



HCV Resource Network Steering Group Meeting:

Oxford, 7-8 October 2009

Summary of Main Discussion Points

1. Introduction

The HCV Resource Network Steering Group (SG) held a meeting in Oxford, UK on 7-8 October 2009, to discuss a number of issues highlighted at the previous meeting ([February 2009](#)), and to advance the development of the safeguards needed for using the HCV approach in responsible land management ([May 2009](#)), particularly in light of the Technical Panel's input (June 2009).

Attendance

The meeting was attended by: Guido Broekhoeven (IUCN), Marcus Colchester (Forest Peoples Programme), Lena Dahl (Tetra Pak), Peter Gardiner (Mondi), Antti Marjokorpi (Stora Enso, representing Sustainable Forest Products Industry working group of the World Business Council for Sustainable Development), and Christoph Thies (Greenpeace International).

Additionally, Fran Price (The Nature Conservancy) and Margareta Renström (WWF International, alternate to Geri Steindlegger) were able to join by telecon to the meeting's closing session and participate in key decisions taken.

The Network Secretariat, currently provided by ProForest, present were: Christopher Stewart, (Network manager), and Nilofer Ghaffar (Network co-ordinator); additionally Ruth Nussbaum (Director, ProForest) joined the meeting briefly on Day 2.

The meeting was jointly chaired by the two SG co-chairs, Peter Gardiner and Marcus Colchester.

Apologies

Apologies for non-attendance were received from: Andrey Kushlin (World Bank), Eduardo Mansur (ITTO), Achim Droste (FSC International) and Jim Ford (Climate for Ideas.org).

Objectives

Primary objectives for the meeting were to:

- Update and review of core Network activities, and HCV developments;
- Discuss the Technical Panel's input to the development of Principles of Application ('safeguards framework') and advance revision of the Network's Charter and Annex to reflect these principles;
- Finalise a Strategic Action Plan for the Network based on agreed SG priorities;

- Review the structure, management and current financial status of the Network.

A full [agenda](#) for the meeting is also available, and the main points of discussion and decisions taken are summarised below.

2. Discussion summary

2.1 Network and HCV Activities Update and Review

The Secretariat provided an update on core network activities conducted in the last 9 months according to the four Strategic Aims agreed by the SG at the last meeting, briefly summarised as:

1. Provision of a credible central point of reference on the HCV concept:

- Ongoing updates to HCV website / participant databases;
- Regular email updates on key issues, events and publications to Network circulation list (currently standing at over 1240 individuals/ organisations);
- Awareness-raising and outreach events e.g. participation at /organisation of meetings with: Roundtable on Sustainable Biofuels (March); Russian conservation NGOs in Komi (April); WCMC-UNEP re. IBAT (June); IUCN, UNEP etc. re. EC policy on biofuels, biodiversity and degraded lands (July); WWF-IKEA forest project teams and WWF-UK (September); a side-event at World Forestry Congress (October) and an HCV workshop at RSPO RT7 (November).

2. Support for the development and implementation of the HCV concept across all its current applications:

- Development of HCV Principle of Application ('Safeguards framework' - initially by the SG in Vienna, May 2009, and subsequently by the TP in Oxford, June 2009);
- Advice to the FSC on Review of P&C especially Principle 9, conducted in conjunction with the TP;
- Advice to RSPO on suitable qualifications of HCV assessors, conducted in conjunction with the TP;
- Engagement with land use planning (through Landscape-level HCV identification guidance document and recent funding proposals).

3. Provision of a governance and quality control function for HCV assessment and management:

- Ongoing promotion and development of the Network by the SG;
- Continuing development of TP Peer Review (1 complete and 1 in progress Oct 09) and advisory services (initial drafting of Peer Review

guidance version 2, including Principles of Application checklists and guidance);

- Enhancing the capacity of the Secretariat by establishing a dedicated Network manager in addition to the existing Coordinator role;
- Initial development of proposals defining the scope and governance of Regional Partners, for example in Indonesia.

4. Promoting the use of HCV in emerging and potential applications:

- No significant activity beyond a watching brief on developments in Carbon, REDD and other potential sectors.

SG members present also provided an update on HCV activities and perspectives from the point of view of their respective organisations, with a particular emphasis on the recent investigation by Forest Peoples Programme and local HCV experts into land use planning issues and RSPO (a formal report detailing the findings of this investigation will be presented at RSPO RT7). A strong message emerged that HCV stakeholders must engage with land use planning authorities, in order to resolve issues of unsupportive legal frameworks and perverse outcomes of voluntary conservation initiatives carried out by industry.

Additional contributions:

- Tetra Pak circulated an analysis of PEFC/SFI/AFS standards and legality requirements in Finland, Sweden, Australia, USA and Canada against FSC Controlled Wood requirements, demonstrating weaknesses of these systems.
- Update from SFFPI of WBCSD, principally regarding industry views and discussions on the balance of expertise on the Technical Panel.
- Greenpeace, regarding Christoph Thies' representation on FSC Forest Carbon WG and progress of forest carbon negotiations leading up to COP 15.
- Mondi and others raised the importance of engaging with North America (developments including Kimberley Clark public commitments, IP new FSC targets for N. American operations; Tetra Pak project - supporting tool for group forest managers to introduce FSC in USA).

2.2 Principles of Application for the HCV approach

a) Charter wording

The SG carefully reviewed the proposed Charter revision, which includes a major new Annex i.e. the Principles of Application (PoA) for use of the HCV approach within responsible land management (the "safeguards framework" previously referred to by the Charter). In this context, the SG considered comments from the Technical Panel, largely made during their physical meeting in June 2009, and more recent comments from WWF and FPP, on the precise wording of the Principles.

The SG members present agreed on a proposed Charter wording which includes:

- a description of the Technical Panel (under the heading “Structure”);
- consensus wording for a ‘Principles of Application’ Annex (see Box 1 at the end of this document for proposed Annex 1 wording), which replaces the text in Charter (under Guiding Principles) requiring the development of this “safeguards framework”.

The proposed Charter changes were highlighted to the SG members involved in the telecon on Day 2, and it was agreed the full SG must agree or amend proposed wording before the new version is released.

Agreed Actions

1. Current draft wording of Charter (Draft 2.2.1. 20 October 2009) to be circulated amongst SG for a one month consultation period.
2. Secretariat to collate all comments received (by 20 November 2009), and draft final version for SG approval (process to be decided - either via telecon or email), expected to be complete by early December.
3. Post SG approval of Charter revision (including PoA Annex) *and* modified Peer Review guidance (see section below), the new final version (Version 3) to be released to Network Participants & supporting organisations (proposed timeline by early Jan 2010).

b) Peer Review Guidance

The SG also considered the accompanying changes made to the Peer Review guidance “Reviewing HCV Reports” (draft version 2, July 2009), incorporating the Principles of Application of the HCV approach. Minor suggestions were made in order to improve the clarity of the guidance, and a decision was taken on inclusion of applicable international laws in the draft Legality checklist and guidance.

The SG recognised that the current draft version of the Peer Review guidance would need amendment in light of proposed rewording of the Principles of Application (Charter Annex 1 – see above), and that the SG should review and approve this document as a whole once these changes have been made.

Agreed Actions

1. Secretariat to draft amendments to the Peer Review guidance document “Reviewing HCV reports” as necessary to reflect the current (Oct 09) Principles of Application, and additional SG suggestions
2. Secretariat to circulate new draft Peer Review guidance to TP and invite them to comment (on the basis of full SG approval of the current PoA) within one month (NB: Due to forthcoming Secretariat travel, it is unlikely that this process will commence until November 2009, so is expected to close early December).

3. QC sub-committee to approve final version 2 of the TP peer review guidance, and this to be made public simultaneously with version 3 of Charter (proposed timeline by early Jan 2010).

2.3 Strategic Action Plan for the Network

The SG discussed in detail the draft Strategic Action Plan originally distributed by the Secretariat in April 09, based on the 4 key Strategic Aims agreed at the previous SG meeting (Feb 2009). The SG considered comments and priorities of nine SG members (from written submissions, collated prior to the meeting, and from comments received during the meeting).

Based on these discussions, a consensus was reached on Network targets and activities for the forthcoming year, supporting each of the key Strategic Aims, including activities which will require additional fund raising efforts. The SG emphasised that the priorities had to be considered in light of the financial resources available to the Network, and the need to clearly define the roles and responsibilities of different Network stakeholders in the various actions.

A number of opportunities for meeting the priority targets and potential sources of funding were identified, and project outlines were proposed to meet various targets, and which will be worked up into concept notes for funding applications.

Agreed Actions

1. Secretariat to formulate overall work plan and schedule based on the agreed SG priorities.
2. SG to comment within one month, and take on clear roles and responsibilities in defining opportunities and assisting with fundraising and project implementation.
3. SG communications and outreach sub-committee to be re-activated, and to assist Secretariat with developing funding proposals.

2.4 Network Structure & Management

a) Steering Group

In order to better reflect the priorities agreed as part of the Network action plan, both the current and future composition of the SG was considered. It was agreed that critical stakeholders, including representatives from the agri-business sector, and those with experience in land-use planning and social issues, should be approached to join the SG.

With respect to existing SG members, it was noted that the terms of membership (3 years) for a number of individual members were due to come up for renewal in January 2010. The SG considered this an appropriate moment to revisit the SG ToRs,

propose some minor changes, and, where attendance to SG meetings or involvement in decisions has not met the requirements of the ToRs, to raise the possibility of appointment of alternative organisational representatives.

The SG also noted that time required for decision-making has sometimes exceeded reasonable requirements for internal consultation, and that the decision-making processes of the SG therefore need to be clarified. They strongly reiterated the requirement for achieving decisions by consensus, and suggested an appropriate process as follows:

- Individual SG members should be given a notice period of at least a month to put forward their views on any significant Network decisions (e.g. at the level of SG meeting agenda points), with an option for any SG member to request more time, within that notice period. Timely reminders will be issued by the Secretariat on deadlines for key decisions, or to prompt requests for further deliberation.
- Shorter notice periods (dictated by specific circumstances) should be given for routine/operational decisions.
- A lack of response to requests/reminders on decisions within these defined time periods implies consent, and
- For some more urgent decisions e.g. where external deadlines must be met, the Secretariat should consult in the first instance with the SG co-chairs and agree with them an appropriate course of action.

Finally, the SG accepted that re-visiting decisions that had previously been agreed by a documented process creates significant difficulties for the Network's operation, and should be avoided.

Agreed Action
<ol style="list-style-type: none">1. Secretariat to draft a model letter enquiring whether a number of named individuals from selected organisations would be willing to be nominated to serve on the SG, and ask them to provide suitable background information.2. Secretariat/SG co-Chairs to ask for clarification from certain SG members re. providing appropriate representation of their organisations, to meet SG ToRs.3. SG members to consider the decision-making process described above as operational, pending comments on the present agreed actions.4. Minor amendments to SG ToRs to be made to reflect agreed actions, to be distributed for comment.

b) Technical Panel

The composition, structure, and function of the TP were re-examined at various points during this meeting, especially in light of detailed discussions since the last meeting and in Vienna.

The SG recognised the fundamental importance of the TP, and the critical role it has to play re. maintaining a quality control function for the HCV approach and operationalising the newly formulated PoA. The SG agreed that industry, as a major implementer of HCV projects and assessments, needs to feel reassured of the neutrality, balance and technical quality of HCV Network guidance, and that this could in part be achieved by inviting qualified, industry-based technical experts to join the TP.

The SG also reiterated the vital need for the TP to maintain its credibility through strong oversight by the QC sub-committee, an internal understanding of the need for technical, neutral, and unbiased advice, and a clear conflicts of interest and complaints policy, especially when providing its Peer Review service.

The SG agreed to issue a new call for applicants to fill/renew vacant places on the TP members (currently 4 of 24), reserving two places for appropriately qualified technical experts from industry. In order to minimise reputational risks to the TP, the governance documents of the TP will be revised to require employers of all TP members (including de facto all NGOs and companies, and other organisations e.g. research institutions at the SG's discretion) to agree to the Network Charter. The SG will reserve the right to suspend and/or disqualify individuals belonging to organisations whose actions run counter to the Charter.

The SG agreed that the existing TP safeguards to manage potential conflicts of interest and anti-trust obligations are robust. A suggestion was made that for Peer Reviews, teams should not be exclusively composed of representatives of one kind of organisation, and also that lead reviewers of a team should not come from either companies or NGOs. However, so as not to be too severely restrictive of the capacity of the TP to carry out Peer Reviews - given that at present there is little duplication in TP regional and skill representation - the Secretariat suggested that the QC sub-committee should instead review the multiple safeguard provisions of the Peer Review process, and strengthen them where/if necessary in the future.

The SG also agreed that the QC sub-committee's responsibility in Peer Reviews is to ensure that due process is followed, not to comment on specific outcomes of the Reviews, and recommended a minor change to the Peer Review process to reflect this.

Agreed Action
1. Secretariat to amend current "Mechanism for Operation of TP" to include additional criteria for selection of members and overall composition, a section on adherence to the Charter principles, and a minor change to SG QC

responsibilities.

2. SG to comment (within one month) on draft v2.1 of the Mechanism for Operation document, and this to be finalised, and posted on website.
3. Vacant spaces on the TP, along with new selection criteria (as dictated by revised Mechanism for Operation), to be advertised through Network Circulation list / website, and all Network Participants invited to apply / suggest nominations.
4. A list of all applicants to be made public via the HCV Network website, and Network Participants invited to comment on candidates' qualifications (technical expertise and institutional adherence to the Charter).
5. SG to confirm appointment of new TP members, taking into account the balance of social, ecological and management expertise.

c) **Regional Partnerships**

The SG considered the issue of Regional Partners for the HCV Network, as mandated in the Charter, and gave special consideration to recent requests and initial consultations from stakeholders to establish such an entity within Indonesia. Although the SG cautiously welcomed this initiative, there was unanimous agreement that this needed further discussion and clarity regarding the specific structure, tasks and responsibilities of any Partner. In particular, the governance mechanism will need to be carefully examined. A number of SG members could provide more specific guidance on this by virtue of the experience within their own organisations

Agreed Action

1. SG members to comment on the draft proposals from Indonesia, make recommendations for acceptable/workable Partnership models, and highlight specific concerns on the scope of work, structure and governance of a Regional Partner.
2. Secretariat to collate and categorise all comments, and work with the co-Chairs on a process to move forward with the support of the whole SG.

d) **Network Independence & Financial Stability**

The need to establish independence and a legal identity for the Network was reviewed; a current shortfall in secured funds for core Network operations in 2010 and beyond was noted as a key factor to be overcome.

The SG noted that the Network manager's and coordinator's roles as full-time Network staff had helped strengthen the functional identity of the Secretariat during 2009. ProForest's Director presented a number of possible options for establishing the Network's legal identity in the near to medium term. The SG reviewed the options suggested and favourably received the proposal for the Secretariat to shift to a

charitable body set up and managed by ProForest. This would involve the least transition costs whilst simultaneously moving the Network toward functional independence. The success of the move would be reviewed in the medium term based on Network development and finances.

The wider issue of financial stability was also discussed at some length. The Network's operations are funded by a 3-year contract with WWF-IKEA partnership and a renewable grant with WWF -Tetra Pak partnership (until 2011), and further core funding from Mondi plc was confirmed during the meeting. ProForest has donated staff time to the Network since its inception and during 2009, but will not be able to continue doing so beyond 2009. SG members agreed to give the Secretariat specific assistance for immediate fund-raising to meet the predicted shortfall in 2010.

Agreed Action
<ol style="list-style-type: none">1. Secretariat to present more detail on options, and legal/financial implications of moving the Secretariat function to a charitable body managed by ProForest, including options for appropriate trustees of that body (a legal requirement for UK charitable bodies).2. Secretariat to follow-up with individual SG members to explore fund-raising opportunities.

3. Date and Nature of Next Meeting

SG members emphasised the point originally made in February 2009, regarding an urgent need to engage proactively with the forest and wood product industries in N. America (particularly the USA). Recently, major N. American companies have been making strong commitments towards FSC certification. As such it was felt that the next physical SG meeting should be timed to coincide with a regional stakeholder/technical HCV event in North America (exact location to be determined). It was also noted that as some SG members would already be in the US for a Forest Dialogue meeting towards the end of March, the next meeting should be scheduled to take advantage of this. Precise dates and a venue for the meeting are to be confirmed.

Box 1 Annex 1 of the HCV Charter: Principles of Application for the use of the HCV approach within responsible land management

In addition to its guiding principles, the HCV Resource Network recommends that:

- The following Principles of Application are integrated into land use planning and management plans¹ and activities, in order to contribute to responsible land use and to maintain and enhance HCVs.
- Wherever practicable, there should be meaningful participation of all relevant stakeholders and rights-holders.
- Peer reviews of HCV assessments should check that credible efforts have been made to apply these Principles of Application.
- Where relevant, certification systems should take into account these Principles of Application.
- These principles of application should be applied to the full range of the HCV Resource Network's advisory and review functions.

Principles of Application for the HCV approach:

Legality

- There is compliance with all applicable international, national and local laws.
- Secure tenure, customary rights and consent.
- The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.
- Use or management of the land does not diminish the legal rights, or customary rights, of indigenous peoples, local communities or other users, without their free, prior and informed consent.

Conversion

- Areas necessary at the site and landscape scale to maintain or enhance HCVs shall not be converted.
- The absence of HCVs, and the application of the HCV approach, shall not be used as sufficient justification for conversion of natural ecosystems.
- Conversion of non-HCV natural ecosystems must result in net gain² identified and documented through a rigorous, fair and balanced multi-stakeholder dialogue.

Other Environmental and Biodiversity Values

- Biodiversity and environmental values which do not meet HCV criteria should be taken into account through responsible land use management.

¹ Management plans may vary according to scale and intensity of operation, e.g. the written plans of large organisations or the customary norms and informal rules of local communities and indigenous peoples

² Net Gain: the balance of benefits resulting from proposed land use development outweighs the combined economic, environmental, social and cultural impacts of converting non-HCV areas.