

<b>13<sup>th</sup> Meeting of RSPO Biodiversity and HCV Working Group (BHCV WG)</b>			
<b>Date</b>	July 22, 2011 (Friday)		
<b>Venue</b>	Hotel Istana, Kuala Lumpur		
<b>Attendance</b>	Henry S. Barlow (HB)	Sime Darby	Chair
	Sophie Persey (SP)	ZSL	Member *appointed as Co-Chair on July 22, 2011
	Dayang Norwana (DN)	WWF-MY	Member (alternate)
	Purwo Susanto (PS)	ISPO Consulting	Member
	Tim Killeen (TK)	Conservation International	Member
	Dwi R. Muhtaman (DM)	Aksenta	Member
	Stan Rodger (SR)	LPF-Shemsi Sdn Bhd	Observer
	Glen Reynolds (GR)	Royal Society	Invited
	Norazam Abdul Hameed (NH)	Sime Darby	Invited
	Lee Swee Yin (SY)	Sime Darby	Invited
	Mikaail Kavanagh (MK)	ERE Consulting Sdn Bhd	Invited
	Salahudin Yaacob (SY)	RSPO Technical Director	Secretariat
	Julia Majail (JM)	RSPO Taskforce on Smallholders & Dispute Settlement Manager	Secretariat
	Audrey Lee Mei Fong (AL)	RSPO Biodiversity and Conservation Manager	Secretariat
<b>Absence with Apology</b>	Adam Harrison	WWF	Executive Board (EB) member
	Simon Siburat	MPOA	Member
	Gan Lian Tiong	PT Musim Mas	Member
	Oliver Tichit	Sipef Group	Member
	Surin Sukswan	WWF-MY	Member
	Reza Azmi	Wild Asia	Member
	Marcus Colchester	Forest Peoples Programme	Member
<b>Absence</b>	Irwan Gunawan	WWF-ID	Invited
	Jatna Supriatna	Conservation International	Member (alternate)
	Catherine Cassagne	IFC	Member
	Neny Indriyana	ISPO Consulting	Member (alternate)
	Calley Beamish	MPOA	Member (alternate)
	Sheila Rajah	Wild Asia	Member (alternate)
<b>Agenda</b>	Laura Darcy	ZSL	Member (alternate)
	0900 – 0930 <ul style="list-style-type: none"> <li>• Welcoming remarks from the chairperson- Dato Henry Barlow</li> <li>• Introduction of new members by RSPO's Technical Director- Salahudin Yaacob</li> <li>• Acceptance of agenda</li> </ul>		

0930 – 1230	<p>Main agenda items:-</p> <ul style="list-style-type: none"> <li>• New co-chair</li> <li>• Confirmation of previous minutes (BHCV meeting on 6th June 2011)</li> <li>• Update on HCV Compensation mechanism- ERE                             <ul style="list-style-type: none"> <li>- BHCV WG to propose on Compensation Working Group (CWG) members</li> <li>- Develop ToR for CWG</li> </ul> </li> <li>• Discussion on Sime Darby Plantation’s HCV Remediation Plan                             <ul style="list-style-type: none"> <li>- RSPO to accept/ not to accept the stage 2 report &amp; comments from BHCV WG</li> </ul> </li> <li>• Introduction of Royal Society’s SEARRP – Dr. Glen Reynolds</li> </ul>
1430-1430	Lunch break and Friday Prayer
1430-1600	<p>Updates</p> <ul style="list-style-type: none"> <li>- Update on field investigation of the RSPO Ad Hoc Working Group on HCVs in Indonesia – <i>Pak Asril</i> (Pak Dwi, Purwo)</li> <li>- Indonesian government shift in forest policy- <i>Pak Asril</i> (Pak Dwi, Purwo)</li> <li>- Update on BACP proposals from ZSL, Proforest, Pan Eco- Salahudin Yaacob</li> <li>- Update on issues from Executive Board’s meeting - Salahudin Yaacob                             <ul style="list-style-type: none"> <li>▪ HCV assessors</li> <li>▪ RSPO P&amp;C</li> <li>▪ RSPO certification system</li> <li>▪ Certification systems Clause 4.2.4 revision</li> </ul> </li> <li>- Discussion on New Planting Procedure (NPP) revision – Salahudin Yaacob</li> </ul>
1600-1700	Any other business (AOB)

## 1) Welcoming Remarks, Introduction and Acceptance of Agenda

Meeting started at 9:10am. Members of meeting introduce themselves followed by SY explaining the reasons of inviting few non-members to attend this meeting i.e. Norazam, Lee Swee Yin from Sime Darby, Glen Reynold from Royal Society and Mikaaail Kavanagh from ERE consulting.

The agenda was accepted with suggestion from the chairman, HB to include the date for next meeting in the agenda. Due to the absence of Pak Asril from Indonesia, 2 updates related to Indonesia will be presented by DM.

## 2) Main Agenda

### 2.1 New Co-chair:

EB approved that the BHCV WG needs to have a co-chair to ensure balanced representation. Since Cherie's resignation, the WG needs to find a replacement from an eNGO. Adam Harrison has mentioned that Anders Lindhe will take over the work of Cherie but will not take the Co-Chairmanship.

HB suggested representative from WWF-MY or ZSL. SP from ZSL volunteered and the WG agreed to the new appointment.

### 2.2 Confirmation of Previous Minutes

SP requested the group to amend page 2 last paragraph to ...“SP imagined it would be difficult to have HCV monitoring guidelines but it is not equipped with “how to do it”.

PS requested the group to amend on page 3 third paragraph on action to...“Field test were conducted in PT Smart, Asian Agri and Lonsum while Wilmar and Sampoerna Agro only provided inputs.”

SR pointed out a few missing points in the previous minutes which include update by Daemeter, divergence of definition and interpretation, requirement of HCV should be recognized, 2 months public consultation, update on compensation process, endorsement letter from RSPO secretariat on ZSL BACP proposal should be in principle not in full endorsement etc. **SR will provide a written note to the secretariat to improve on the minutes.**

### 2.3 Update on HCV Compensation Mechanism

Before the presentation from MK on the background, objective, deliveries, and timeline of the compensation project, SY briefed the group on the expectation to gather inputs from the BHCV WG and also to form a WG on compensation.

It was agreed by the group and consultant that the proposal should be completed before RT9 (Nov 2011) for the general assembly discussion and approval.

The WG decided that all the BHCV WG members will be part of the compensation task force and the task force is parked within this WG. Core team members namely SP (ZSL), WWF, NH (Sime Darby); Simon Siburat (Wilmar); Peter Heng (Golden Agri Resources) will work closely with ERE to provide inputs for the document/ guideline. **First input to be provided by the core team to ERE by July 29 2011.**

The CTF members comprise all the current BHCV WG members with additional invitations to experts. Names proposed including Junaidi Payne, NH (Sime Darby); Simon Siburat (Wilmar);

Peter Heng (Golden Agri Resources). Other RSPO members could participate during the public consultation process and BBOP will be consulted but not during the development of this document.

SR asked clarification on the deliveries from the consultant. MK explained that the deliverable would be one guidance document which covers principles and recommendations for compensation options. SY reminded the group that the final document will need to be presented during the RT9 and then endorsed by the EB.

PS questioned why the scope of the work only looks into compensation for plantations established from 2005-2007, and not include post 2007 plantations. TK explained that all RSPO members should have complied with the RSPO P&C since the standard started in 2007 but there is a transition period between 2005 to 2007 during the finalization of the standard. TK further elaborated that he defines 2005-2007 as compensation for HCV and post 2007 as remediation for HCV. SY added that RSPO P&C was only finalized by 2007 and post 2010, new plantations procedures (NPP) is implemented as guidance.

PS informed the group to take note on the Indonesian HCV toolkit refers to outdated data dated in 1985, but a lot of potential HCV are destroyed during the 1997 El-Nino forest fire which is not captured in the HCV definition, it will be a challenge for the RSPO members to identify the HCV within this context. TK explained that redefine HCV and interpret HCV in an oil palm context will be another separate task which the secretariat will need to look into this gap.

**ERE will present on the first draft document during the 1<sup>st</sup> CTF meeting on August 22, 2011.**

## **2.4 Discussion on Sime Darby Plantation's HCV Remediation Plan**

The purpose of the discussion is to decide if the stage 2 report is comprehensive and BHCV WG to either proposes RSPO secretary general to sign on the document for Sime Darby to proceed into the next stage.

DM and NH jointly present on the report. NH notified the group that scope for stage 1 report include all the plantation from 2005-2009 but it was agreed by Sime Darby, Aksenta and RSPO previously that the stage 2 report will focus on plantation established between 2007-2009. The implementation of the remediation will covers the entire plantation established after 2005.

SY mentioned that comments were received from TK, Ander Lindhe (WWF) and AL (RSPO secretariat) on the report. Stage 2 report was circulated among all BHCV WG members, **HB suggested to share the report with non-members i.e. SR, MK, GR.**

PS suggested Aksenta/ Sime Darby to avoid using primary forest in the report due to the rampant illegal logging activity in the forest reserve in 1998. It was also brought up to PS's attention that there are no HCV 5 and HCV 6 in this report. NH responded that it should be HCV and not primary forest. AL showed the table of HCV 1-6 which includes recommendation of different remediation for each HCV.

TK stressed that all the converted area would be defined as potential HCV if the clearing was done without a HCV assessment. It is the responsibility of the company to prove the converted land is not a HCV.

TK explained to the group the basis of his concern regarding the report based on the satellite imagery provided in this report and the conclusion made out of the analysis by Aksenta. He commented that the methodology is robust but the analysis seems not accurate and excludes some of the potential HCV in the findings.

PS questioned the validity of the satellite imagery and source of data. He proposed the consultant and company provide a set of satellite imagery prior to 2008 to provide more historical background on the area.

SP enquired on the landuse around the plantation units and questioned the practicality of including a long term remediation plan in the report. She worried over the land tenure and how the company could ensure the implementation of the remediation plan in a long run.

Before the group made a decision on this report, the chair HB, NH, SY, DM left the room to avoid a conflict of interest.

The decision was NOT to accept the stage 2 report:

- i. The report needs to be reviewed to ensure that appropriate tools and baseline information are used for the retrospective HCV analysis.
- ii. The retrospective analysis of the HCVs in the plantations under review should be submitted for peer review by an external expert, prior to resubmittal to the RSPO Secretariat
- iii. The remediation plan needs to be revised to provide more clarity on the logic of the decision-making processes and the recommendations with more specific information provided as to the real long-term potential outcome, rather than an emphasis on the outputs of the review process.
- iv. Sime Darby should resubmit the report to RSPO Secretariat within one month from the date of this decision
- v. The Stage 3 phase of this compensation process should incorporate an evaluation of the potential HCV lost between 2005 – 2007.

Sime Darby and Aksenta were given 1 month to get back to the RSPO secretariat. The revised report will need to be submitted by August 22, 2011. Failure to follow the decision above will have implications for Aksenta and Sime Darby.

## 2.5 Presentation from Royal Society

Presentation handout is attached to the minutes. GR mentioned Sabah Foundation will be developing 100,000 ha of oil palm plantation within their concession areas.

### 3) Updates

#### 3.1 Field investigation of the RSPO Ad Hoc Working Group on HCVs in Indonesia

Secretariat to circulate notes to all BHCV WG members.

#### 3.2 Indonesian government shift in forest policy

Copy of the press statement on the recent policy change in Indonesia was circulated during the meeting. DM highlighted that the policy acknowledged adat rights which is positive to him but it might also encourage more oil palm expansion by the people and potentially create land disputes with the companies.

Notes: The Chairman suggested that the members from Indonesia might brief the WG about this and the implication to the industry. Action by DM

#### 3.3 BACP proposals from ZSL, Proforest, Pan Eco

SP briefed the group that ZSL's proposal covers 2 main objectives which are a) long term monitoring of HCV management and evaluation of effectiveness of the management activities; b) Establish database on all the HCV management activities for practitioners.

ZSL requested co-funding (\$3,614) from RSPO secretariat and SY will discuss internally and reply to SP. SR advised that ZSL's proposal is now under review by BACP.

SY mentioned Proforest's proposal for a RSPO roadshow in Africa.

#### 3.4 Issues from Executive Board's meeting - Salahudin Yaacob

##### 3.4.1 HCV assessors

Only 1/3 of the HCV assessor's approvals are still valid. EB has agreed to extend the validity of all assessors for another 6 months. RSPO secretariat will notify all the assessors to submit their re-applications and they will be reassessed by the secretariat. If there are any doubts on the qualification, secretariat will then seek advice from the BHCV WG for final decision.

The new application will be valid for 3 years. Announcement on the extension and new applications need to be done asap by the RSPO secretariat.

##### 3.4.2 RSPO P&C

Generic P&C is to be reviewed by 2012. SY presented a schedule on this task. SR identified a gap in the activities which is the review process does not include field testing. The revised P&C needs to be field tested in one of the big companies as well as with smallholders. The final draft is targeted to be completed before RT10 2012.

PS enquired on the status of GAPKI. TK and SY responded that GAPKI is still a member of RSPO but all their 3 requests i.e. super veto, no P&C review and no NPP implementation were rejected. According to TK and SY, GAPKI is facing internal leadership problem and they should resolve these issues before we engage with them on discussion.

### **3.4.2 RSPO certification system**

Certification system documentation will be reviewed together with the P&C. Currently the supply chain standard is part of the supply chain certification system document under annex 6. It was proposed and agreed by the board to create a separate standard for the supply chain and combine the generic certification document and certification document for the supply chain to avoid repetition.

### **3.4.5 Certification systems Clause 4.2.4 revision**

Clause 4.2.4 about partial certification was revised and approved by the EB on March 3, 2011. RSPO secretariat will soon update the certification document and post it on the RSPO website.

SR proposed to replace “challenging time-bound plan” to “time-bound plan” in the revised 4.2.4. SY mentioned that the wording has been approved by the EB and he will need to get EB’s approval on this amendment.

## **3.5 NPP**

SY explained that there are 5 steps involved in the NPP which are:

- i) Impact assessment
- ii) Implementation plan
- iii) Verification by certification bodies
- iv) Public notification
- v) Grievance and dispute resolution

It was recommended by the EB that certified oil palm plantations can skip step 3. PS noted on the requirement for step 1 might delay NPP implementation in Indonesia because AMDAL the assessment takes more than a year.

## **4.0 AOB**

SP request members of BHCV WG to review ZSL’s proposal and she will circulate the proposal to the group.

14<sup>th</sup> BHCV WG meeting is scheduled on October 4, 2011 and 15<sup>th</sup> BHCV WG meeting on November 21<sup>st</sup>, 2011 (Kota Kinabalu)

**The meeting closed at 4.30 pm.**

**H.S. Barlow**  
Chairman

# RSPO

Roundtable on Sustainable Palm Oil

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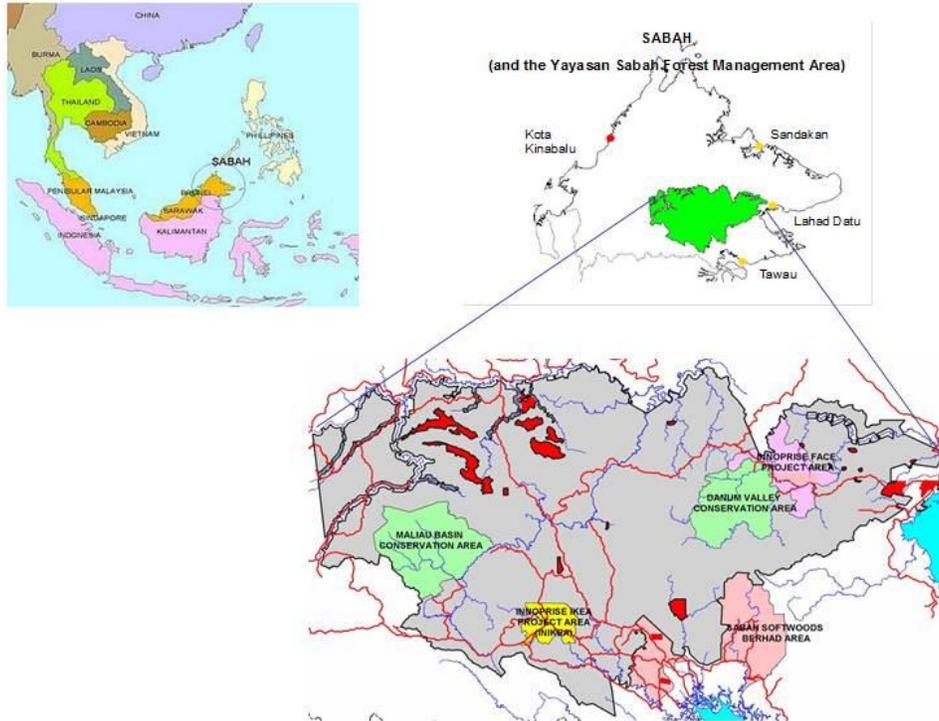
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## The Royal Society South East Asia Rainforest Research Programme (SEARRP)

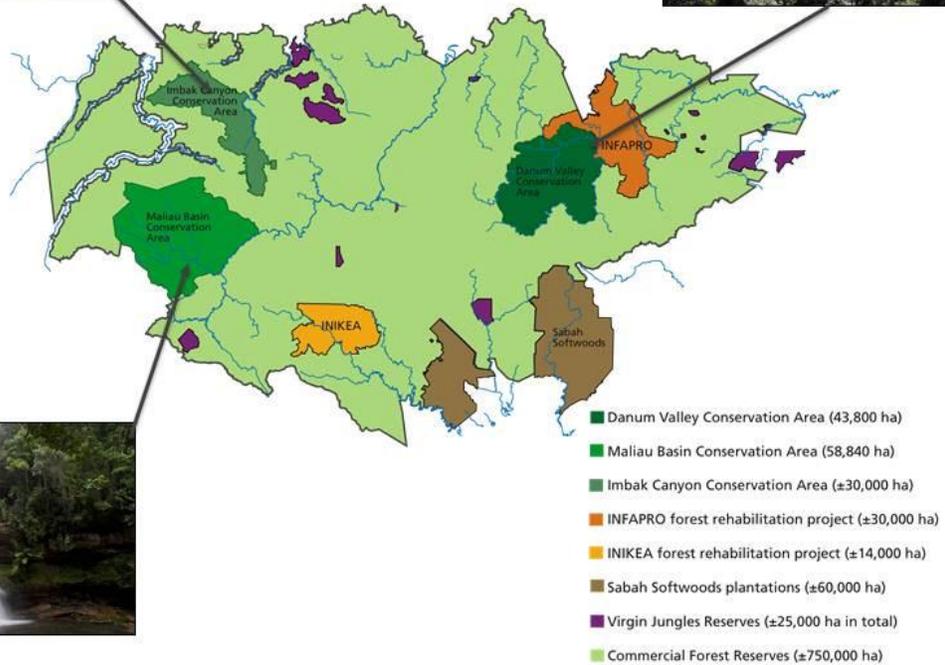


## Location: Danum Valley & surrounding forests, Sabah, Malaysian Borneo





Yayasan Sabah Forest Management Area













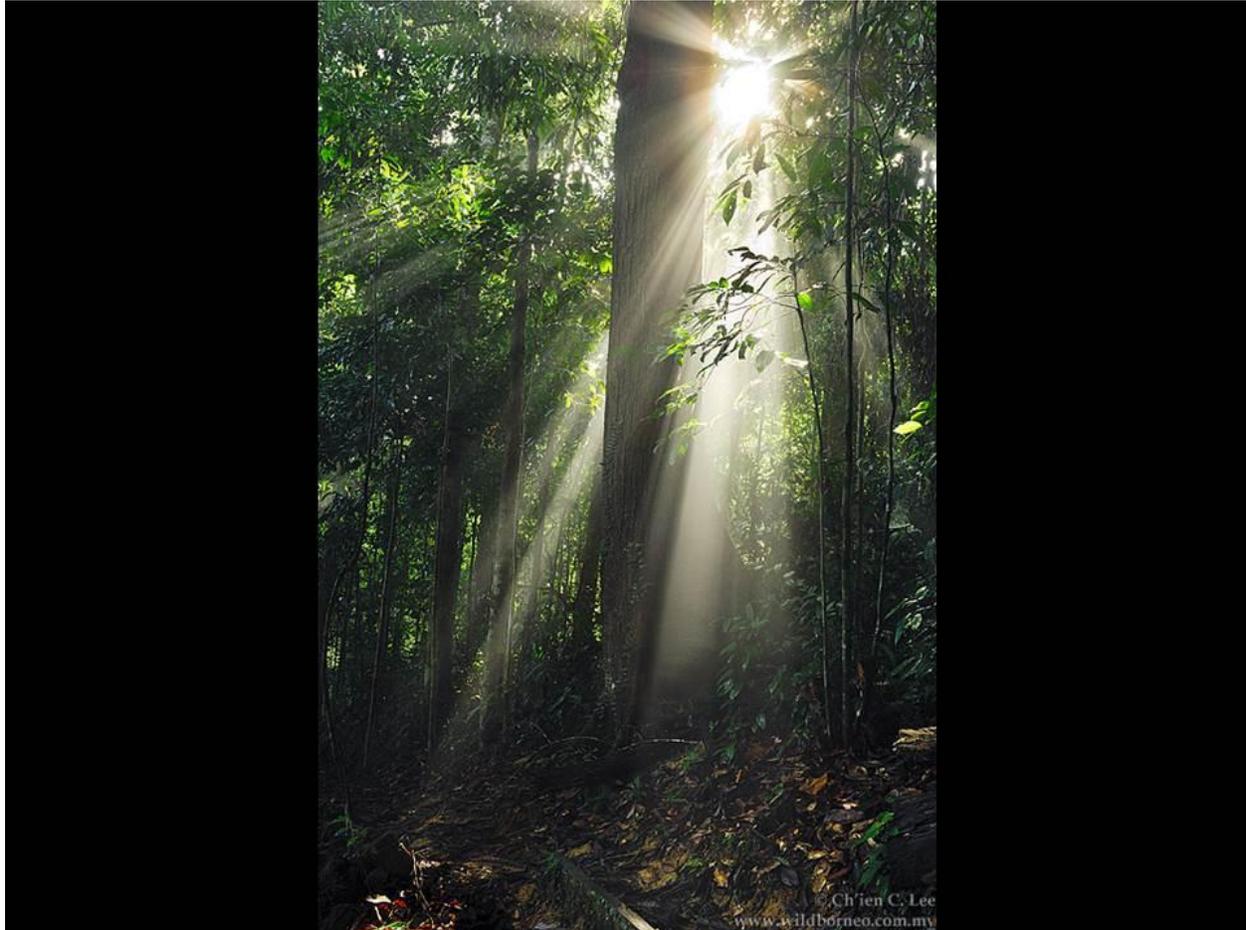
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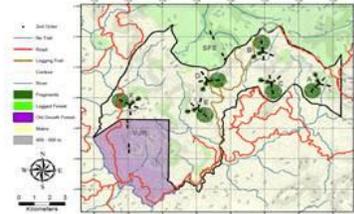
## Royal Society SEARRP

### *Key findings*

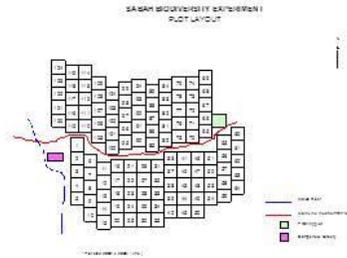
- Overall biodiversity (across a range of taxa) shows considerable resilience to disturbance by selective logging – though rare endemics are generally disproportionately impacted
- Even heavily degraded logged forest retains high biodiversity value – but little economic value leaves it vulnerable to land-use change
- The rainforest canopy supports much higher levels of biodiversity than previously thought – accounted for largely by species living within canopy epiphytes
- Lowland forests show considerable resilience to drought with little overall increase in mortality
- Forest recovery, in terms of erosion, takes longer and is more complex than formerly assumed – with a secondary erosion 'peak' 15 – 20 years after logging
- Average rainfall in Sabah is increasing – as is the incidence of extreme rainstorms, with major implications in terms of erosion (even in primary forest) and land slides
- The major threat to forests of Borneo is probably fire; degraded and fragmented forest highly fire prone. Rainforest rehabilitation, to improve structure, is therefore essential



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## Sabah Biodiversity Experiment



## CTFS 50 ha plot



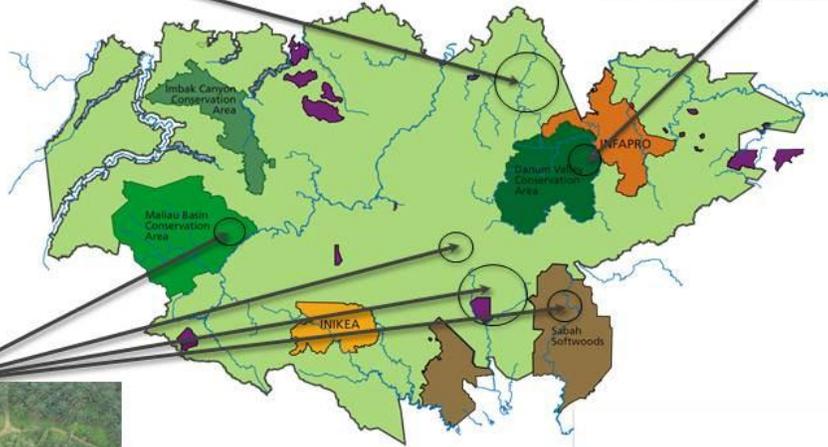


**Sabah Biodiversity Experiment**

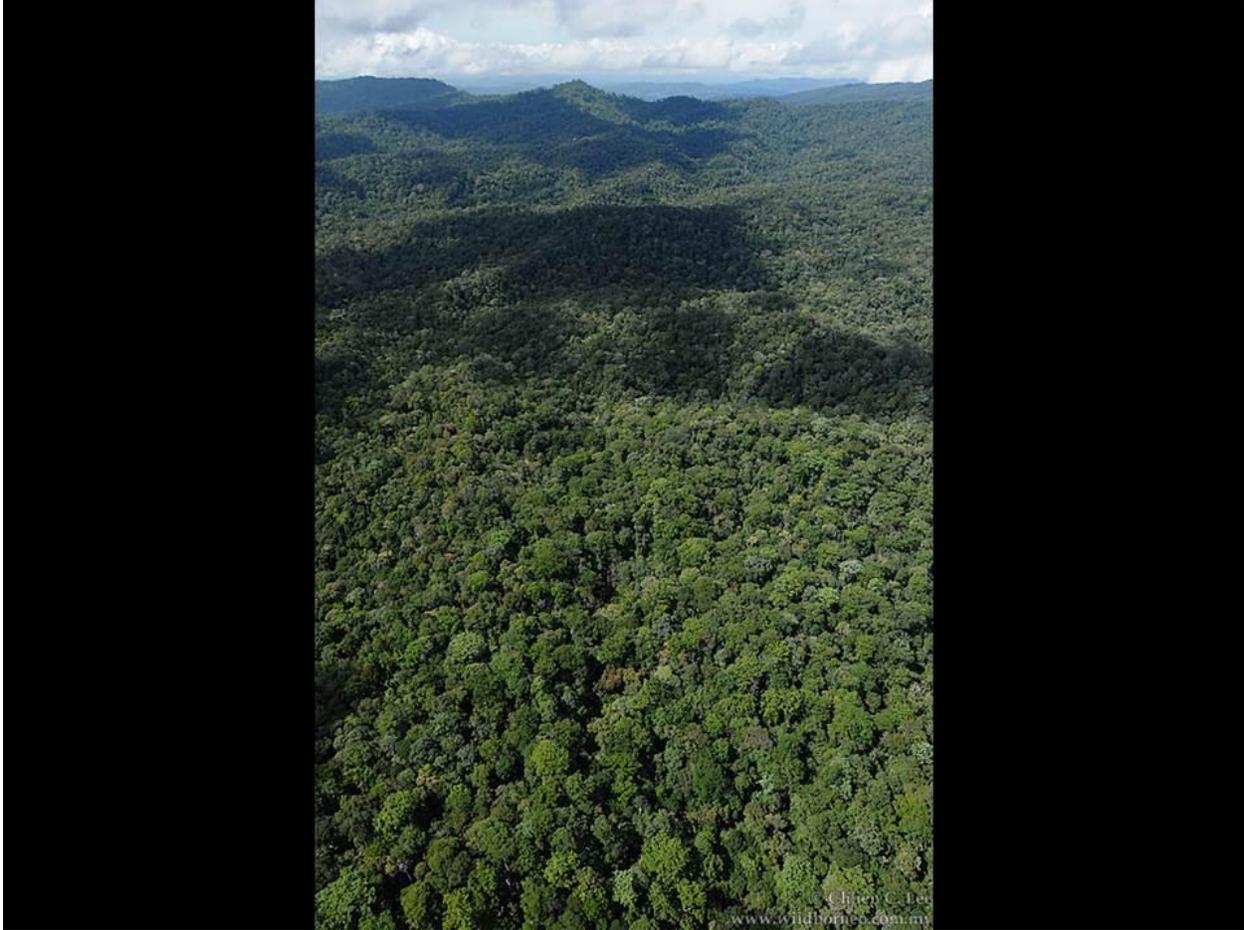
**CTFS 50ha plot**



**Yayasan Sabah Forest Management Area**









## Royal Society SEARRP

### *Key findings – plantation related research*

- Natural forest areas within plantations contribute significantly to biodiversity
- Larger fragments contribute more than smaller fragments – since they contain more species and hence provide greater opportunity for 'spill-over'
- Very small fragments (in the order of a few hectares) appear to have little conservation value – but may act as stepping-stones through plantation landscapes....more research required
- The quality of forest patches is important in maintaining conservation values
- Plantations support significant levels of biodiversity – but mostly comprising cosmopolitan generalists of relatively low conservation value
- Epiphytes (particularly birds' nest ferns) are important for maintaining biodiversity within plantations
- Decomposition within plantations appears to be largely contingent on a very few species – mainly one species of termite i.e. ecosystem functioning may be fragile
- Isoprene and other VOC emissions rates differ greatly between natural forests and oil palm plantations
- Land-use change may cause very significant air quality issues unless general emissions of oxides of nitrogen are controlled







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### BHCV WG Meeting Attendance Sheet

Date: 22 July 2011 (Friday)  
Time: 0900 - 1700  
Venue: Hotel Istana, KL

No.	Name	Organization	Initial
1.	Henry S. Barlow	S Darby	H. Barlow
2.	Dayang Norwana	WWF-MY	Dayang Norwana
3.	Sophie Persey	ZSL	Sophie Persey
4.	Reza Azmi	Wild Asia	
5.	Purwo Sunsanto	ISPO Consult	Purwo
6.	Tim Killeen	Conservation International	Tim Killeen
7.	Dwi R. Muhtaman	Aksenta	Dwi R. Muhtaman
8.	Glen Reynolds	Royal Society	Glen Reynolds
9.	Stan Rodgers	LPF-Shemsi Sdn. Bhd.	Stan Rodgers
10.	Norazam Abdul Hameed	Sime Darby	Norazam Abdul Hameed
11.	Salahudin Yaacob	RSPO	Salahudin Yaacob
12.	Mikaail Kavanagh	ERE	Mikaail Kavanagh
13.	Julia Majail	RSPO	Julia Majail
14.	Audrey Lee Mei Fong	RSPO	Audrey Lee Mei Fong
15.	LEE SWEE YIN	SIME DARBY	LEE SWEE YIN
16.	<del>SUCI A. H. H. H.</del>		
17.			
18.			
19.			
20.			