

RSPO Biodiversity and HCV Committee (BHCV)

Minutes of the 12th MEETING held on 6th June 2011

**Meeting Room at Kenanga Room, Hotel Santika Premiere, Jalan Aipda K.S. Tubun,
Jakarta, Indonesia.**

| Organisation | Present (wa = with apologies) | Representative | Acronym | Status |
|------------------------------------|-------------------------------------|---------------------|---------|------------------------------------|
| Conservation International (CI) | No | Tim Killeen | TK | Member |
| | Yes | Jatna Supriatna | JS | Member (Alternate) |
| WWF | Yes | Cherie Tan | CT | Member |
| | No | Adam Harrison | AH | Member (Alternate) |
| IFC | No | Catherine Cassagne | CC | Member |
| MPOA | Yes | Simon Siburat | SS | Member |
| | No | Calley Beamish | CB | Member |
| MusimMas | No (wa) | Gan Lian Tiong | GLT | Member |
| Sipef Group | Yes | Oliver Tichit | OT | Member |
| ZSL INA | Yes | Sophie Persey | SP | Member (Deputy Chair)/Alternate |
| | No | Laura Darcy | LD | |
| WildAsia | No | Reza Azmi | RA | Member |
| | No | Sheila Rajah | SSR | |
| ISPO Consulting | No (wa) | Purwo Susanto | PS | Member |
| | No | Neny Indriyana | NI | Member (Alternate) |
| Industry MY | Yes | Henry S. Barlow | HSB | Member, Chair |
| RSPO Secretariat | No | Darrel Webber | DW | Secretary General |
| | Yes | Salahudin Yaacob | SY | Technical Director |
| | Yes | Desi Kusumadewi | DK | RILO Director |
| | Yes | Intan Mecca | IM | Admin & Fin Coord. |
| LFP-Shemsi Sdn. Bhd. | Yes | Stan Rodgers | SR | Observer |
| CABI Intl. | No | | | |
| WWF-MY | No | Surin Sukswan | SUS | Member |
| | Yes (Skype) | Dayang Norwana | DN | |
| WWF-Indonesia | Yes | Irwan Gunawan | IG | Invited |
| Daemeter Consulting | Yes | Rahayu Harjanthi | RH | Invited |
| HCVNetwork | Yes (Skype) | Heather Ducharme | HD | Invited |
| | Yes (Skype) | Christopher Stewart | CS | Invited |

1. Opening and welcome

HSB opened the meeting at 0900 hr and welcomed those present and outlined his concern over the recent letter in the Financial Times by Dr Basiron, CEO of MPOC that related to the possible development of a Malaysian equivalent to the Indonesian ISPO. He then invited CT to address and manage the meeting. She introduced the invited participants Irwan Gunawan from WWF-Indonesia, who is also the chairman of the HCV-RIWG, and Rahayu Harjanthi from Daemeter Consulting who will update the meeting on the study conducted by Daemeter Consulting on the barriers to effective implementation of HCV in Oil Palm. She then introduced the staffs from the RSPO Secretariat and Indonesia office, before moving around introducing the members and chair of BHCV committee who were present at the meeting. She asked DK and IM to take the minutes. SY assisted in preparing for the minutes.

CT informed the WG members that she will be leaving WWF by the end of June, and will no longer be part of the WG. WWF will nominate a replacement in due course. The group also then need to nominate a new Co-Chair.

2. Acceptance of agenda

The agenda was agreed by all.

3. Minutes of the previous meeting

CT gave credit to Sheila Rajah for well-prepared minutes of meeting. Comments or corrections required are:

- Inconsistency in using the acronym
- The use of ISPO as Purwo Susanto's organisation created confusion with the Indonesian Sustainable Palm Oil standard (ISPO). It should be written as ISPO Consulting. Section 5.0a. word mapping of WG is 'inaccurate' to be changed to 'incomplete'
- Section 5.0b – change 'principle 4.3' to 'criteria 4.4'
- Page 8 - SS requested for a change on the name of the place in Central Kalimantan where the HCV AdHoc WG went to recently; it should be Seruyan

Apart from this, the previous meeting minutes of BTC were accepted.

4. Main agenda items

a. Brief Introduction by Technical Director (SY)

SY introduced himself to the WG members. He was a botanist by training and has a Master of Philosophy degree in environment and natural resource management. Prior to joining RSPO, he works with a certification body (SGS) for 12 years. Before that he was at WWF (5 years) as well as work in an environmental risk management firm (3 years).

b. Discussion on HCV-RIWG Management and Monitoring Draft and HCV Compensation Mechanism Draft

Irwan Gunawan (IG) provided brief that he has taken over the chairmanship of the RIWG from Pak Daud Dharsono on March 26. Currently it is still in the process of getting transfer of documents from the previous committee. He also stressed that the RIWG works require more NGO involvement.

IG went through the ToR and memberships of HCV-RIWG. CT asked if the membership is on personal or organisation basis. DK responded it is on organisation basis. The Draft HCV Management and Monitoring is more advanced than the Draft HCV Compensation mechanism. A public consultation has been held with stakeholders pertaining to the Draft HCV Management and Monitoring document. Field test has also been done but both the public consultation and field test results had yet to be incorporated to improve the document. Field test were conducted in PT. Smart, Asian Agri and Lonsum, while Wilmar and Sampoerna Agro will only provide inputs. The WG was questioning the applicability of the document. CT requested more field tests to be done in oil palm plantations of WG grower members, i.e. Wilmar, Sime Darby, Musim Mas and SIPEF. SS and OT predicted it will take approximately 3 months to complete the field test. SR raised concerns over the practicality of the "guidelines" and their use in a field test in that they contain no "shalls" and thus lacked any mandatory requirements and SP was concerned that they offered no guidance on how the guidelines were to be applied in the practical sense. IG felt the English translation may not well capture the Bahasa Indonesia intention or meaning. IG also mentioned the need to ask the current members of HCV-RIWG if they still willing to volunteer in this work. After further discussion it was agreed that the draft should be circulated for comment and that the comments should be considered at the next

meeting. SR agreed to provide a template for use by those responding in order to ensure the comments could be dealt with consistently and effectively. The field tests were to be delayed until such time as the draft was more fully developed. Detail on this issue to be discussed at the next meeting.

SS raised the need to engage the government for the legal status of HCV in Indonesia. This is very key to enable the HCV concept be well implemented in Indonesia.

Action:

SR to provide template and RILO to circulate the M&M draft along with the template for comments by Committee members and discussion at the next meeting. IG to review English translation for accuracy.

As for the Draft HCV Compensation mechanism, it is still quite far from completion. The first draft has been developed and according to the work plan it should be consulted with GAPKI members, before being tabled and circulated to all HCV-RIWG members. However, the consultation has not been materialized despite the draft has been available since September 2009. The current position of GAPKI towards the RSPO has made it even more challenging to have the consultation to happen. With these circumstances, RILO, in consultation with the HCV-RIWG chairman, will take the opportunity where the RSPO Indonesia grower members gathering in Jakarta for the NPP national meeting on the 9th June 2011, to organise a consultation on Draft HCV Compensation Mechanism with them right on the following day, i.e 10th June 2011. The invitation for the said consultation has been circulated.

c. Update on Daemeter Consulting Study on Barriers to Effective Implementation of HCV in Oil Palm

Rahayu Harjanthi (RH) from Daemeter Consulting briefed the meeting on the progress of the WWF project 'Overcoming barriers to effective implementation of HCV in oil palm plantation in Indonesia' conducted by them. 22 people/individuals were interviewed including NGOs, growers and certification bodies. The followings are summary of the findings:

- Divergence of interpretations of the P&C and the consistency of definitions used in the toolkits
- Lack of toolkits as guidance
- Different opinion on legal aspects of HCV
- HCV in oil palm industry, legalisation and would it be acceptable to all parties and the use of the toolkit on non forest landed ?
- A data clearing house may need to be established

The committee discussed the need to improve the toolkit and suggested the following:

- To little guidance on the landscape identification process
- Too much emphasis on biodiversity
- Toolkit should cover monitoring and measuring
- Training was needed on assessing landscape, decision making for management and the role of the team leader

A public forum on preliminary results from the study will be held on 4th July 2011, and a completed report shall be available on the 14th July for public consultation, before the final report can be submitted to the RSPO on 31st July 2011. SR commented that 2 weeks is too short time and that 2 months would be more appropriate for stakeholders to submit inputs and feedbacks. CT agreed to bring this concern to Daemeter.

The meeting requested an update on Sime Darby case. SY explained that SD has submitted documents on Stage 1 and Stage 2 of their plan. The two documents are now with the RSPO Grievance Panel who will communicate directly with SD on the progress.

d. Update on the Compensation facilitated process

CT informed the meeting that a TOR has been developed, presented and approved by the EB for engaging a consultant to develop a 'Working Guidance to Members on Compensation'. The meeting discussed the draft TOR/proposal submitted by the consultant. CT made direct revision to the proposal based on the WG comments. The comments made are:

- The work should start with document review
- Circulate the summary findings
- Consult with other members
- Project work plan
- Cooperate with this WG
- Should not limit only to Indonesia and Malaysia but also include Rest of the World (ROW) particularly PNG, Africa and Latin America
- Consultant should provide a summary of the work process followed to develop the guidelines

SR questioned if the project will be funded by BACP. CT responded that it will be funded by the RSPO given the complexity in applying for fund to BACP.

DK raised a question if the working guidance on compensation to be developed by the consultant can be regarded as the generic guidelines on compensation, where each country not only Indonesia can then develop the national interpretation document. OT supported the thought.

CT asked if at this stage the WG can agree with the proposal or if more consultants to be invited to submit the proposal. HSB queried if other consultants have been approached. CT responded that Teoh Cheng Hai and Proforest had been approached; however both declined due to the resource constraint in meeting the short timeline. The WG then agreed to proceed with the identified consultant (ERE and Dr Mikhaail Kavanagh) with adjustment to the TOR as above.

Other relevant issues discussed:

- The application for new RSPO members should include statement that the company must be aware of P&C requirement.
- Formation of a 'Compensation Working Group (CWG)' where the member must comprise of BHCVWG with possible inclusion of others particularly the growers. DK reminded that CWG can also mean Criteria Working Group. It was decided that it will be named as Compensation Task Force (CTF).

Action:

CT is requested to brief the consultant on the necessary adjustment to the ToR/proposal.

e. BACP Project Activities

1. BACP objectives, targets and funding

SY to consult SR on how to move forward with BACP project proposals. End date for submission in end of August 2011.

2. Concept Note to extend the ZSL Biodiversity and Oil Palm Project by 1 year

Sophie Persey (SP) provide brief on the ZSL project proposal 'Developing the capability & competency of RSPO stakeholders to mitigate impacts on biodiversity' being prepared for submission to BACP. The project comprise of various components and require support from partners particularly growers. CT requested the project to involve more growers, and not only with Wilmar. SR cautioned the risks of BHCVWG to approve proposal from within WG members.

ZSL is requesting support from RSPO. The WG discussed the request and agreed for RSPO to provide endorsement letter to ZSL on the proposal. SY to prepare and issue a support letter to ZSL agreeing to the project in "principle" as ZSL had yet to fully define the project.

Action:

SY to prepare for the necessary support letter from the RSPO to ZSL.

3. HCV Resource Network Training Plan

Heather Ducharme (HD) and Christopher Stewart (CS) joined the meeting through teleconference. HD provide brief on the HCVRN proposal on HCV training plan for RSPO HCV assessors, the auditors and the growers. The proposal is being built based on the previous work done by RN. In summary:

- The proposal is divided into two parts; training module development and the implementation
- Course preparation is targeted to be done between Jul – Sept 2011
- Actual training is targeted to be done at least two this year
- Cost of the training to be beared by the participants
- Cost content about HCV process and the technical content of the HCV assessment
- Targeting mainly at the assessors (HCV and the CB)
- But may require different module targeting at the growers

SR raised the issue that the training proposal lacked any reference to the competence outcomes to be achieved by successful completion of the training.

HD to work with SY in putting the project proposal for submission to BACP.

Action:

SY to liaise with HD on developing the HCV training project for assessors and growers

f. Update on the RSPO Approved HCV Assessors

SY provide following updates on the HCV assessors:

- Currently there are 74 registered HCV assessors on the RSPO web with three different dates of expiry
 - o 11 March 2011 – 16 individuals
 - o 26 April 2011 – 35 individuals
 - o 14 July 2011 – 23 individuals
- Means that about 70 % of the assessors has their registration expired as it is now
- Some independent assessors are also functioning/operating as a CB assessor
- Some has not done any HCV assessments
- No assessors for PNG, Thailand, Africa and Latin America
- Quality control of the HCV report
- Auditors may not have sufficient experience and knowledge to evaluate quality of HCV report
- HCV assessment and report on existing plantation ?
- To facilitate the process of re-approval, the BHCV WG has prepared these documents
 - o HCV Assessor Application process
 - o HCV Assessor Application Renewal Process
 - o HCV Assessor Review Process
 - o HCV Assessor sub-committee process
- What need to be done ?
 - o Extend the expiry date of all Assessors registration
The WG left it to SY discretion on the duration of the extension of the assessors' registration; a staged arrangement may be an alternative.
 - o Request for re application by all assessors
 - o Review the application
 - o Decision on acceptance
 - o Publication of a new approved assessor list

The WG agreed with the SY proposal on moving forward. SY to prepare a document to be forwarded to EB for endorsement.

Action:

SY to prepare for the proposal on moving forward with the current registration of RSPO approved HCV assessors to be endorsed by the RSPO EB.

5. Any other business

The WG asked to invite Dwi Rahmat Muhtaman, the chairman of the HCV Resource Network Indonesia, at the next BHCV meeting

6. Next Meeting

It was agreed by all that the next BHCV meeting will be held on the 21st-22nd of July in Kuala Lumpur and meeting will commence at 0900hrs

The meeting closed at 5.20 pm.

H.S. Barlow
Chairman
6th June 2011

Documents discussed:

1. BTC Minutes of 11th Meeting on 28th March 2011
2. Compensation facilitated process (ERE proposal)
3. ZSL Biodiversity & Oil Palm Project

Documents attached: Nil