

MINUTES OF MEETING

RSPO Compensation Task Force 2 (CTF2) – 10th Meeting (Virtual)

Date : 5th Nov 2024
 Time : 4:00 PM to 6:00 PM (MYT)

Attendance:

<p><u>Members and Alternates</u></p> <ol style="list-style-type: none"> 1. Hendi Hidayat (GAR) 2. Bungaran M. Rahadi (GAR) 3. Eleanor Spencer (ZSL) 4. Mahendra Primajati (FFI) 5. Dita Galina (Musim Mas) 6. Athirah Insani (Musim Mas) 7. Heni Martanila (Kaleka) 8. Lee Swee Yin (SDP) 9. Lim Sian Choo (Bumitama) 10. Martin Mach (Bumitama) 11. Quentin Meunier (OLAM) 12. Angga Prathama Putra (WWF) 13. Cahyo Nugroho (FFI) <p><u>Absent with apologies</u></p> <ol style="list-style-type: none"> 1. Arnina Hussin (SDP) 2. Ruth Silva (HCVN) 3. Harjinder Kler (HUTAN) 4. Michelle Desilets (OLT) 5. Ahmad Furqon (WWF) 6. Sally Chen Sieng Yin (SEPA) 7. David Wong Su Yung (SEPA) 8. Chin Sing Yun (Wilmar) 9. Syahrial Anhar (Wilmar) 10. Bukti Bagja (WRI) 11. Anne Rosenbarger (WRI) 12. Lanash Thanda (BCI) 13. Dayang Norwana (BCI) 14. Paola Despretz (OLAM) 15. Sophie Gett (SIPEF) 16. Matthew Gerard Nowak (SIPEF) 17. Michael Padmanaba (Kaleka) 18. Per Bogstad (Haleon) 	<p><u>RSPO Secretariat</u></p> <ol style="list-style-type: none"> 1. Aloysius Suratin 2. Akmal Arif Razali 3. Durgha Periasamy <p><u>Invited Guest</u></p> <ol style="list-style-type: none"> 1. Glen Reynolds (SEARRP)
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Meeting Agenda:

Agenda	PIC
1. Opening and welcoming remarks	RSPO Secretariat/ CTF2 Co-Chairs
2. Confirmation of previous minutes of meeting	RSPO Secretariat
3. RaCP V2 Current Status and Completion Timeline	RSPO Secretariat/ CTF2 Co-Chairs
4. AOB	RSPO Secretariat/ CTF2 Co-Chairs

No.	Agenda	Action
1.	<p><u>Opening and welcoming remarks</u></p> <ul style="list-style-type: none"> All members were welcomed by the RSPO Secretariat to the 10th CTF2 virtual meeting. The RSPO Secretariat presented the RSPO antitrust policy statement, consensus-based decision-making in the CTF2 session and members to declare any conflict of interest, if any. No conflict of interest was raised by the members. The Secretariat welcomed 2 new members to the CTF2: <ul style="list-style-type: none"> Ruth Silva (HCVN) Matthew Gerard Nowak (SIPEF) The Secretariat welcomed the following invited guests: <ul style="list-style-type: none"> Glen Reynolds (SEARRP) 	
2	<p><u>Confirmation of previous minutes of the meeting</u></p> <ul style="list-style-type: none"> The RSPO Secretariat presented the previous CTF2 minutes of meetings. The minutes were accepted with no objections. <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> A clarification was requested on whether the suggestions and discussions from the CTF2 meeting in May had been incorporated into the latest version of the RaCP V2 document. The Secretariat confirmed that the document has been updated accordingly. <p>(Note: The latest version of the RaCP V2 document, reflecting the discussions and suggestions made during the May meeting, was circulated via email a few days after the CTF2 meeting in May.)</p>	
3	<p><u>RaCP V2 Current Status</u></p> <ul style="list-style-type: none"> The Secretariat presented the timeline previously agreed upon in the CTF2 meeting in May, which included a public consultation 	

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	<p>scheduled for July. However, during the July BHCVWG meeting, the Secretariat highlighted several considerations regarding the completeness of the RaCP V2 document.</p> <ul style="list-style-type: none"> ● The outcome of the July BHCVWG meeting was a directive for the Secretariat to compile a document outlining the aspects needing consideration concerning the document's current status and content. Due to this and other contributing factors, the public consultation was postponed. ● The Secretariat highlighted that the objective is to align RaCP V2 with other processes and requirements to ensure the practical applicability of the procedure. While the revision of this document is underway, delays are essential to ensure alignment with the: <ul style="list-style-type: none"> ○ <i>New RSPO Standards</i>: Misalignments that could lead to inconsistencies. ○ <i>Prisma</i>: Data management, especially regarding entity management within prisma, will need to be taken into account for example liability calculation and assessment processes. The aim is to avoid misalignment in the data required for submission, minimising unnecessary back-and-forth communication between the Secretariat and applicants. Prisma's approach to data and entity management introduces new considerations that were not accounted for during the development of RaCP V2. ○ <i>Enhanced membership and certification processes</i>: Certain requirements within the RaCP, such as liability calculation and other pre-membership processes, will have an impact on the overall process for sanctioning or accepting membership. ● Several other considerations were also highlighted, including: <ul style="list-style-type: none"> ○ <i>Independent Smallholder Considerations</i> <ul style="list-style-type: none"> – Inclusivity by accommodating ISH challenges. – The need to reduce entry barriers. – Compensation models suited for ISH resource limitations. <p>The GA Resolution 18-2d emphasises the need to develop a RaCP procedure specifically tailored to address the unique needs of independent smallholders. This procedure must include an accommodating component designed to reduce barriers for smallholders, ensuring accessibility and practicality. Any proposed solutions will need to be clearly justified in line with this mandate.</p>	

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	<ul style="list-style-type: none"> ○ <i>Detailed Procedural Guidance</i> <ul style="list-style-type: none"> – Simplified documentation and templates for ISH. – Improvements for LUCA submission requirements. – Refine remediation timelines and responsibilities. <p>The approach to data collection and analysis between growers and ISH varies significantly due to differences in methodologies, such as how the demarcation of areas is conducted via LUCA. During BHCVWG discussions, the need for separate documents for growers and ISH was raised instead of combining everything into a single document. Thus, if a public consultation is to happen, then it can be done in stages, but this has yet to be finalised.</p> ○ <i>Enhanced Membership and Certification Protocols</i> <ul style="list-style-type: none"> – Develop RaCP v2 in line with enhanced RSPO membership standards. – Ensure that membership adjustments reflect the profiles of growers and smallholders. <p>While the P&C and ISH standards themselves do not have significant changes in terms of RaCP, adjustments are needed in backend processes. This includes refining the workflow from membership application to certification and audit. Additional safeguards should be introduced to manage and monitor RaCP projects, ensuring their thorough and proper implementation.</p> ● The Secretariat noted that the details highlighted in both documents are areas for improvement. It's very hard to isolate one section and determine if it is ready for public consultation, as decision-making isn't binary, but something for further consideration. <p>(Note: More details on the above points can be found in the two circulated documents (Considerations for Refining RaCP V2 prior to PC), which also include examples of challenges faced while processing data/ information provided by growers or ISH.)</p> <ul style="list-style-type: none"> ● The Secretariat also presented the list of normative/informative documents to assist compliance with the new P&C and ISH standards. An example was shared, whereby currently there are two different kinds of data when it comes to the HCV-HCSA approach. For instance, some smallholders, with support from an organisation (such as an NGO), receive financial assistance to carry out the full integrated HCV-HCSA assessment. However, for those who have opted for the simplified approach, the amount and 	

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	<p>quality of data submitted during the disclosure stage differ. It was noted that other documents will also have implications that will need to be harmonised with the RaCP V2 moving forward.</p> <ul style="list-style-type: none"> • The Secretariat requested members' input on the next steps. <p><i>Feedback/questions from the members:</i></p> <ul style="list-style-type: none"> • A clarification was sought regarding the scope of the BHCVWG, specifically whether documents related to peat falls under its purview. It was questioned whether this lies with the BHCVWG or another group, as there was a peatland working group before, and peat-related matters have not historically been addressed by the BHCVWG. A member clarified that documents outside the purview of the BHCVWG would be redirected to the respective WG. While there is currently no active peatland working group, it was suggested that information should be provided to the SSC for consideration in reconstituting the peatland WG, given the specialised nature of peatland issues. • A member noted that back in July, there was a strong request from the BHCVWG to consider releasing the RaCP document immediately, excluding the smallholder section. It was decided at that time to exclude considerations related to the new standard and focus on something that could be published sooner, aligning with the 2018 standard. If the decision is not to release anything immediately, it needs to be clearly communicated to the BHCV group, as the request from the last meeting in July was for an immediate solution. • It was questioned whether there is still a possibility to consider splitting the RaCP document based on the considerations compiled by the Secretariat. For instance, with the standards revision being one of the considerations, it was noted that significant elements of the RaCP would need to be revisited. However, this was discussed in July, with the understanding that it would delay the process. The idea at the time was to explore whether something could be released that at least meets the requirements of the 2018 standards to ensure progress on the RaCP. • A member asked whether the integration with <i>prisma</i> will be a barrier to splitting the document or if it is still feasible to release something now and integrate it with <i>prisma</i> later. <ul style="list-style-type: none"> ○ The Secretariat clarified that for <i>prisma</i>, the current focus during its initial phase is to digitise the system based on the 2018 iteration of the standards. However, the primary challenge is in the next phase (PalmGHG, LUCA, etc.) which is whether two systems can run concurrently. It is important to recognise if the system is being built around the 2018 standards or the new standards. Building around the new 	

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	<p>standards would enable the utilisation of the 12-month interim period following the adoption. During this period, the Secretariat can identify areas for improvement in data collection, submission, and processing. Feedback gathered within this timeframe would be consolidated to refine the system before the effective date of the standards</p> <ul style="list-style-type: none"> ○ It was asked whether <i>prisma</i> could be developed to accommodate the new standards and the upcoming RaCP, while the interim version continues using the current process since <i>prisma</i> is still under development. ○ A member emphasised to not overly concern over <i>prisma</i> integration, as it primarily serves as a platform for users to input data. The foundational data requirements for the RaCP will remain unchanged; only some of the details are evolving. <i>prisma</i> is built on the basis of ensuring that whatever data needs to be submitted as part of the audit process will be entered into the system. For example, inputs such as the number of hectares under RaCP or the location of the RaCP project. These input requirements will remain regardless of whether the RaCP is updated to version 2, 3, or beyond. ○ A member sought an example of what makes it complicated to proceed with a 2018 version of the RaCP now and simultaneously work on a 2024 version when it comes to <i>prisma</i> integration. The Secretariat explained that one of the complications arises in the procedural steps for growers and ISH, where the delineation of social and environmental liabilities is not very clear-cut. The new standards have clarified how HCV and HCS forests are to be assessed. If these requirements are embedded into <i>prisma</i> while simultaneously trying to align them with the 2018 RaCP, inconsistencies may come up. The baseline requirements for submitting data like shapefiles for concession areas would remain as it is, but the specific details on how these submissions are processed and guided (such as the LUCA document) would need refinement. Attempting to align the system with the 2018 RaCP could create issues, such as the absence of HCS requirements in the 2018 version, while membership requirements specify that if forests were cleared back in 2018, integrated assessment results would be required. These are some of the alignment concerns identified. ● Some members echoed the idea of preparing and releasing everything as one document. While they agreed it makes sense to prioritise the grower RaCP document for a faster release, they emphasised that for the effectiveness of the documents, it may be better to complete both grower and smallholder sections within 	

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	<p>the next 12 months. If this can be achieved, it would be more beneficial to release everything as one document.</p> <ul style="list-style-type: none"> ● A member also suggested conducting the public consultation for both growers and ISH earlier, then finalising comments, to allow time for later <i>prisma</i> integration. They noted <i>prisma</i> is still in its initial phase and not yet receiving modified requests. The public consultation process could help identify necessary data points and alignments for integration. <i>Prisma</i> should support updates/adjustments to data points over time. <ul style="list-style-type: none"> ○ However, it was clarified that a lot more work remains on the smallholder side before the document is ready for public consultation. In the July BHCVWG meeting, the idea was raised to release the grower section for public consultation first and work on the smallholder section separately. It was also noted that if both grower and smallholder sections are included in a joint public consultation, it would need to be scheduled later next year, after further development of the smallholder section. Discussions at the time also addressed the possibility that if the consultation were postponed to next year to include smallholders, it might make sense to further delay it to incorporate the 2024 standard changes, as the timelines would overlap. ● A member pointed out that, regardless of whether something is released immediately for growers up to 2018, the aim is to still release a RaCP document next year that would cover both smallholders and growers, incorporating the 2024 standards. The question is whether something can be released beforehand as an interim solution to cover the outstanding issues from the 2018 P&C. However, they also noted whether this can be done depends on the grower consideration document sent out, which will determine what might block this at this point. ● A brief walkthrough of the other key points from the consideration document circulated earlier was provided to further assist the group in deciding whether to have an interim version: <ul style="list-style-type: none"> <u>Under the growers' consideration:</u> <ul style="list-style-type: none"> ○ Base references for RaCP V2: Members are okay with referencing the 2018 standard while planning to include the new standards, thus not an issue. ○ Scope of applicability: This concerns both ISH and growers in RaCP v2, with a reprieve for ISH that needs to be considered. ○ LUCA components: This mainly affects smallholders. While growers provide information from disclosure documents, including HCV and HCS assessments, smallholders tend to use 	

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	<p>a simplified approach. This process may not be obvious in the main document but was noted in the consideration document.</p> <ul style="list-style-type: none"> ○ Membership-related components: Focuses on aligning procedures before membership to avoid conflicting information between RaCP v2, the website, and other guidance and normative documents. ○ Audit: Primarily on data management, but as discussed, feedback from the public consultation could help close any gaps. <p><u>Under the independent smallholder document:</u></p> <ul style="list-style-type: none"> ○ The key point is how to address the latest version of RaCP v2 in response to GA Resolution 18-2D, particularly regarding the risks for smallholders. <ul style="list-style-type: none"> ● A member acknowledged the potential confusion caused by having different requirements depending on whether one is looking at the RaCP or the rest of the membership. They noted that this issue would persist regardless, as the current RaCP references the 2013 standards, meaning confusion will remain until the document is fully updated a year from now. They also acknowledged having potential communication barriers if the RaCP is updated but not aligned with the current standards. ● It was noted that if the 2018 grower document could be separated to address the key outstanding issues (as noted in the consideration document), a timeline should be considered. If resolving these issues would add 6–8 months, it might not be worthwhile. However, if it could be completed within a few subgroup meetings and finalised soon, it seems worth doing it. <ul style="list-style-type: none"> ○ The Secretariat noted that no solid timeline has been established yet apart from the 12-month period following the adoption of the new standards. The Secretariat also suggested including the RSPO Assurance and Technical team in discussions, as their input would be beneficial for aligning data processing and disclosures from growers and ISH. The group agreed with this suggestion and requested the team to also review the document against the 2024 standards. ○ Several members also echoed the idea of having a focus group discussion, noting that it should not take long and could help quickly review the document. The focus group would accelerate the process and finalise the document. ○ It was noted that subgroups under CTF2, such as GIS and Grassland, are still active, and others, like Smallholder and Social Issues, could be restarted to allow previous members to enable the discussion quickly. 	<p>The Secretariat to coordinate with the RSPO Assurance and Technical teams and identify the components requiring further improvement in preparation for the next CTF2 meeting.</p>

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	<ul style="list-style-type: none"> It was strongly emphasised that clarity is needed on whether the group will be reignited to only focus on the 2024 standards and release the entire document for next year, disregarding the 2018 version, or to work on both and still consider a split. This decision will affect the timeline. A member suggested that if the groups are restarted, the focus should be on addressing the specific outstanding points (outlined in the consideration documents) while still aiming for a split to meet the BHCV July's request to release a document aligned with the 2018 requirements for growers. Simultaneously, work can continue on a combined version against the 2024 standards. The Secretariat could assist by identifying the outstanding points needing resolution and determining whether they would differ under the 2024 standard. If some points remain unchanged, they will not delay the progress. However, if certain requirements change under the new standards, these can be marked for incorporation in the new version. This approach will address immediate needs while continuing work on the next version for release next year. <ul style="list-style-type: none"> There were no objections to the suggestion of working on both versions simultaneously. Based on the old timeline, following this approach would keep the work on track, as tasks would progress almost in parallel. In regards to subgroups, it was noted that having multiple subgroups had not worked well in the past due to changes at the Secretariat and other challenges. It was emphasised that the agenda must be pushed through without delays. <ul style="list-style-type: none"> Several suggestions were made to change how subgroups are managed. There was discussion about consolidating subgroups rather than having them be subject-specific, as there are currently too many subgroups, and members struggle to volunteer due to other commitments. It was suggested to review the composition and consider consolidating subgroups. If sufficient representation cannot be achieved, alternative approaches, such as involving consultants or more invited experts, were proposed. A member highlighted the importance of maintaining the right balance of expertise, especially in critical topics such as social liability. The Secretariat noted that if having multiple subgroups is not feasible, a single subgroup could address the identified components requiring improvement. This could be accomplished through 1–3 focused meetings to tackle specific issues effectively. 	<p>The Secretariat to propose and circulate a timeline via email after SSC updates or post-standards adoption. Subgroups to resume once clarified.</p> <p>The Secretariat to review member composition and availability, discuss with the chairs, and circulate the proposal within CTF2</p>

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	<ul style="list-style-type: none"> ○ The Secretariat was also advised to steer the group actively to ensure progress and avoid stagnation. If subgroups are not functioning as intended, this should be raised promptly, and the subgroups can be reconstituted as needed. A member also noted that smaller issues could be resolved during main meetings to gain consensus without forming additional subgroups. ● A 1–2 day plenary or workshop was suggested to finalise the documents. ● The Secretariat inquired if the document would need to be field-tested, noting that public consultation alone might be sufficient for now, however, asked for members' views on whether this is something to consider now or later. <ul style="list-style-type: none"> ○ A member mentioned that more attention should be given to scheme smallholders and independent smallholders, as these are the two groups that have not yet done RaCP. They highlighted the need to handle this carefully and work closely with the relevant teams. Another member agreed on the importance of field testing, especially for smallholders. ● The Secretariat was requested to check with the SSC on the proposal to split the documents and work on both versions simultaneously. They were also asked to confirm the requirements for public consultation and whether a field trial would be needed for an interim version before restarting the group discussions, as this would affect the timeline. 	<p>Secretariat to consult SSC on the proposal, confirm PC requirements, and determine if a field trial is needed.</p>
4	<p><u>AOB</u></p> <ul style="list-style-type: none"> ● Members were requested to review the previously circulated consideration documents and provide any comments within two weeks. It was noted that if there are no objections to the outcomes decided within one week, the process can proceed. 	
5	<p><u>END</u></p>	