



# Mainstreaming the High Conservation Area Approach in Indonesia

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## Key Messages

*In the midst of vast conversion of natural forest into non-forest land-use, the implementation of HCV concept in production areas is a promising effort to complement existing conservation approaches. It increases the absolute area with high conservation value to be protected and managed.*

*The growing interest of the private sector in implementing HCV is currently spurred by market incentives such as the requirement to comply with RSPO and/or ISPO certification.*

*The further spread of HCV practice across agro-commodity production areas in Indonesia is expected to contribute to the conservation of biodiversity and environmental functions and to maintaining the livelihood of inhabitants in intensely managed landscapes.*



## Introduction

The concept of High Conservation Value (HCV) emerged in 1999 as Principle 9 in the FSC Principles and Criteria developed by Forest Stewardship Council (FSC). In response to the need for a national interpretation of the global HCV toolkit, in 2007, the HCV toolkit for Indonesia was developed by a consortium of NGO partners under the coordination of the Indonesian Resource Institute (IndRI) and DaemeterConsulting, in partnership with the Tropenbos International Indonesia Programme (TBI Indonesia), TNC, WWF, CI, FFI and Rainforest Alliance.

HCV is a planning tool for helping land managers to achieve a rational balance between environmental conservation, social justice and economic development. The HCV concept was originally designed to help forest managers to improve the social and environmental sustainability of wood production, through a two-step process: first, to identify areas inside or near the forest management unit with exceptionally important social, cultural, or environmental values, and second, to implement a system of management and monitoring to guarantee these values will be maintained or enhanced. The concept is beyond the existing regulations such as environmental impact assessment and spatial planning.

Indonesia has set aside 22.8 million hectares of conservation areas in the form of national parks and reserves. While the government is protecting a large area of conservation and protection forest areas, the effectiveness of these reserves and protection forests remains uncertain. In the mean time, the conversion of natural forests to other non-forest land-uses has continued unchecked, including those having highly vulnerable conservation values, such as heath forest, peat swamp forest or habitat of endangered species. As such, promoting conservation and protection of HCV areas in production areas will complement, with financing from private entities, the conservation effort by the government, and increase the absolute area having conservation value to be protected and managed.



Since 2008, TBI has continuously contributed to the wide acceptance of the HCV approach in policies and practices related to the sustainable management of oil palm plantations and industrial wood plantations (HTI) in Indonesia. Currently, the HCV concept is well accepted by oil palm and industrial forest plantations. From the company perspective, HCV assessment is a requirement for certification, i.e. Roundtable Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO) certifications for oil palm plantations and FSC certification for natural forest management (HPH) and pulp plantations (HTI). At present, there are 450 management units - covering natural forest production, pulp plantation and oil palm plantation areas - that have defined and are managing their HCV areas. In total more than 500,000 ha of production areas have been identified and designated as HCV areas.

### Challenges of applying the HCV approach

The HCV assessment in production areas can be considered as an ecological and social investment to maintain sustainable yield of forest concessionaires (HPH), industrial forest plantations (HTI), and oil palm plantations in the long run. The HCV area is very important to protect biodiversity and water resources. The HCV determination is very crucial to strengthen life support systems in management units and at the landscape level, as part of a precautionary approach to prevent catastrophes due to poor natural resources exploitation, such as land

and forest fire, water scarcity, etc. Such benefits are often not perceived by concession owners due to their generally short-term commercial perspectives.

As an illustration, a palm oil businessman, who has planted palm oil seeds on his plantation should think of water supply for the future mills; oil palms need insects for pollination and natural predators to control pest and disease. Those come from (semi) natural ecosystems. Currently, these ecosystem services might be partly supplied by the remaining (semi) natural ecosystems (forest and agroforestry), but only once all natural ecosystem is lost, they may realise the importance of allocating semi natural ecosystem for HCV.

The low awareness has led to a limited investment in the HCV areas identification and management. The HCV areas are often defined half-heartedly. They are considered as a green business campaign strategy rather than as a true investment into the future of the business. Partly as a result of suboptimal application of the HCV concept, it is not sufficiently clear to what extent HCV areas are effective in terms of the objectives they seek to achieve. A fundamental shift of mindset of the concession owners is needed to see HCV as an investment rather than as a cost centre, so that HCV is no longer seen as a threat which will reduce the effective concession (plantable) area. HCV areas identification should be fully defined on the basis of local specific biophysical conditions rather than bargaining approaches with the HCV consultants.



### *Problems related to HCV guidances and institutional arrangement*

- a. The absence of report outlines for HCV consultants, toolkit for HCV implementation management, special toolkit for pulp and oil palm plantations, accreditation body of HCV consultant, revision of the existing HCV toolkit.
- b. The diverse perceptions of HCV areas identification among consultants and NGOs, especially between land sparing and land sharing principles.
- c. The absence of institutions which look over HCV area connectivity among management units at the landscape level
- d. The absence of an independent body which looks over the quality and effectiveness of HCV implementation on the ground level.

### *Connectivity*

From the landscape ecology point of view, the HCV areas should be connected one to another to form conservation corridors which are able to facilitate germ-plasm movement among the remaining (semi) natural habitat fragments. The conservation corridors are mostly absent since HCV areas identification is conducted on concession rather than landscape (watershed area) boundary basis. The HCV areas in most cases are discrete, like 'islands' in a 'sea' of intensive production areas. This contributes to the failure of the function of HCV as the last resort for landscape-wide conservation. The government is required to ensure HCV connectivity among concession boundary areas. Ideally, prior to the issuance of concession permits, the government should develop landscape conservation plans to delineate HCV areas as corridors at a landscape level. These plans can function as a macro HCV mapping which should then be further detailed at the level of concession management units in the form of micro HCV mapping.

### *The role of HCV assessors*

Since 2007, the companies' interest in implementing HCV assessment has grown rapidly due to market incentives, e.g. to achieve certification for palm oil production. This has raised strong demand on HCV consultants. However, the quality of HCV areas delineation and management has been highly dependent on the capacity and work ethics of consultants. In fact, the results of HCV delineation and reports vary due to the absence of a standard for HCV report writing and the diverse perceptions among consultants, experts and NGOs on several HCV issues. One such an issue is the persistent debate on whether HCV areas should allow 'land share', i.e. that development activities can be undertaken in a manner that ensures the maintenance of the conservation values, or that it must imply 'land spare', i.e. that the HCV areas must be exclusively dedicated to conservation where development is forbidden. The existence of an accreditation body for HCV consultants would be required to standardize the quality of







HCV assessors, assessment and management, while a HCV National Network would be helpful as a platform for discussing diverse perceptions.

### *The HCV toolkit*

The existing HCV toolkit should be revised using as basis the field experiences on HCV areas identification and knowledge development. It is important to note that the toolkit was only aimed at identifying HCV areas, while guidelines for HCV areas management are still lacking. The existing toolkit was originally aimed as a guideline to identify HCV areas in natural production forests (HPH). Given the different nature of production systems between natural and industrial forest

concessions, and also oil palm plantations, the establishment of HCV toolkits specific for industrial forest plantations and oil palm plantations is urgently needed. For instance, natural forest production applies selective cutting with natural regeneration, while pulp and oil palm plantation apply clear cutting with artificial (man-made) regeneration.

### *Institutional constraints*

Given that the establishment of HCV areas is voluntary, the certification body is now the only agent who controls the HCV implementation. This is insufficient to enforce the full HCV implementation at the ground level. The HCV implementation is ideally monitored by a Stakeholders Council<sup>1</sup> of the management unit, a representative body of the government, local community and other relevant development agents (including the private sector surrounding the management unit). However, this council is often in-active due to lack of awareness of the HCV issue. In many cases, BPN (land administration - cadastral agency) raises questions about management units that include HCV areas, as they consider this as 'wasting' concession land; similar views and responses come from District Forestry Services, where the technical inputs for permit granting are prepared. They calculate the income tax from such permits based on the area, and reductions to the planted area mean a reduction in land-based income tax (Pajak Bumi and Bangunan). Local communities



<sup>1</sup> So far, stakeholder council are only established by some giant business entities such as RAPP and APP.



surrounding the management unit also perceive HCV areas as abandoned land.

Besides the need to mainstream the HCV approach at national level, enhancement of the quality of socialization is needed during public consultation, either in the process of identification, determination or management of HCV areas. A guideline for HCV monitoring is needed for Certification Bodies and Stakeholders' Councils of management units.

### *Incoherent HCV requirements*

Another challenge of HCV implementation is the difference in HCV principles between the RSPO and ISPO Certification. The RSPO uses the national laws and regulations, and the global initiatives (IUCN, CITES etc.) as reference for HCV area delineation, while ISPO fully refers to Indonesian laws and regulations about protected areas. As a result, RSPO's HCV areas include cultivated areas, while ISPO's HCV areas

exclude cultivated areas. The RSPO evaluation is undertaken every 2 years, while ISPO evaluation takes place every 5 years in conjunction with the revised spatial planning at district, province and national level.

### *An HCV institution*

In response to the complexity as outlined above, there is a need for an HCV institution that (a) enhances the credibility, consistence and capacity of HCV identification; (b) enhances and promotes multi-stakeholder collaboration (to utilize) the HCV concept as a tool for sustainable natural resource management; (c) provides materials/information sources to implement the HCV concept; and (d) reconciles different HCV interpretations among parties. In 2010, a consortium of organisations supported by TNC, WWF and TBI established the HCV Network Indonesia (HCV-NI). However, due to its infancy, efforts are required to develop HCV-NI towards the aforementioned functions.





## The role of TBI Indonesia

### *TBI's vision*

TBI Indonesia aims at contributing to the widespread adoption of HCV practices across forest concessions and agro-commodity production areas in Indonesia. We expect to contribute to the conservation of biodiversity and environmental functions in intensely managed landscapes, the maintenance of well being and livelihood opportunities for local communities dependent on forests in these areas, reduced conflict about land use and the maintenance of markets for agricultural products originating from forested areas with high biodiversity.

We believe this requires that:

1. Both formal and voluntary (market-based) regulations recognise and incorporate the HCV approach;
2. Identified HCV areas are demarcated and actively managed, not just within agro-commodity production areas and forest concessions, but as part of larger scale (province or district level) land use plans.
3. Universities and other educational centres have the capacity to produce skilled HCV professionals at all levels.
4. The existing HCV identification toolkit (which was developed in 2007) is updated on the basis on field experience and knowledge development, while the new guidelines for HCV management and monitoring, including HCV toolkits for specific commodity (industrial forest plantations and oil-palm plantations) are established.
5. A network of committed professionals exists that supports and further develops the HCV approach nationally.
6. The added value of the HCV approach for conservation, local well-being and access to markets has been amply demonstrated.



### Track record

From 2010 until 2014, TBI Indonesia has assisted 14 management units, 10 oil-palm plantations and 4 industrial wood plantations in identifying and managing HCV areas (Annex 1). In 2010-2011, TBI has used the HCV tool to assist the Ministry of Forestry to design landscape based spatial planning in the Kampar Peninsula, Riau Province and Sumatera. Since 2010, TBI Indonesia in collaboration with partners has organized regular HCV trainings in Yogyakarta; training more than 350 professionals on HCV assessments (Table 1). TBI assisted Stabil<sup>2</sup> to deliver HCV assessment training to more than sixty oil-palm plantation managers and government staff in East Kalimantan Province. TBI also supported HCV training design, developing curricula and syllabi, and strengthening institutional capacity building of HCV training providers, such as Instiper<sup>3</sup> (Yogyakarta), Stabil (Balikpapan), HCV-NI (Bogor) and three Faculties of Forestry (IPB, UGM and Unmul). TBI has also provided on-the job training for selected companies that wished to assess HCV areas in their management units.

Table 1. Numbers of HCV training participants facilitated by TBI and partners

Year	Number of Trainings	Number of Participants
2010	2	64
2011	2	44
2012	2	83
2013	2	53
2014	2	56
Total	10	300

2 Stabil : Local NGO based in Balikpapan, East Kalimantan Province

3 Instiper: High technical school on agriculture/estate management

### **TBI Indonesia's strong points to mainstream HCV**

TBI Indonesia is a well respected international organization, which has consistently put attention and resources on HCV adoption, assessment and implementation in Indonesia. The strengths of TBI Indonesia to facilitate better HCV assessment and implementation are:

- Many first-hand experiences in HCV assessments. TBI has a rich data base and comprehensive knowledge on HCV problems and constraints from national to the ground level.
- A strategic policy influencing role on decision making processes on natural resource management. TBI developed and maintained collaborative work with the Ministry of Forestry since 1986 and is currently a member of the national working group on production forest governance, in which HCV is one of the key issues.
- A strategic influencing role with key private sector organizations dealing with HCV issues, i.e. APPI (Association of Pulp and Paper Indonesia), GAPKI (Association of Indonesian Oil Palm Business), APHI (Association of Indonesian Forest Concessionaires), members of the formulation team of the newly established forest management certification system developed by Indonesian Forestry Certification Cooperation (IFCC/PEFC), members of the working group on RSPO and ISPO synchronization, RSPO members and actively involved on RSPO research works.
- A strong network with key professionals involved in HCV implementation at management unit level. TBI has initiated and continuously delivered regular HCV training courses to professionals working at management unit level all over Indonesia.
- A strategic influencing role with universities (IPB, UGM, Instiper, Unmul) and HCV training providers (Instiper and Stabil).
- Close ties with HCV Network Indonesia.

## Annex 1. List of Management Units Assisted by TBI Indonesia in HCV Area Identification

No.	Year	Management Unit	Types of Management Unit
1	2010	Industrial Forest Plantation of RAPP, Kampar Ring, Riau Province.	Peat land area
2	2011	IUPHHK-HTI of PT Bukit Raya Mudisa, South Solok Regency, West Sumatera Province.	Industrial Forest Plantation
3	2011	PT Sawit Sukses Sejahtera (BW Plantation Group), West Kutai Regency, East Kalimantan Province.	Oil palm plantation
4	2012	PT Bumilanggeng Perdanatrada (BW Plantation Group), West Kotawaringin Regency, Central Kalimantan Province.	Oil palm plantation
5	2012	PT Wanacatur Jaya Utama (BW Plantation Group), Kapuas Regency – Central Kalimantan Province.	Oil palm plantation
6	2012	PT Bumihutani Lestari (BW Plantation Group), East Kotawaringin Regency, Central Kalimantan Province.	Oil palm plantation
7	2012	PT Adyaksa Dharmasatya (BW Plantation Group), East Kotawaringin Regency, Central Kalimantan Province.	Oil palm plantation
8	2012	PT Prima Cipta Selaras (BW Plantation Group) West Kutai Regency, East Kalimantan Province.	Oil palm plantation
9	2013	PT Agrolestari Kencana Makmur (BW Plantation Group), Melawi Regency, West Kalimantan Province.	Oil palm plantation
10	2013	PT Bumi Sawit Utama (BW Plantation Group), Melawi Regency, West Kalimantan Province.	Oil palm plantation
11	2013	PT Satria Manunggal Sejahtera (BW Plantation Group), Melawi Regency, West Kalimantan Province.	Oil palm plantation
12	2013	PT Itci Hutani Manunggal, Kutai Kertanegara and North Penajam Paser Regencies, East Kalimantan Province.	Industrial Forest Plantation
13	2013	PT Adindo Hutani Lestari, Malinau, Nunukan and Bulungan Regencies, North Kalimantan Province.	Industrial Forest Plantation
14	2014	PT Industrial Forest Plantation, Kapuas Regency, Central Kalimantan Province.	Industrial Forest Plantation
15	2014	PT Kemilau Indah Nusantara (Agri Kemilau Group), East Kutai Regency, East Kalimantan Province.	Oil palm Plantation

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