-ordinator role (Nilofer Ghaffar) continue until the end of the year to maintain core functions of HCV RN
- 3) In absence of manager, suggested that in the short term an interim management committee (IMC) of 5 SG members be formed to support Secretariat- to include 2 co-chairs plus representation from WWF, FSC and FFI and PFI, primarily to provide direction on financial situation, staffing needs and other urgent issues as they arise.
- 4) Discussion of possibility to de-centralise Network in the longer term eg: by focussing on employing managers in priority regions (SE Asia, Brazil, Central Africa) – SG opinion that core functions need to be consolidated before considering this in more detail.

Business plan - recommendations

SG considered pros and cons of various recommendations put forward in business development report:

- 1) **SG membership & structure:** general consensus that SG should maintain and formalize multi-stakeholder representation for time being but not expand its membership base until such time as the business model has been further developed; suggestions to formalise elections, roles of rotation and re-election and need for further discussion of antitrust issues and introduction of related procedures as required. Agreement on the need for a smaller Executive Board of key decision makers on the SG in due course.
- 2) **HCV RN as HCV standard holder:** detailed discussion of potential Network model of the Network as the lead international body for providing advice on the general interpretation and use of the HCV concept and related services. Key issues included relationships with international standard-setters, legal

issues included ownership / management of intellectual property, organizational implications and funding for development of the model and necessary engagement and transition activities.

Agreed Actions

1. FFI to submit internal proposal for core funding for 2011.
2. Mondi (Peter Gardiner) to finalize and submit concept note to World Bank through established contact (and also clarify WB representation on SG, and outstanding action item from last meeting)
3. UNEP-WCMC to discuss business development project with potential donor.
4. FPP , FSC, TNC to examine budgets / look into potential donors.
5. SG co-chairs to make immediate appeal to all other SG members for emergency funding for 2011
6. Heather Ducharme, current Network Manager to continue in role until end of Sept 2011.
7. Nilofer Ghaffar, current Network Co-ordinator to continue at current 0.6 FTE level, maintaining basic core services and monitoring/managing ongoing proposal and funding applications as appropriate.
8. Interim management committee (IMC) to be established immediately, until Secretariat capacity rebuilt, and have regular monthly calls with Secretariat over the next few months.
9. Consultant Matthew Wenban-Smith to be employed using dedicated funds for business development project from Mondi and WWF/Tetra Pak, and others as obtained, to develop in more detail proposed business model including engagement with key stakeholders.

3. Date and Nature of Next Meeting

Agreed Actions

1. SG Interim Management Committee call scheduled for 29 September 2011, with additional calls to be scheduled in October and November.
2. Next full SG teleconference scheduled for 16:00 GMT on 6 December 2011.