

MINUTES OF MEETING OF RSPO

17th RSPO CTF MEETING

Date: 9-12 November 2015

Start Time: 0830

Venue: Capri by Fraser Hotel, Kuala Lumpur, Malaysia

Attendance:

<u>Members and Alternates</u>	
1. Adam Harrison (AH, WWF INT)	23. Jen Lucey (JL, SEARRP)
2. Anders Lindhe (AL, HCVRN)	24. Elizabeth Clarke (EC, ZSL)
3. Anne Rosenbarger (AR, WRI)	25. Marcus Colchester (MC, FPP)
4. Audrey Lee Mei Fong (ALMF, OLAM)	26. Norazam Abdul Hameed (NAH, FGV)
5. Dickens Mambu (DkM, WWF MY)	27. Leonie Lawrence (LL, ZSL)
6. Dwi Muhtaman (DwM, Remark Asia)	
7. Leoni Lawrence (LL, ZSL)	<u>RSPO Advisors</u>
8. Gan Lian Tiong (GLT, MM)	<u>Secretariat Staff</u>
9. Ginny Ng Siew Ling (GN, WILMAR)	1. Oi Soo Chin (OSC, RSPO)
10. Harjinder Kler (HK, HUTAN)	2. Dillon Sarim (DS, RSPO)
11. Lanash Tanda (LT, SEPA)	3. Francisco Naranjo (FN, RSPO)
12. Lee Swee Yin (LSY, SIME)	4. Djaka Riksanto (DR, RSPO)
13. Tang Meng Kon (TMK, SIME)	
14. Melissa Yeoh (MY, FGV)	<u>Facilitator</u>
15. Michal Zrust (MZ, Daemeter)	1. Karen Edwards (KE, Daemeter)
16. Ian Suwarganda (IS, GAR)	2. Leony Aurora (LA, Daemeter)
17. Olivier Tichit (OT, SIPEF)	
18. Simon Siburat (SiS, WILMAR)	
19. Sophie Persey (SP, REA)	
20. Darmawan Liswanto (DL, FFI)	
21. Mohamed Dao (MD, Olam)	
22. Michael Brady (MB, IFC)	

AGENDA

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<p>1.0 1.0.1</p> <p>1.1 1.1.1</p> <p>1.2</p>	<p>1.0 Opening meeting OT opened the 17th CTF meeting by welcoming members and participants. He informed the CTF members that this would be the last CTF meeting. Daemeter will be facilitating the four days of CTF meeting.</p> <p>The CTF hoped that the final document will be ready for RT13. OT noted that the final document is subjected to two years review.</p> <p>Approval of previous minutes OSC presented the minutes and sought comments from members. The minutes were endorsed by CTF members and OSC informed members that it will be uploaded on the RSPO website.</p> <p>Action points: 1. To upload minutes onto the website.</p>	<p>OSC</p>
<p>2.0 2.0.1</p> <p>2.0.2</p> <p>2.0.3</p> <p>2.0.4</p>	<p>2.0 Update on Budget OSC presented the spending for CTF for financial year July 2015 to June 2016.</p> <p>AH recalled that in the last meeting, there was a joint meeting with the SHWG. A project was proposed to help smallholders with the LUCA. The budget allocation for this was not included in the CTF budget.</p> <p>AR responded that it will not be budgeted under the CTF. In the joint meeting, it was mentioned that this project will be under the secretariat's budget. In addition, OSC informed the group that JM, the SH manager, has provided the shapefiles for areas belonging to the smallholders to kick start the project.</p> <p>Once the budget source is confirmed, it will be included in the BHCVWG.</p>	
<p>3.0 3.0.1</p> <p>3.0.2</p> <p>3.0.3</p>	<p>3.0 Update on submission of LUCAs and liability DS provided an update on the submission of LUCAs and Final Conservation Liability (FCL) figure.</p> <p>GN suggested to have the headings of the tables consistent with the data analysis to avoid confusion in the future (e.g.: disclosure – country of operation level, LUCA – company level).</p> <p>On new members, OT raised a question on membership approval. Based on the procedure, membership into the RSPO will only be approved once they have completed the compensation process or disclosed zero liability. OSC explained that the requirements of compensation procedures was presented to the membership unit.</p>	

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<p>3.0.4</p> <p>3.0.5</p> <p>3.1</p>	<p>The response received was potential grower members were overwhelmed with the requirement and she was advised to only approach the company immediately after membership approval. OT requested the explanation to be minuted.</p> <p>MC raised his concern over results of social liability as only 10 companies had reported. MC questioned whether the identification of potential loss of social HCVs in the procedure is a credible process and requested this to be minuted. DS responded that the figure is based on the disclosure process.</p> <p>MC suggested to expand the requirement to identify social liability in the procedures. OT and AH agreed and noted that there is little guidance on how growers should assess their potential social liabilities. MC proposed to discuss it further in the break-out sessions.</p> <p>Action points:</p> <ol style="list-style-type: none"> 1. To change the word 'social impact' to 'social liability' to avoid confusion. 2. To analyse the data in a more consistent manner. 	<p>DS</p> <p>DS</p>
<p>4.0</p>	<p>4.0 Review of previous action plan</p> <p>KE made a recap on the previous action plans set by the CTF. The group completed all assigned tasks in the designated time line. KE pointed out that some of the action plans would be discussed further in the meeting during the breakout sessions and at the plenary.</p>	
<p>5.0</p> <p>5.1</p>	<p>5.0 Revision of remediation and compensation procedures</p> <p>KE provided updates on the activities that took place during the public consultations. She informed the TF that there were four physical public consultations organised to socialise the procedures, and obtain feedbacks from stakeholders in Kuala Lumpur, Jakarta, Ghana and Cartagena. Both comments received from online and physical public consultations were compiled for the TF to consider.</p>	
<p>6.0</p> <p>6.0.1</p>	<p>6.0 Discussion on Section 1-3 (Preamble, Introduction & Key Requirements)</p> <p>KE summarised the comments received during public consultation for section 1-3. Members agreed that the requirement to use HCV ALS for HCV assessment must be clarified since it was only launched in Nov 2014. The TF agreed to use the term <i>growers</i> instead of <i>grower members</i> when referring to all RSPO members which own or managed oil palm plantation. The reason is because RSPO members under other categories such as Processors and traders also own and managed plantation.</p>	

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<p>7.0 7.0.1</p> <p>7.0.2</p>	<p>7.0 Discussion of disclosure of non-compliant land clearing Comments received from public consultation were presented to the TF. Companies are required to submit their LUCA during membership application process, and only after the LUCA is approved, are they members of the RSPO. Sis recommended to have a permanent staff look into this because it may hinder membership approval.</p> <p>Members highlighted the need to emphasize submission of SOP during disclosure process in the procedures. Members agreed to have two options for SOP submission, which is direct submission to the RSPO to be published on the website or submitting declaration of SOP verification by accredited Certification Body.</p>	
<p>8.0 8.0.1</p> <p>8.0.2</p> <p>8.0.3</p> <p>8.0.4</p> <p>8.0.5</p>	<p>8.0 Discussion LUCA Members went through the public consultation comments received for LUCA section. LUCA guidance prepared by the consultant were also presented to the TF. Members agreed that the vegetation coefficient should be maintained but the definition should be improved. Examples of satellite images should also be provided in the LUCA guidance. A sub-group was assigned to improve the definition of the vegetation coefficients and the revised definition was presented back to the TF. Members accepted the refined definition.</p> <p>On the issue of transparency and sharing LUCA in the public domain, MC commented that they are calling for transparency and suggested that it should be made publicly available. AR commented that this is not a new requirement as resolution 6g already request for concession maps to be made available.</p> <p>ALMF commented that she fully support transparency but would like to remind everyone that CTF had announced earlier that all information submitted during staged implementation will not be made public. AR suggested those who submitted full LUCA after the stage implementation may need to be subjected to the new condition. GN highlighted that there are companies preparing LUCA information with the expectation that these information will not be made public.</p> <p>LSY commented that affected communities may want information related to them not to be publicized and their privacy to be respected. From the aspects of investors and financier, IS explained that any declaration of compensation figures in the public domain should be undertaken by the company itself and not from other organisation.</p> <p>AH explained that the RSPO is a voluntary scheme and once Code of Conduct is signed, companies are supposed to comply with RSPO's requirements. He further elaborated that an HCV assessment is no</p>	

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<p>8.0.6</p> <p>8.1</p>	<p>longer voluntary for RSPO member but compulsory because it is required in the RSPO P&C.</p> <p>The benefits and concerns of sharing information on LUCA were discussed at length. The WG agreed that the summary of verified LUCA report needs to be published in the summary of approved Remediation & Compensation as part of the rationale for the plan. The key components in the verification should include information such as the hectareage of each vegetation class for each time period under membership period, location and maps.</p> <p>Action point:</p> <ol style="list-style-type: none"> 1. To get consultant to revise the LUCA guidance and incorporate improved definition into the LUCA. 2. To get consultant to include examples of satellite imagery into the LUCA guidance. 3. GN and AR to meet the LUCA guidance consultant. 4. A small group to work on the LUCA summary content to be published. 	
<p>9.0</p> <p>9.0.1</p> <p>9.0.2</p> <p>9.0.3</p> <p>9.0.4</p>	<p>9.0 Discussion on calculating final conservation liability</p> <p>KE presented the summary of comments received for the section. MC reminded members that social remediation should appear in all liability period and membership status. AH then reminded members that it is the same for environmental remediation. A small group was assigned to revise the section.</p> <p>Based on recommendation received, members have agreed to have two tables for compensation liability, one is for describing overall liability and the other for calculating the final conservation liability.</p> <p>Members agreed to replace non-commercial clearing term to non-corporate clearing term. The membership status has been simplified and liability for certified member has been removed as it is illogical to differentiate members in that manner.</p> <p>To allow expansion on brown fields, criteria on acquisition of oil palm plantation were added in the matrix. Members agreed that RSPO members are allowed to acquire land owned by another member if they are already an RSPO member before May 9th, 2014.</p>	
<p>10.0</p> <p>10.0.1</p> <p>10.0.1</p>	<p>10.0 Discussion on monitoring</p> <p>MZ presented the outcome of monitoring section for compensation procedures. He summarised that monitoring cost should be the responsibility of the company.</p> <p>GN presented monitoring template prepared by the sub-group. For non-certified units, members recommended that the remediation and compensation plan for onsite compensation option should be reviewed by independent party. This is important to ensure that the plan is undertaken accordingly.</p>	

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<p>11.0 11.0.1</p>	<p>11.0 Discussion on options for meeting compensation liability KE summarised all the comments received during public consultations. Members discussed at length on the monetary figure, revisited the rationale of the figure and agreed to maintain USD 2,500 per ha subjected to review in the future.</p>	
<p>12.0 12.0.1</p>	<p>12.0 Discussion on compensation for independent smallholders KE assigned volunteers to work on compensation proposal for independent smallholders. At the same time KE presented the new format of compensation procedures as requested by members. See Annex 2 for proposal of compensation procedures for independent smallholders.</p>	
<p>13.0 13.0.1 13.0.2</p>	<p>13.0 Discussion on environmental remediation plan AH and GR were asked to draft the section for environmental remediation plan. AH presented the draft which involved elements extracted from the RSPO P&C. KE requested members to provide comments. AH reminded members that environmental remediation is a standalone and it is not part of meeting the compensation liability. KE and LA the finalized the text with members.</p>	
<p>14.0 14.0.1</p>	<p>14.0 Discussion on compensatory biodiversity project KE shared the comments received during public consultation. Members went through the individual comments and accepted some of the comments. SP suggested that the procedures should highlight that maintaining and enhancing HCVs or riparian areas are not considered additional.</p>	
<p>15.0 15.0.1</p>	<p>15.0 Discussion on concept note template GN presented the concept note template prepared by the sub-group. AH commented that guidance on how to fill in the template should be in the form of question. A blank template should be provided with the core text of the procedures as guidance on what makes a good project is already in the procedures.</p>	
<p>16.0 16.0.1</p>	<p>16.0 Discussion on next step KE wanted clarification on how the revised procedures could be presented to the BoG next week as the facilitator team needed time to work on the document. AH explained that if the BoG is aware that the TF has reached consensus on all sections of the</p>	

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	procedures, they will endorse it. AR commented that the TF members in the BoG would need to present the revised procedures to the Board and requested the facilitator team to send the draft in within 24 hours. KE congratulated the TF for completing the revision process.	

ANNEX 1



The RSPO is an international non-profit organization formed in 2004 with the objective to promote the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders.

17th Meeting of RSPO CTF 9th, 10th, 11th & 12th of November 2015 Capri by Fraser, Kuala Lumpur

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

#	Name	Organisation	Signature (CTF - 9 th)	Signature (CTF - 10 th)	Signature (CTF - 11 th)	Signature (CTF - 12 th)
23	Norazam Abd Hameed	FGV				
24	Melissa Yeoh	FGV				
25	Olivier Tichit	SIPEF				
26	Richard Ken IAN SUWARANDA	GAR				
27	Simon Siburat	WILMAR				
28	Sophie Persey	REA				
29	Tang Men Kon	SIME				
30	Mohamed Dao	OLAM				
31	Leonie Lawrence	ZSL				
32	MICHAL ZEUST	DAOMETER				
33	FRANCISCA ALVARADO	BSPO				
34	Richard Ken	CPAA				
35						

Annex 2

Compensation liabilities for Independent Smallholders

Break out meeting at CTF 12th November 2015

FELDA, WWF-M, HCVRN, FFI, FPP, Sime Darby, RSPO Secretariat

Background Information:

As the New Planting Procedure now applies to independent smallholders, RSPO SHWG is developing standards for HCV, HCS, and the question remains how to address compensation. The 6-7 independent smallholder group members of the RSPO have been asked to provide shape files and these have now been provided. This has been done privately and not through government (which may or may not agree to such maps being shared).

Identifying key issues:

What is RSPO seeking to achieve?

There will be clearing in the future by independent growers and some may then seek access to RSPO system: we need to have a realistic demand of such growers but not encourage deforestation.

Some of this land may be acquired by RSPO member companies and / or FFB be part of their supply base.

It is likely that more and more land acquired by RSPO members and more and more FFB will come from independent smallholders, so this is a major issue even for corporate members, not just a concern for the smallholders themselves.

RSPO should not place the barrier so high it discourages smallholders to join RSPO.

Need to take account of upcoming resolution on smallholders if it passes.

RSPO must manage perceptions. It must not create unfair barriers to smallholders but likewise it must not indirectly incentivise land clearance

These issues will also need to be reviewed in Jurisdictional Certification proposal.

Independent Smallholder Liabilities for clearance without HCV Assessment

Date	Non Member	Member
2005-2015	<p>No liability*</p> <p>(Companies buying FFB: RSPO Member mills must declare for mass balance)</p> <p>(Companies buying land from independent smallholders: needs to be considered?)</p>	<p>No liability</p> <p>(except must comply with other P&C including 2.1 legality: eg no planting in Protected Area, planting on peat and/or illegal riparian clearance and including proper land acquisition 2.2 and 2.3 etc.)</p>
<p>2016 onwards</p> <p>(Specific Guidance is made available: must be translated urgently)</p>	<p>There will be liability?</p> <p>(Companies buying FFB: RSPO Member mills must declare for mass balance)</p> <p>(Companies buying land from independent smallholders: needs to be considered?)</p>	<p>There will be liability</p> <p>(What about new members in countries not yet in RSPO? Or need for outreach so they know their liability under RSPO? Different liability for different regions depending on when they get involved in RSPO?)</p>

- * Smallholders cannot be expected to have complied before specific guidance was available. (To be approved in 2015).

Pass this to CTF chairs and on to CTF SHWG TF