

MINUTES OF MEETING OF RSPO

14th RSPO CTF MEETING

Minutes for RSPO CTF

Date: 5th February

Start Time: 9.00 am

Venue: AKMANI Hotel, Jakarta, Indonesia

Attendance

Members and Alternates

Anders Lindhe (AL, HCVRN)
Anne Rosenbarger (AR, WRI)
Audrey Lee Mei Fong (ALMF, OLAM)
Cahyo Nugroho (CN, FFI)
Cecep Saepulloh (CS, Remark Asia)
Darmawan Liswanto (DL, FFI)
Dwi Muhtaman (DwM, Remark Asia)
Elizabeth Clarke (EC, ZSL)
Gan Lian Tiong (GLT, MM)
Ginny Ng Siew Ling (GN, WILMAR)
Glen Reynolds (GR, SEARRP)
Harjinder Kler (HK, HUTAN)
Jennifer Lucey (JL, SEARRP)
John Payne (JP, BORA)
Lee Swee Yin (LSY, SIME)
Marcus Colchester (MC, FPP)
NorAzam Abd Hameed (NaH, FGV)
Olivier Tichit (OT, SIPEF)
Peter Heng (PH, GAR)
Richard Kan (RK, GAR)
Sophie Persey (SP, REA)
Tang Men Kon (TMK, SIME)
Michal Zrust (MZ, Daemeter)

RSPO Advisors

Secretariat Staff

Oi Soo Chin (OSC, RSPO)
Dillon Sarim (DS, RSPO)

Absent with Apologies

Henry Barlow (HB, Independent)
Audrey Lee Mei Fong (ALMF)
Melissa Yeoh (MY, WWF MY)
Michael Brady (MB, IFC)
Lanash Thanda (LT, SEPA)
Simon Siburat (SiS, WILMAR)

Agenda

First Day

1. Opening Meeting by Co-chair
2. Feedback on compensation panel call (challenges and improvement)
3. Update on status of projects and budget
4. Finalisation of TOR for compensation proposal/plan reviewer and appointment of evaluator
5. Finalisation of text to Complaints Panel to clarify what cases can be sent to the BHCVWG
6. Presentation on Proposed Mechanism to Deliver HCV Compensation
7. Discussion on Compensation Proposal Format
8. Update, discussion and feedback on BBOP workshop
9. Finalisation of guidance on conservation/biodiversity projects criteria
10. Update on vegetation coefficient study
11. Finalisation of TOR for LUC reviewer and review of LUC guidance for NPP and collecting input for guidance revision
12. Update on disclosure and compensation cases to date
13. Discussion on revision of Compensation Procedures
14. Smallholders issues and communication/interaction with other WGs
15. Closing meeting

Item	Description	Point Person
1.0	<i>Opening Meeting by Co-chair</i>	
1.1	<u>Opening of meeting</u>	
1.1.1	The co-chair (OT) opened the meeting by welcoming RSPO CTF members and participants. He then briefly went through the agenda of the meeting.	
1.2	<u>Approval of Minutes of previous meeting</u> OSC apologised for the delay in sending out of the minutes.	
1.2.1	AR clarified that 11.0.3 is meant for LUC guidance for New Plantings Procedure (NPP).	
1.2.2	Action Point: 1. Members to go through minutes and provide comments if any via email.	CTF
1.3	<u>Signing of Code of Conduct (CoC)</u>	
1.3.1	MC raised his concerns over signing of the CoC to the co-chairs. As a human rights organisation supporting rights of communities affected by oil palm development, it was their duty to share knowledge with the right stakeholders. FPP will not sign any agreement which will stop them from sharing important information with affected parties. The current text in the CoC prevents them to share with the affected communities' important information.	
1.3.2	AR commented that there is no precedence within the RSPO for the TF to refer to. AR suggested that the TF develop a creative solution that could satisfy everyone. She reminded members that it is important to have participation of social NGO in the TF and their expertise is needed. AR suggested an adapted CoC could solve the issue.	
1.3.3	GN asked if MC could come out with suggested text and MC replied that if the TF could accept the principle of his concerns, he will come out with suggested text for the CoC.	
1.3.4	PH reminded members that the CTF is a multi-stakeholder collaborative process to find amicable solutions to compensation issues. In order to solve the issues, information sharing is important and asked how the TF can mobilise expert resources such as FPP. PH also asked how the TF can ensure that information is shared in a responsible manner. PH commented that if the information shared is to create headlines or to make an issue more complex, then the action is questionable. He then reminded members that everyone signed the CoC as individuals and it is their responsibility to ensure that information is safe with them even they are no longer part of the TF.	

Item	Description	Point Person
<p>1.3.5</p> <p>1.3.6</p> <p>1.4</p> <p>1.5</p> <p>1.6</p> <p>1.7</p> <p>1.8</p>	<p>AR thanked PH on the helpful summary and asked what possible solutions to define intentions and responsibilities were, and how to accommodate the situation. PH suggested getting help from a lawyer to frame the risks that the TF is trying to manage.</p> <p>OT asked MC whether the communities that FPP represents would benefit more if the organisation participates in the CTF. MC asked members to imagine the credibility of FPP if an affected community FPP was working with found out that they had important information with them all along but did not share it with them. If it was not allowed, then FPP will recuse itself from specific discussions in the TF.</p> <p><u>Decision made:</u></p> <ol style="list-style-type: none"> To amend the current CoC to address the issue. Everyone will re-sign the amended version of the CoC. <p><u>Action Point:</u></p> <ol style="list-style-type: none"> MC and AL to draft new wordings to address the issue and incorporate it into the CoC. <p><u>Update on the CTF representative</u></p> <p>OSC informed members that WILMAR will no longer be representing MPOA. Dr. Ruslan Abdullah will be attending the meeting representing MPOA as an alternate to FGV.</p> <p><u>Update on Subgroup Tasks</u></p> <p>OSC presented the current progress of the subgroup tasks to the TF. Thirteen tasks have been completed and there are still six ongoing tasks.</p> <p><u>Action Point:</u></p> <ol style="list-style-type: none"> To re-circulate the subgroup tasks document to the TF. To compile existing and future documents in a single dropbox folder for convenience. Interactive documents will be shared on Google Drive. 	<p>AL & MC</p> <p>OSC OSC</p>
<p>2.0</p> <p>2.0.1</p>	<p><i>Feedback on Compensation Call (Challenges and Improvement)</i></p> <p>OSC provided feedback on the first compensation call organised on 15th January 2015. The main issues raised were:</p> <ol style="list-style-type: none"> Lack of quorum. Incomplete panels due to conflict of interest. Absence of panel members during the call. The unavailability of a compensation proposal reviewer is delaying the compensation progress of companies who have already submitted compensation proposal. 	

Item	Description	Point Person
<p>2.1</p> <p>2.2</p>	<p><u>Decision made:</u></p> <ol style="list-style-type: none"> 1. Quorum for compensation panel call is 3 out of the 4 panel member. In case quorum is not achieved, the panel may request to reschedule the call. 2. Absent members can provide their inputs prior to the call and it will be considered a voting position. 3. Notes taken during the compensation call must be endorsed by the panel before sharing it to the respective companies. Panel members must revert to the secretariat within two days. 4. In cases when a compensation call is postponed or lack of quorum, the call will be rescheduled. Meetings can be held earlier if there is significant development which requires a decision before the next scheduled call. 5. The TF agreed that SIPEF and MM can proceed with the certification process, but are subjected to future inputs from compensation proposal reviewer. 6. Introduction session during compensation call is maintained to confirm attendance of panel members before discussions. The session can also be used to provide updates to members. Panel members who are not able to attend the introduction session may inform Secretariat earlier. <p><u>Actions:</u></p> <ol style="list-style-type: none"> 1. To circulate the compensation call documents one week before the call. 2. To remind companies to provide a concept note to the RSPO before submitting their compensation proposal. 3. To look at companies which have submitted LUC and inform them that submission of their concept note is the next step. 	<p></p> <p>DS</p> <p>DS</p> <p>DS</p>
<p>3.0</p> <p>3.0.1</p> <p>3.1</p> <p>3.2</p>	<p><i>Update on Status of Projects and Budget</i></p> <p>OSC presented the budget highlights to the TF.</p> <p><u>Decision made:</u></p> <ol style="list-style-type: none"> 1. Item 8.4.7 shall be treated as cancelled and the budget originally allocated be transferred to 8.4.8. 2. To add new item (8.4.9) on the budget list for compensation proposal reviewer. Budget to be extracted from other item on the list with lower priority (E.g. Outreach programme in Africa). <p><u>Action Point:</u></p> <ol style="list-style-type: none"> 1. To update the budget document to match the current spending. 	<p></p> <p></p> <p></p> <p>OSC</p>

Item	Description	Point Person
4.0	<i>Finalisation of TOR for compensation proposal/plan reviewer and appointment of reviewer/evaluator</i>	
4.0.1	OSC stressed the importance of having the TOR finalised in order to begin hiring the compensation proposal reviewer.	
4.0.2	OSC informed members that MB has recommended a consultant who worked for the IFC as a potential candidate for compensation proposal evaluator. MZ expressed Daemeter’s interest to apply for the position. Members who have an interest in the position were invited to leave the room.	
4.0.3	<p>Concerns raised by the TF regarding the TOR included:</p> <ol style="list-style-type: none"> 1. Does the TF need a full time consultant? 2. How long is the engagement period? 3. Does the TF need multiple consultants based on geographic expertise? 4. Does the company choose its own evaluator? 5. Who is going to pay the compensation proposal plan evaluation cost? 6. How do we ensure independence of the consultant when reviewing the proposal? 	
4.1	<p><u>Decision made:</u></p> <ol style="list-style-type: none"> 1. To limit number of organisations hired to ensure consistency of evaluation exercise. Due to expertise and geographic knowledge limitation, there should be one organisation hired per region. 2. To publish the TOR on the RSPO website for public tender. The Secretariat may proactively reach out to consultants and inform them of the open tender. 3. The suggested ‘initial period’ for the tender is nine months. 4. Only compensation proposal is to be reviewed by the evaluator, not the concept note. 	
4.2	<p><u>Recommendations:</u></p> <ol style="list-style-type: none"> 1. GN recommended the organisation ‘KEHATI’ for Indonesia. 2. The proposal must address/include remediation areas (Point 2 of Annex 1 – This would also include changes to the SOP). 3. To refer to respective NIs in the evaluation process. 4. MC reminded members that the TOR should have very clear terms on conflict of interest. Consultants must provide assurance to the RSPO that they are genuinely independent and free from conflict of interest. 5. Proposed that the cost of the compensation proposal evaluator be absorbed by the RSPO Secretariat. 	

Item	Description	Point Person
4.3	<p>Action Point:</p> <ol style="list-style-type: none"> 1. CTF to send in comments by the end of Feb 2015 and JP and GR will improve the TOR. 2. To post the tender on the RSPO website and reach out to potential candidates. 	CTF OSC
5.0 5.0.1 5.0.2 5.1	<p>Finalisation of Text to Complaints Panel to Clarify what Cases can be Sent to BHCVWG.</p> <p>OSC sought endorsement from the TF members on the note from the BHCVWG to the RSPO Complaints Panel. The TF went through the document and endorsed it. See Annex 2.</p> <p>MC volunteered to reword the text in the document for clarity.</p> <p>Action Point:</p> <ol style="list-style-type: none"> 1. To send the document on 12/02/2015 to the complaints panel. 	OSC
6.0 6.0.1 6.0.2 6.0.3	<p>Presentation on Proposed Mechanism to Deliver HCV Compensation</p> <p>SP presented the proposed mechanism to deliver compensation projects (Annex 3). The TF agreed that this could be a good mechanism, however acknowledged that there are issues which needs to be looked into:</p> <ol style="list-style-type: none"> 1. How is the money handled by the independent grant body? 2. How do we guarantee long-lasting of a project? 3. Which country should the grant body organisation be based in and what are the tax implications? <p>The TF acknowledged that more thought should be put on the proposed mechanism before proposing to the Board. The TF also advised the secretariat to bring the proposal to the RSPO Secretary General to find out whether the idea is worth exploring.</p> <p>Action Point:</p> <ol style="list-style-type: none"> 1. To discuss with DW about the proposed mechanism 2. To work on the proposed mechanism. 	OSC GN, SP, GR, MZ, & EC
7.0 7.0.1	<p>Discussion on Compensation Proposal Format</p> <p>AR informed members that there was no updated version of the compensation proposal format prepared by AH. AR proposed to set up a sub-group to look through the document and it should consist of members who have attended the BBOP workshop.</p>	

Item	Description	Point Person
7.1	<p>Action point: To go through the compensation proposal format.</p>	AH, AR, EC and OT
<p>8.0</p> <p>8.0.1</p> <p>8.0.2</p> <p>8.0.3</p> <p>8.1</p>	<p>Update, Discussion and Feedback on BBOP Workshop</p> <p>AR updated members about the one and a half day workshop on designing and implementing biodiversity compensation projects delivered by Forest Trends in Jakarta. AR invited members who attended the workshop to share their views/opinions.</p> <p>AR informed members that Forest Trends have shared preliminary findings of the workshop. A more detailed report will follow.</p> <p>OT highlighted the importance of including annual monitoring budget into the plan. AR reported that participants from the workshop, particularly companies, would like to have independent third parties to monitor their projects.</p> <p>Action Point: 1. To circulate the notes provided by Forest Trends to members.</p>	AR & RSPO
<p>9.0</p> <p>9.0.1</p> <p>9.0.2</p> <p>9.0.3</p>	<p>Finalisation of Guidance on Conservation/Biodiversity Projects Criteria</p> <p>Individuals were assigned to provide further guidance for each of the conservation criteria. AL presented ‘<i>additional</i>’ criteria to members. MC reminded members that the compensation procedure is very controversial and if not thought through carefully, it could backfire onto the RSPO. See Annex 4.</p> <p>MC raised his concerns over providing compensation funding for existing Protected Areas which is usually the government’s responsibility and maintained in the interest of the public. Members felt that ‘<i>additionality</i>’ should also include unmanaged protected areas. JL suggested that any decision to fund existing protected areas be based on threats and risks to the area, which could be supported by scientific evidence.</p> <p>MC presented the ‘<i>equitable</i>’ criteria to members. AR commented that to ensure consistent terminology with existing compensation guidance document, the term offset should be changed to compensation areas. GN also suggested removing the word independent from 7.1 as conservation organisations do not usually carry out independent environmental and social impact assessment for conservation project.</p>	

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<p>9.0.4</p> <p>9.1</p> <p>9.2</p>	<p>JL presented the <i>'Knowledge-based'</i> criteria to members. SP asked if the prioritisation guidance will be attached to the current document. Members then recommended to attach the priority hierarchy guidance document to the knowledge-based document.</p> <p>Decision made:</p> <ol style="list-style-type: none"> 1. The TF agreed that 'additionality' should not include existing protected areas but could be accepted under exceptional circumstances. 2. To replace offset terminology with compensation area to ensure consistency. 3. To remove independent requirement from item 7.1 <p>Action points: To attach the priority guidance for conservation programme document as annex to the knowledge-based criteria document.</p>	<p>OSC</p>
<p>10.0</p> <p>10.0.1</p> <p>10.0.2</p> <p>10.1</p>	<p><i>Update on Vegetation Coefficient Study</i></p> <p>AL presented an update on the vegetation coefficient study to the TF. See Annex 5.</p> <p>AR flagged two issues related to the study. AR reminded members that an un-forested ecosystem can be included and depends greatly on the time of when it was cleared as mentioned by SiS. Definition of such areas must refer to the toolkit available at that time. Another issue was the capabilities of GIS, and how these areas (swamp areas with high conservation values) can be analysed using GIS/remote sensing.</p> <p>Action point:</p> <ol style="list-style-type: none"> 1. To send thank you emails to respondents who have contributed to the study. 2. To circulate the presentation to the TF members. 3. Subgroup to find out how to address the GIS analysis issue 	<p>RSPO</p> <p>AL AL, AR, GR, JP</p>
<p>11.0</p> <p>11.0.1</p>	<p><i>Finalisation of TOR for LUC reviewer and review of LUC guidance for NPP and collecting input for guidance revision</i></p> <p>AR apologised that the TOR is not ready for public distribution. She will circulate the current TOR to CTF member for comments. The subgroup will follow up on the LUC guidance revision for NPP and coordinate with the ERWG. Information gained from the staged implementation period may be used on revising the LUC analysis review guidance.</p>	

Item	Description	Point Person
11.1	<p>Action point:</p> <ol style="list-style-type: none"> 1. To circulate the draft TOR for comments 2. To develop a strategy of how to gain information from companies who have submitted their LUC 3. To reach out companies involved for comments/inputs 	<p>AR Subgroup DS</p>
12.0	<p>Update on Disclosure and Compensation Cases to Date</p> <p>12.0.1 DS provided updates on the progress of disclosure. Recommendations were sought on how to deal with non-submitters and next steps.</p> <p>12.0.2 AR suggested that the Secretariat actively remind members who have not submitted their LUC analysis, and find out reasons for the delay. Warning letters were sent out and reminders issued at every opportunity (outreach programmes/RT12). ALMF highlighted that smallholders should receive as much assistance as possible in terms of disclosing their LUC analysis.</p> <p>12.0.3 SP commented that the presence of two LUC checklists has created confusion. Both lists needs to be checked to ensure consistency. She suggested that the LUC checklist explicitly mentions that when conducting LUC analysis, companies' should factor in change of RSPO status in the analysis (time period).</p> <p>12.0.4 AR suggested members who have conducted a LUC analysis provide comments to improve the LUC checklist and guidance. AR commented that not only should status change (membership and/or certification) be highlighted, but also when calculating liability.</p> <p>12.0.5 AR and ALMF suggested that RSPO Smallholders Support Fund (RSSF) be tapped to support independent smallholders undertake LUC analysis and obtain RSPO certification.</p> <p>12.0.6 AR suggested asking SHWG to reach out to independent smallholders for liability disclosure. Specifically for Thailand, MC suggested Daniel May. For Malaysia, WildAsia and Indonesia SnV. Smallholders should be reminded that there will be a special fund to support staged implementation of compensation procedures.</p> <p>12.0.7 SP suggested that compensation procedures mention that liability disclosure should include PLASMA scheme in Indonesia.</p> <p>12.0.8</p>	
12.0.8	<p>Decision made:</p> <ol style="list-style-type: none"> 1. Upload list of non-submitters accompanied with notes on the RSPO website. Independent smallholders should be separated from companies and notes on assistance for independent smallholders should be added. Documents 	

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12.1	<p>should be provided in different languages (Spanish and French).</p> <ol style="list-style-type: none"> 2. OSC to attend the upcoming SHWG meeting to address/identify the issues with smallholder non-submitters. 3. The RSSF will be used to support smallholders in complying with the RaCP. <p>Action Point:</p> <ol style="list-style-type: none"> 1. To check with SY whether the CTF has the mandate to proceed with the public disclosure of non-submitters. 2. DS to check, revise and ensure LUC checklist prepared by him and Tania is consistent with the previous LUC guidance. Combine the two existing LUC checklist into one and upload it onto the RSPO website. 3. SP to revise the table and compile lesson learned from undertaking LUC analysis. AR volunteered to revise the templates with assistance from DS. 4. Secretariat to start reaching out to organisations working with smallholders. 	<p>OSC & DS SP & DS</p> <p>SP, AR & DS</p> <p>OSC & DS</p>
13.0	<i>Discussion on Revision of Compensation Procedures</i>	
13.0.1	The TF discussed on the next step for the revision of compensation procedure. There was concern on whether the revision will be done according to the RaCP calendar.	
13.0.2	She suggested that members discuss challenging sections of the procedures first rather than undertaking a sequential review exercise. For example, smallholders issue could be discussed first since representatives from SHWG will be invited to CTF meeting. Mechanism to deliver HCV compensation could also be explored first. OT reminded members that indicative figures for monetary compensation is also another challenging topic and suggested the Secretariat compile previous discussions on indicative figures.	
13.0.3	OSC informed members that the Secretariat has received a reply from MPOA regarding the cost of restoration study and justification on the proposed monetary value. OSC reminded members that the TF has decided to take into consideration the study done by MPOA when finalising the compensation procedures. The TF agreed that the issues regarding the monetary value needed to be addressed before the revision of the compensation procedure.	
13.0.4	Anders also mentioned that the definition and identification of 'commercial' and 'non-commercial' is also an issue. He commented that companies should be very clear with HCV assessment requirements for new developments by now. He highlighted that smallholders should be given more attention on this matter. He	

Item	Description	Point Person
	suggested that the RSPO reach out to more smallholders to ensure familiarisation on HCV requirements.	
13.0.5	SP suggested a survey on willingness to pay to investigate the issue further. The survey will involve all stakeholders.	
13.0.6	MC would like comments and input of the document titled <i>Guidance for remediation and compensation for social impacts of loss of HCV 4, 5 & 6</i> he has sent out by end of next week. He also pointed out that there was lack of information on social HCVs in the compensation FAQ. He volunteered to work with JP to work on the FAQ.	
13.0.7	MC pointed out that the TF has made a lot of progress in implementing the staged implementation of compensation procedures and companies have made significant progress in compensating HCV 1, 2 and 3. He reminded TF members that the process to drive compliance of HCV 4, 5 and 6 is also important. He explained that the communities impacted by the oil palm plantation development are often very poor and have been affected for almost 10 years. He would like an effort to drive compliance of HCV 4, 5 and 6 at the next TF meeting.	
13.0.8	AR said he has not seen a summary report on information on social HCVs non-compliance which is part of the disclosure template for compensation procedures. She suggested MC join the sub-group which works on the compensation proposal format.	
12.1	<p>Action points:</p> <ol style="list-style-type: none"> 1. To summarise the discussion on indicative figures for compensation (from previous meetings) and circulate it to the co-chairs. 2. Once the FAQ is circulated, CTF members are to provide their comments in one week. 3. To prepare a summary of HCV 4, 5, and 6 non-compliance 4. To circulate compensation proposal format document to MC to look at social HCVs section. 	<p>RSPO</p> <p>MB</p> <p>DS</p> <p>OSC</p>
14.0	<i>Smallholders Issues and Communication/Interaction with Other WGs</i>	
14.0.1	Anders led the discussion on communication/interaction with other working groups, specifically the SHWG. Anders reminded members the function of BHCVWG is to deal with HCV issues and highlight the importance to align with similar work, and improve communication between working groups.	
14.0.2	To reach out to the smallholders, the TF recommended to: <ol style="list-style-type: none"> 1. Align the next meeting with the SHWG 2. Invite the SHWG co-chairs to the CTF meeting 	

Item	Description	Point Person
<p>14.1</p> <p>14.2</p>	<p>3. Send the CTF co-chairs to attend the upcoming SHWG 4. Send the secretariat to attend the upcoming SHWG.</p> <p>Decision made:</p> <p>1. OSC will attend the next SHWG meeting on 25th to 27th of February 2015. 2. List of non-submitters will only be uploaded on the website after the meeting with the SHWG.</p> <p>Action Point:</p> <p>1. Once the FAQ is circulated, CTF members are to provide their comments in one week. 2. To prepare a summary of HCV 4, 5, and 6 3. Compensation proposal subgroups to circulate related documents to MC for HCV 4, 5, and 6 amendments.</p>	<p>OSC & CTF MC Subgroups</p>
<p>15.0</p> <p>15.0.1</p>	<p>Closing meeting</p> <p>OT closed the CTF meeting and thanked members for their participation. The next CTF meeting will be on 5th, 6th and 7th of May 2015 in Kuala Lumpur.</p>	

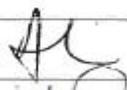
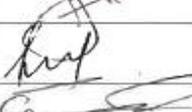
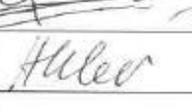
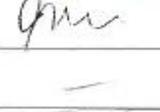
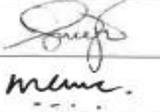
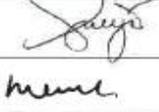
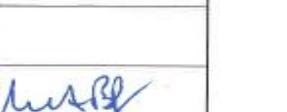
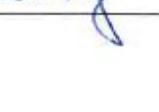
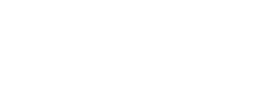
Attendance Sheet

RSPO

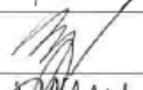
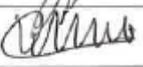
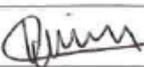
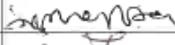
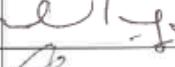
Roundtable on Sustainable Palm Oil

RSPO Secretariat Sdn. Bhd (Company No.: 787510-K)
Unit A-37-1, Level 37, Tower A, Menara UOA Bangsar,
No. 5, Jalan Bangsar Utama 1,
59000 Kuala Lumpur Malaysia

**14th/27th Meeting of RSPO CTF/BHCVWG
5th and 6th February 2015
AKMANI Hotel Jakarta, Indonesia**

#	Name	Organisation	Signature (CTF – 5 th)	Signature (BHCV WG – 6 th)
1	Adam Harrison	WWF Int		
2	Anders Lindhe	HCV RN		
3	Anne Rosenbarger	WRI		
4	Audrey Lee	OLAM		
5	Cahyo Nugroho	Fauna and Flora International		
6	Cecep Saepulloh	Remark Asia		
7	Darmawan Liswanto	Fauna and Flora International		
8	Dwi Muhtaman	Remark Asia		
9	Elizabeth Clarke	ZSL		
10	Gan Lian Tiong	Musim Mas		
11	Ginny Ng Siew Ling	WILMAR		
12	Glen Reynolds	SEARRP		
13	Harjinder Kler	HUTAN		
14	Henry Barlow	Independent		
15	Jennifer Lucey	SEARRP		
16	John Payne	BORA		
17	Lanash Thanda	SEPA		
18	Lee Swee Yin	SIME		
19	Marcus Colchester	FPP		
20	Melissa Yeoh	WWF MY		
21	Michael Brady	IFC		

Roundtable on Sustainable Palm Oil

#	Name	Organisation	Signature (CTF - 5 th)	Signature (BHCV WG - 6 th)
22	Norazam Abd Hameed	FGV		
23	Olivier Tichit	SIPEF		
24	Peter Heng	GAR		from 1430 
25	Richard Kan	GAR		
26	Simon Siburat	WILMAR		
27	Sophie Persey	REA		
28	Tang Men Kon	SIME		
29	MICHAL ZRUST	DACOMETON		
30				
31				
32				
33				
34				
35				

ANNEX 1

Terms of Reference

RSPO Compensation Proposal/Plan Evaluator

Background

The RSPO Remediation & Compensation Procedures was developed by the RSPO Compensation Task Force (CTF) at the request of the Board of Governors of the RSPO through a multi-stakeholder consultative process. It was ambitiously and strictly formulated by the CTF members with the aim to assist growers to attain full certification in all their operating units. On March 6th 2014, the Board of Governors of the RSPO endorsed the RSPO Remediation & Compensation Procedures related to Land Clearance without Prior HCV Assessment and accepted the recommendation of CTF to start a staged implementation.

The staged implementation requires all RSPO members who own and/or manage land for oil palm production to comply with all sections of the procedures up to section 7, Calculating conservation liability. The staged implementation period is designed to allow further information and experience to be gathered in order to develop complete procedure. Until the staged implementation period ends all members are encouraged to also volunteer to comply with the remainder of the document.

If they do proceed there are a number of requirements set out in the document:

First is the requirement for remediation of the site in question to ensure that it is managed to the best management practices set out in the relevant P&Cs and associated guidance.

Second is the requirement to directly negotiate adequate remediation and compensation to affected communities for any loss of social elements of HCV4-6.

Thirdly is the requirement to compensate for any remaining conservation liability as calculated. There are two options available to growers in order to meet their full compensation liability and they are presented in no order of priority and can be used in combination with each other:

Option1: numbers of hectares based on the calculated liability to be set aside or managed primarily to conserve biodiversity by the company and/or by a third party, within or outside the management unit.

Option 2: non-hectare basis by the company and/or by a third party for projects or programmes contributing to achieving conservation objectives, within or outside the management unit. An indicative figure of USD 2,500-3,000/ha of liability is put forward for consideration during year 1 of the staged implementation as the projected cost of such projects or programmes.

Companies entering 2nd phase of staged implementation voluntary must submit compensation proposals/plans to the compensation panels assigned to them. A compensation proposal/plan submitted must include a clear but brief assessment of both options, have clearly defined goals, time frames and responsibilities and deliver outcomes that are additional, long-lasting, equitable and knowledge based.

Objective

The objective of this consultancy service is to review and evaluate the compensation proposals/plans submitted by companies based on RSPO Remediation & Compensation Procedure and to provide recommendations to the Compensation Panel as to whether they are acceptable in terms of meeting the calculated liabilities of the companies in question and in line with the RSPO P&C criteria. A further objective is also to advise the RSPO on further development of the Procedure based on a review of initial proposals.

Output

The post will report to the RSPO Secretariat via the Biodiversity Coordinator/Compensation Coordinator.

The post will manage communication with the secretariat about the compensation proposals/plans in order to maintain the independence of the Compensation Panel from the companies involved.

The scope of services of the compensation proposal/plan evaluator is as follows.

- i. Review and evaluate compensation proposal/plans submitted by companies based on RSPO requirements (see **Annex 1** and **Remediation & Compensation Proposal/Plan Template/Format**)
- ii. Provide recommendations to the Compensation Panels on whether they should accept the proposals submitted.
- iii. Develop and test a set of criteria and system for assessing Compensation Proposals based on findings of the consultancy.

ANNEX 1 contains a set of questions that are the basis for the evaluation of individual proposals

Expertise required

- a. Familiar with RSPO P&C requirements and RSPO Remediation and Compensation Procedures.
- b. Significant experience in conservation project development, management and evaluation.
review
- c. Regional experience/coverage of the main areas where RSPO members and palm oil is present – SE Asia, Latin America and West and Central Africa.
- d. Relevant expertise in social and conservation science and preferred experience in palm oil sector. ~~tertiary qualification in natural sciences or equivalent with a minimum of three years' experience in flora and fauna survey or five years minimum if no tertiary qualification(s) in natural sciences (or equivalent) are held.~~
- e.—
- f.—

Avoiding conflict of interest

Prior to each evaluation, consultants will need to provide assurances to the RSPO that they are independent and have no conflicts of interest (including no commercial relations in the past 3 years) with the RSPO member seeking to apply the remediation and compensation procedure.

Likely scale of work:

- Possible numbers and areas

Timeline

Reports on individual Compensation Proposals should be made available within 30 days to the RSPO Compensation Panel.

Annex 1:

The report for each Compensation Proposal reviewed should address the following:

1. Is there adequate evidence that the Standard Operating Procedures of the members have been changed to ensure that there is no future failure to conduct an adequate HCV assessment prior to land clearance? In particular:
 - Do the SOPs comply with the New Plantings Procedure?
 - Do the SOPs require a Land Use Change Analysis as part of the HCV assessment?
 - Is their evidence that the management and workforce are aware of the provisions of the SOPs?

2. Is there an adequate plan to remediate areas that are prohibited by RSPO P&C that the site in question will or is being managed to the Best Management Practices relating to the relevant P&Cs? In particular:
 - Natural vegetation is restored on excessively steep slopes (Criterion 4.3.2)
 - Erosion control measures are introduced on plantable steep slopes (Criterion 4.3.2)
 - Existing plantations on peat are managed as per RSPO P&C ~~so that the watertable is maintained at an average of 50cm (between 40-60cm) below ground surface measured with groundwater piezometer readings, or an average of 60cm (between 50-70cm) below ground surface as measured in water collection drains-~~(Criterion 4.3.4).
 - Riparian buffer zones are adequately identified, restored and managed (Criterion 4.4.2);

3. Are the proposed plans for negotiating remediation and compensation with affected communities for the loss of social elements of HCV4-6 resulting from the clearance of the land without a prior HCV assessment adequate? In particular:
 - Any disputed areas are mapped out at an appropriate scale and in a participatory way with the involvement of affected parties (2.2.5 and 2.3.1)
 - All relevant information is in an appropriate form and languages (2.3.3)
 - Affected communities are represented through institutions or representatives of their own choosing, including legal counsel if requested (2.3.4)
 - Consultation and communication procedures documented (6.2.1)
 - A management official responsible is nominated (6.2.2)
 - A list of stakeholders and records of all communications (6.2.3)
 - A procedure for identifying any legal, customary and user rights that have been affected by the clearance is in place (6.4.1)
 - A procedure for calculating and distributing fair compensation is in place (6.4.2)
 - Outcomes of negotiated agreements shall be recorded (6.4.3)

4. Does the Compensation Plan ~~Concept Note~~ submitted to the Compensation Panel include a clear assessment of the pros and cons of the two options for further compensation and the rationale for the choices being proposed?
 - Option 1: Hectares to be set aside or managed primarily to conserve biodiversity by the company and/or by a third party, within or outside the management unit.

- Option 2: Monetary investment by the company and/or by a third party for projects or programmes contributing to achieving conservation objectives, within or outside the management unit.

5. Is the Compensation Proposal likely to deliver adequate conservation benefits given the scale of the estimated potential HCV loss as described in the Land Use Change Analysis? In particular:

- What are the goals and objectives of the proposal?
- What are the compensation activities proposed:
 - In-situ or ex-situ?
 - Habitat management including set-aside and/or restoration?
 - Other conservation investments?
- Are these activities likely to deliver conservation benefits that are:
 - Additional?
 - Long-lasting?
 - Equitable?
 - Knowledge-based?
- Are these activities likely to deliver the maximum conservation benefit and outcomes in relation to the invested resources?
- Do the planned activities take account of:
 - Regional conservation priorities?
 - The legal and regulatory framework?
 - Landscape conditions?
- Are the plans adequately resourced in terms of staff and money?
- Does the compensation proposal include the following description;
 - Baseline and milestones for proposed compensation and remediation activities
 - Budget available for ongoing work
 - Measures for monitoring, evaluation and adaptive management of proposed activities
 - Reporting protocol

6. Report to CTF on establishing criteria and a system:

The consultant should present a report to the CTF (after 1 or 2 years?) summarising the experience of reviewing individual Compensation Proposals and proposing a system for future reviews including:

- Proposed system – decision making body and timings
- Proposed plan template
- Proposed criteria
- Best practice in the design of compensation packages

ANNEX 2

Note from the Biodiversity and HCV Working Group to the RSPO Complaints Panel:

In accordance with the RSPO Principles & Criteria (P&C), RSPO palm oil producer members are required to have completed HCV assessments of their land holdings prior to any land clearance after November 2005. The intention is that areas of land under the control of RSPO member growers which contain or support HCVs is not, or has not been, cleared for planting after this date.

The Certification Systems rules of the RSPO require proof of compliance with this across all land holdings that a member manages and/or is linked to by a majority holding. (Refer to Certification Systems Document clause 4.2.4)

Failure to have conducted an HCV assessment prior to land clearing on any such land is potentially therefore a barrier to certification and ultimately a barrier to continuing RSPO membership.

Due to the problems associated with the introduction of the HCV framework and a lack of capacity to assess HCVs there is a possible widespread non-compliance with this requirement. In light of this the RSPO has decided that cases of a failure to conduct an HCV prior to land clearance after November 2005 will be open to review by the RSPO and the possibility of compensation by the member. If members voluntarily disclose such cases to the RSPO and are willing to enter into compensation then it is the view of the BHCVWG that such cases should not be treated as complaints. It may also be possible that such cases are raised with the Complaints Panel of the RSPO in which case they can be referred to the BHCVWG. If a compensation proposal is then accepted by the RSPO and proves to be successful in delivering the planned conservation and social benefits then the BHCVWG will recommended to the Complaints Panel that such cases can be considered as 'closed for monitoring' in relation to the identified issues.

To help the Complaints Panel to decide how to deal with such cases the BHCVWG has developed the following note:

The decision to develop Compensation and Remediation procedures was taken to address a very specific problem of the failure to conduct HCV assessments prior to land clearance after November 2005. It has not been designed to address all the possible failures by members to protect, manage and enhance HCVs as is required under the P&Cs. Therefore the BHCVWG would like to communicate to the Complaints Panel which [complaints to the Complaints Panel cases](#) involving potential and/or actual losses of HCV it intends to accept as potential Compensation Cases and which it will not.

1. Cases where no HCV assessment was conducted prior to land clearance after November 2005 will be accepted as potential Compensation Cases. These will include:
 - a. Land cleared after November 2005 which was or is under the control and/or management of RSPO members at the time when it was cleared;
 - b. Land cleared after November 2005 which was or is under the control and/or management of non-members at the time who are wishing to join the RSPO;
 - c. Land cleared after November 2005 under the control and/or management of non-members at the time and being or having been acquired by RSPO members.

2. Cases where HCV assessments were conducted prior to land clearance after November 2005 and where known and identified HCVs and/or HCVAs were subsequently damaged by the member during land clearance and any subsequent operations will NOT be accepted as potential Compensation Cases.

The following cases will not automatically be accepted as potential Compensation cases but may be treated as such under certain circumstances and the Complaints Panel should raise them with the BHCVWG on a case-by-case basis:

3. Cases where HCV assessments were conducted prior to land clearance after November 2005 and where known and identified HCVs and/or HCVAs were subsequently damaged because the member failed to adequately protect and/or manage the identified HCVs and/or HCVAs.
4. Cases where there is doubt over the adequacy or quality of an HCV assessment conducted prior to land being cleared after November 2005 and where subsequently there may have been damage of HCVs and/or HCVAs. This could include cases of HCVs not identified as part of the HCV assessment but which were encountered during operations.

In Such cases 3 and 4 may not be treated as per the current Compensation procedures and the BHCVWG reserves the right to vary the calculation of the compensation liability as well as the requirements to compensate for that liability depending on the merits of each case.

ANNEX 3

Proposed mechanism for delivering HCV compensation

Step 1

The CTF finalises detailed guidance and criteria for HCV compensation projects that would meet the agreed requirements (ie. HCV Compensation Project Criteria):

- **Additional** – adding to conservation efforts already planned or executed by other parties and to any measures required anyway by legislation or provisions in the RSPO standard;
- **Long-lasting** – through secure, long-term tenure agreements with authorities, land owners or lease-holders and with effective monitoring, review and evaluation of results that inform adaptive management;
- **Equitable** – through engaging and involving affected stakeholders in project planning, decision-making and implementation, fair and balanced sharing of responsibilities and rewards, and through respect for legal and customary arrangements; and
- **Knowledge-based** - based on sound scientific and/or traditional knowledge with results widely disseminated and communicated to stakeholders and partners in a transparent and timely manner.

Step 2

The CTF or RSPO would estimate the potential HCV compensation liability in each of the major oil palm growing regions in terms of hectares and money (initially using the proposed figure of \$2,500 - \$3,000/hectare).

Step 3

An independent third party would make a call for organisations/consortiums to submit funding applications for conservation projects which meet the HCV Compensation Project Criteria determined by the CTF. Eligible projects would need to be located in the regions where there are oil palm growers with HCV compensation liabilities. The independent third party would be responsible for determining whether the proposed project meets the criteria for HCV compensation projects set by the CTF. They would also be responsible for checking that the following:

- The project is viable/realistic
- The proposed budget is value for money
- The organisations/people involved in implementing the project have the necessary expertise
- Measures are in place to monitor and evaluate the progress and impact of the project

The independent third party selected would function in a very similar way to any of the existing organisations that provide and manage the implementation of grants for conservation projects. Either the RSPO could approach an existing grant body to manage this process, or another independent third party with the necessary expertise required to perform the role outlined above (eg. one of providers of carbon offset projects).

The size and number of projects selected would be determined by the estimated size of the HCV compensation liability in that region and therefore the funds likely to be available.

The work of the independent third party would be funded by taking a cut of the HCV compensation liability paid by the oil palm growers.

Step 3

An online platform, similar to those used by carbon offset providers (eg. www.carbonneutral.com) would be established by the independent third party who managed the project selection process. This platform would summarise the details of each approved HCV compensation project. It would also state the 'value' of each project, ideally in terms of hectares/credits. To ensure the process is transparent, the website would declare the names of the companies that have bought credits in each project, how many were bought and the cost of each credit. In an effort to make it more credible, regular project progress/impact reports would also be posted on the website. The independent third party who manages the process of selecting the projects would also be responsible for ensuring that the organisations/consortiums implementing the projects spend the money according to the approved budget/rules and meet their reporting requirements. Oil palm growers would not be required to participate in the reporting process.

Advantages of this mechanism

- Removes the direct link and transfer of funds between oil palm growers and conservation organisations. Since some NGOs/organisations are not allowed/nervous of accepting funds from the palm oil industry this may enable a larger number of organisations to access these funds and participate in the implementation of HCV compensation projects
- Removes the need for a separate HCV compensation panel to be formed for each compensation case. This would reduce the burden on the RSPO secretariat and the participants of the compensation panels, who currently do this on a voluntary basis.
- Has the potential to have a bigger conservation impact because funds from several oil palm growers with smaller HCV compensation liabilities can be combined. Although such collaborations could be formed directly between oil palm growers in order to implement a bigger HCV compensation project it is unlikely without a facilitator.
- The process would be more transparent, objective and credible because the process of selecting projects and monitoring their progress and impact would be done by people with experience and expertise in this field who are completely independent of the RSPO and the palm oil industry.
- There would be far less burden on oil palm growers, who would not be required to develop, implement or monitor HCV compensation projects.
- Oil palm growers could still be given the option to develop and implement their own HCV compensation projects on a 'hectare for hectare' basis using the existing process, but this is likely to be a far less popular/feasible option in many scenarios.

Disadvantages of this mechanism

- Some stakeholders could view this mechanism as being too easy or too little of a burden on oil palm growers and that this may increase the likelihood of growers making the decision to 'clear and pay'.
- The RSPO would be reliant on an independent third party to ensure that the credibility of the HCV compensation mechanism is maintained and projects are implemented in accordance with the requirements.
- The number of HCV compensation 'credits' each project equates to could only be calculated by determining a fixed payment that must be made by the grower for each hectare of HCV compensation liability (eg. \$2,500 - \$3,000 per hectare) and dividing the total approved budget for the project by this amount to determine the number of credits or 'hectares' that can be sold in relation to that project. It would not be possible to sell credits based on the number of hectares the project will work to conserve because the cost of the projects per hectare is likely to vary quite widely and this may lead to credits in 'cheaper' projects being more popular with oil palm growers.

ANNEX 4

Additionality

The BBOP glossary defines additional conservation outcomes as “conservation gains over and above what is already taking place or planned¹”, and as “conservation outcomes (that are) demonstrably new and additional and would not have resulted without the offset²”.

Thus, to qualify as additional, conservation projects must be either:

- New, as in not already implemented or planned; or
- (If already existing), be amended or extended so that conservation outcomes are enhanced beyond what is currently achieved, or planned to be achieved.

Another implication is that measures or activities that compensation candidates are required to do anyway, e.g. to comply with RSPO standards, RSPO membership procedures, legislation or nationally applicable treaties or conventions, cannot be considered additional. As an example, maintenance of HCVs cannot be considered additional as it is required by the RSPO standard, while enhancement of HCVs goes over and beyond minimum requirements and may therefore be considered additional. The same applies to e.g. restoration of riparian vegetation: measures necessary to restore vegetation as required by legislation and/or RSPO P&Cs cannot be considered additional, while (those) restoration measures that go beyond such basic requirements should qualify as additional.

As ‘avoided deforestation’ is likely to be a commonly proposed compensation measure, it will be important for Compensation Panels to assess to what extent such measures qualify as additional. The idea is clear: to protect forests (on site or off site) that would otherwise be severely degraded and/or permanently converted to other land use. However, for such protection to be considered additional, a strong case must be made that the default scenario is indeed degradation or deforestation. As an example, the Australian Government Carbon Farming Initiative³ only gives avoided deforestation credits to forests with a formal permit to be converted to cropland or grassland issued prior to 1 July 2010.

¹ BBOP Biodiversity Offset Design Handbook Updated

² BBOP Glossary

³ <http://www.environment.gov.au/system/files/resources/24af3360-05ee-45ee-addb-e018d0df34d5/files/factsheet-avoided-deforestation-9jan2014.pdf>

Ensuring equitable outcomes from compensation offsets

Where companies have cleared HCVs after 2005, under defined circumstances RSPO allows member companies to avoid sanctions as long as they provide a remedy or make compensation for the HCVs destroyed. One option is to secure additional compensatory HCV areas to make up for those lost. A requirement is that these 'offsets' are established in an equitable manner (see box below).¹

Equitable – through engaging and involving affected stakeholders in project planning, decision-making and implementation, fair and balanced sharing of responsibilities and rewards, and through respect for legal and customary arrangements

In line with the RSPO P&C, and to ensure equitable outcomes in the offset areas, the following provisions and associated Indicators and Guidance apply (adjusted to suit offsets set up to compensate for HCVs lost in the original operation(s)):

- 1.1** Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.
- 1.2** Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.
- 2.1** There is compliance with all applicable local, national and ratified international laws and regulations.
- 2.2** The right to use the land (**for offsets**) is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.
- 2.3** Use of the land (**for offsets (oil palm)**) does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.
- 6.2** There are open and transparent methods for communication and consultation between growers and/or millers (**and those managing offsets**), local communities and other affected or interested parties.
- 6.3** There is a **mutually agreed** and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.
- 6.4** Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.
- 6.13** Growers and millers respect human rights.

¹ RSPO, 2014, *RSPO Remediation and Compensation Procedures Related to Land Clearance without Prior HCV Assessment*, RSPO, Kuala Lumpur.

7.1 A comprehensive and participatory independent social and environmental impact assessment (of the offsets) is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.

7.5 No offsets new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.

7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights (for offsets), subject to their free, prior and informed consent and negotiated agreements.

A detailed Guide on how to comply with these requirements has recently been developed by RSPO.² Additional guidance can be obtained from Business and Biodiversity Offset Programme.³

Legality, management and monitoring considerations:

Companies establishing offset areas outside their own land banks must pay particular attention to the legal and management security of these areas to ensure long term sustainability and equity. Communities with rights and livelihoods in the offset areas need to be assured of the benefits of maintaining HCVs in these areas and the areas' managers (whether communities, companies, NGOs or government authorities) need to be legally assured of their authority and control of the area.

Innovative management and tenurial options should thus be considered including establishing lands as:

- protected areas, where rights are respected, communities have a strong role in (co-) management and adequate provisions are made for livelihoods;
- community-owned and/ or -controlled forests, which the community in question would not otherwise have secured clear rights to.
- In cases where companies themselves will not be the managers or co-managers of the offsets, provisions need to be made for monitoring by the parties with authority over these areas.

² RSPO and FPP, 2015, *Free, Prior and Informed Consent, A Guide for Members*. RSPO, Kuala Lumpur.

³ Business and Biodiversity Offsets Programme (BBOP). 2009. *Biodiversity Offsets and Stakeholder Participation: A BBOP Resource Paper*. BBOP, Washington, D.C; Business and Biodiversity Offsets Programme (BBOP). 2012. *Guidance Notes to the Standard on Biodiversity Offsets*. BBOP, Washington, D.C.

Box: Examples

In Indonesia, three new forest and land tenure options are becoming possible under reform
-*Hutan desa, Hutan hak, Wilayah adat.*

Details to be incorporated here once concept above agreed.

Knowledge-Based

Knowledge-based – based on sound scientific and/or traditional knowledge with results widely disseminated and communicated to stakeholders and partners in a transparent and timely manner. Compensation packages can encompass compensation requirements for hectare per hectare forest restoration as per national legal requirements. These will be evaluated on a case by case basis for fulfilment of RSPO Compensation Mechanism’s objectives and will be monitored and evaluated within the Compensation Mechanism in addition to other evaluation activities by third parties. (from the existing RSPO guidance)

The compensation package should be developed using the most up to date scientific evidence and fully referenced factual information available. The evidence presented should be used to robustly justify that the proposed course of action will have maximum conservation benefit, longevity, additionality and equitability, and is the best option available.

The “knowledge base” can include peer-reviewed scientific literature, and information in the public domain from NGOs, private companies, government or other sources, and may include GIS information, maps and environmental and social field surveys. Anecdotal information, expert opinion and other qualitative forms of evidence may be submitted only to further support other quantitative pieces of evidence, and the source should be clearly cited. An example of where this form of evidence may be permissible would be to elucidate whether a particular conservation technique shown to work elsewhere would expect to have the same benefits in the chosen location. Pieces of evidence which are not available for scrutiny by the compensation panel may not be used in support of the proposal.

The knowledge base should inform and support the choice of geographical location of the compensation action, the methods and practices adopted, and the expected impact of the compensation action. It is important to consider the impact of the compensation action in the context of the wider landscape and regional scale to ensure that the maximum conservation benefit is achieved, and that there are no unintended negative impacts, for example, if community hunting activities could be displaced to more vulnerable locations, or downstream water resources affected. The knowledge base should be consulted to identify where placement or type of compensation activity might provide greatest added value in the landscape or regional context, for example, by increasing habitat connectivity, benefiting more species, protecting rare habitat or creating greater co-benefits for local communities.

Novel and experimental conservation projects where there is little existing scientific evidence available to indicate their effectiveness, should include a clear knowledge-based rationale for why they are the chosen option, and the compensation package should include provision for a robust research and monitoring programme from which the findings will be made publically available to inform future conservation efforts.

ANNEX 5



THE
proforest
INITIATIVE

Expert consultation on RSPO vegetation coefficients in Latin America and Africa

Summary of responses and findings

Presented to the RSPO CTF on 5/2/2015 by
Anders Lindhe on behalf of the Proforest Initiative

www.proforestinitiative.org For further clarifications please contact Bilge Daldeniz or Mike Senior



THE
proforest
INITIATIVE

Background

- RSPO want to assess applicability of the RSPO RCP in Latin America and Africa, in particular 4 proposed vegetation coefficients and definitions
- Proforest Initiative sign contract with RSPO to conduct the expert consultation in Lat Am and Africa

Consultation methods

1. Identify and contact experts
2. Webinar explaining the Compensation procedures (group or 1-to-1)
3. Semi-structured interviews, face-to-face or via videocall/skype
4. Comments template
5. Comments/responses collated, translated and summarised

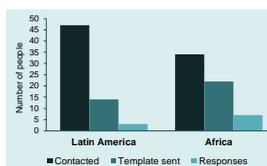
Comment template

1. Any vegetation types missing from definitions?
2. Applicability of definitions for these vegetation types to African/LatAm context
3. Designation of key African/LatAm vegetation types to 4 coefficient classes*
4. Track change edits to coefficient definitions
5. Other comments

*to help assess level of coverage & applicability of coefficients

Consultation coverage and uptake

- Contacted 81 experts:
 - 47 LatAm (5 countries), 34 Africa (9 countries)
- PF conducted 7 webinars:
 - 3 Spanish, 1 French, 1 Portuguese, 2 English,
 - several individual calls and face to face meetings
- Responses from 10 experts:
 - **3 Lat Am:** 1 Brazilian, 2 Colombians
 - **7 Africa:** 3 Cameroonians, 2 Gabonese, 2 Liberians



Results overview

- Small number of respondents, but very constructive and detailed comments
- Comments generally consistent – a few contradictions
- Most comments on definitions, a few on broader compensation process
- Respondents asked to be kept updated about future developments (should we also thank them from RSPO?)

1. Any vegetation types missing from definitions?

- Definitions too focussed on forests, overlook important non-forest ecosystems – check IUCN Red List of Ecosystems
- Definitions too broad:
 - Forests vary by climate, phenology, soil type but not all equal and may vary in structure, function and diversity
 - Lack of measurable criteria
- Vegetation types missing:
 - Grasslands, savannahs (inc savannah islands in Afr, Cerrado and campinaranas in Brazil), wetlands, traditional farming systems/fallows, mangroves

2. Applicability of definitions

- Broadly applicable but need to list specific local vegetation types for each country
- Concerns that coeffs 0.7 and 0.4 cover huge range
- Need to list specific measurable characters for each veg type: e.g. tree size, number, canopy height
- **Contradiction:**
 - Some say savannah = 0.4 or 0, others = 0.7/1 if natural and biodiverse
 - Difficulty of separating 'natural' and 'non-natural' savannah (esp in Cameroon)

3. Lists of ecosystems for 4 classes

Coefficient	Africa	Latin America	No consensus
1	Wetlands, Gallery forest, Old bush Fallows (>20 yr), Mangrove	Gallery/varzea forest, Floodable/natural grassland, Marshlands, Natural shrubland	Savannahs, Savannah islands surrounded by forest, Forest plantations
0.7	Secondary re-growth/Young bush fallows (5-20 yrs?), Multi-strata/diverse agroforestry	Degraded natural ecosystems, Forest fragments, Secondary veg.	
0.4	Low-diversity+few strata agroforestry, Mosaics of remnant shifting agri and forest	Mature capoieras (natural shrublands), Mosaic crops/natural sp, wooded pasture	
0		Pasture, Crops, Degraded land	

4. Coefficient 1 definition

- Suggest replace forest with 'ecosystem' in order to include natural, non-forest ecosystems
- Ensure all terms used are defined: e.g. 'selectively logged', 'high canopy', 'ecological functioning', 'intact'

5. Coefficient 0.7 definition

- Replace forest with 'ecosystem'
- Huge range in degradation from young bush fallows (regrowth) to old regrowth/lightly logged forest
- Selective logging in Africa and LatAm typically much lighter than SE Asia

6. Coefficient 0.4 definition

- Change from agro-forest to agro-ecosystem.
- Large range of agroforestry: from 0-0.7,
 - e.g. non-shade cocoa (<35 trees/ha) to full-shade, multi-strata cocoa (<300 trees/ha).
 - Separate by complexity and number of species
- Include savannah with trees and savannah islands in forest areas, and remnants of forest with shifting agriculture.

7. Coefficient 0 definition

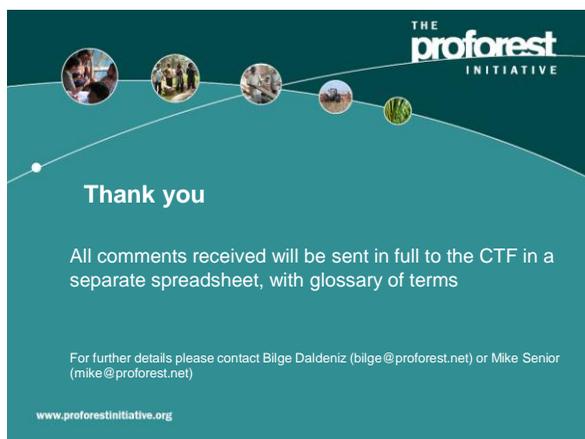
- No major comments, only need to focus on human (not natural) degradation

8. General comments

- Low in-country and in-company capacity for land cover analysis – need 3rd party support and verification.
- Field-testing and verification of coefficients/definitions in regional contexts
- Need for detailed regional studies or technical groups to define regional definitions

Summary

- Need for regional technical groups to finalise definitions and resolve issues like 'natural' vs. 'non-natural' savannah
- Expand definitions to include non-forest
- 3rd party verification? Support if low-capacity?



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Thank you

All comments received will be sent in full to the CTF in a separate spreadsheet, with glossary of terms

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