

**MINUTES OF MEETING**  
**JURISDICTION WORKING GROUP MEETING #22 (VIRTUAL)**

**Date : 29 April 2024 (Monday) 4:00 pm to 6:00 pm (MYT)**

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| <p><b><u>Attendance:</u></b><br/><b><u>Members and alternates</u></b></p> <ol style="list-style-type: none"> <li>1. Sander van den Ende (SIPEF)*</li> <li>2. Chin Kai Xiang (Bunge)</li> <li>3. Silvia Irawan (Kaleka)*</li> <li>4. Max Donysius (WWF Malaysia)</li> <li>5. Alfred Yee (LKSS)</li> <li>6. Lim Sian Choo (Bumitama)</li> <li>7. Marcus Colchester (FPP)</li> <li>8. Lee Kuan Chun (P&amp;G)</li> <li>9. Rob Nicholls (Musim Mas)</li> <li>10. Melissa Thomas (CI)</li> <li>11. Paul Wolvekamp (Bothends)</li> <li>12. Rauf Prasodjo (Unilever)</li> <li>13. Tri Padukan Purba (Rainforest Alliance)</li> <li>14. Daniel Liew (RSPO)</li> <li>15. Francisco Naranjo (RSPO)</li> <li>16. Yen Hun Sung (RSPO)</li> </ol> | <p><b><u>Absent with Apologies</u></b></p> <ol style="list-style-type: none"> <li>1. Quentin Meunier (Olam)</li> <li>2. Tom Lomax (FPP)</li> <li>3. Eza Nurain Abdullah (Sime Darby)</li> <li>4. Aprilianto Nugroho (Sinarmas)</li> <li>5. Jon Hixson (YUM)</li> <li>6. Eleanor Spencer (ZSL)</li> <li>7. Maria Amparo (CISPS)</li> </ol> |
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\*Co-chairs of JWG

**Agenda**

Jurisdictional Working Group  
Meeting Date - 29 April 2024  
Venue - Zoom video conference

| Item                                      | Time (MYT)  | Duration (minutes) | Agenda  | Remarks          |
|---|-------------|--------------------|---|------------------|
| 1 - Admin matters                         | 1600 - 1605 | 5                  | 1.1 - Opening and welcome   | Sander<br>Silvia |
|   | 1605 - 1610 | 5                  | 1.2 - Introduction of new Standards director and support for JA                             |                  |
|   | 1610 - 1615 | 5                  | 1.3 - RSPO Antitrust Guidelines, Conflict of Interests Declaration, and Chatham House Rules |                  |
| 2 - Updates, action points and discussion | 1615 - 1630 | 15                 | 1.4 - Acceptance of minutes - JWG meeting #21 - Oct23                                       |                  |
|   | 1630 - 1640 | 10                 | 2.1 - Projects updates by the Secretariat   |                  |
|   | 1640 - 1655 | 15                 | 2.2 - Ecuador pilot Step1 self assessment   |                  |
|   | 1655 - 1710 | 15                 | 2.3 - Draft Step2 self assessment format  |                  |
|   | 1710 - 1725 | 15                 | 2.4 - Sub-pilot certification - feasibility discussion                                      |                  |
|   | 1725 - 1755 | 30                 | 2.5 - Business case / incentives for JE   |                  |
| 3 - Closing                               | 1755 - 1800 | 10                 | 2.6 - Brainstorming - JWG 2024 work plan  |                  |
|   |             |                    | 3.1 - Any other business  |                  |

**Minutes of Meeting:**

| Item  | Description | Action / Remark |
|---|-------------|-----------------|
| <p><b>1.1</b></p> <p><b>Opening</b></p> <p>The meeting started at 4:06 pm Malaysian time.</p> <p><b>1.2</b></p> <p><b>Introduction of new Standards director and support for JA</b></p> <p>The meeting welcomed the new RSPO Secretariat Director of Standards and Sustainability, Yen Hun Sung and invited him to give a short introduction. HS expressed his gratitude and looked forward to working with the members in the future on the development of Jurisdictional Approach (JA). HS also highlighted the ongoing development of the digital platform, PRISMA, ensuring that the system developed at a JA level is streamlined and aligned with other processes and systems of RSPO.</p> <p>The meeting also welcomed the Technical Director of RSPO Secretariat, Francisco Naranjo who will be overseeing the JA work, providing guidance and advice on the technical and operational matters in JA. The Technical Department will be working closely with the Standards team on the technical aspects of JA. Francisco expressed his gratitude and looked forward to working with the members.</p> <p><b>1.3</b></p> <p><b>RSPO Antitrust Guidelines, Conflict of Interests Declaration and Chatham House Rules</b></p> <p>There was no question regarding the guidelines and the rules. And no conflict was declared.</p> <p><b>1.4</b></p> <p><b>Acceptance of minutes – JWG Meeting #21 – Oct 2023</b></p> <p>Minutes of the JWG Meeting #21 was adopted by members.</p> |             |                 |
| <p><b>2.1</b></p> <p><b>Project updates by the Secretariat</b></p> <p><b><u>Jurisdictional RSPO membership category</u></b></p> <p>The Secretariat provided updates on the JE membership category. The proposal for the JE membership category was adopted by the General Assembly (GA) in November 2023. The Membership Team and Legal Team within RSPO Secretariat has since been working together to draft the changes that were needed to account for the inclusion of the new JE membership category. The RSPO Membership Rules and Regulations document and RSPO Code of Conduct will remain the same while the RSPO Statutes will be revised to include a new membership category. The revised RSPO Statutes has been reviewed by the lawyers.</p> <p><b><u>Next Step</u></b></p> <p>The Secretariat is planning to have a targeted consultation with the JA pilots in May to June 2024. After the consultation, the Secretariat will be presenting this for the adoption by the BoG in September and GA in</p>  |             |                 |

November. The Secretariat will also be developing the application process for Jurisdictional Members.

**JA RaCP field testing**

The Secretariat provided updates on the JA RaCP field testing. In 2023, the Secretariat has engaged consultants to study on the implementability of the existing RaCP process and provide recommendations on how RaCP can be implemented at JA level. The consultant has recommended two approaches, namely the analytical approach and negotiated outcome.

The Secretariat will be conducting field tests based on both approaches recommended by the consultants. The scope of the field test is to see how these two recommended approaches can be implemented in real world condition, whether there will be any issue with data availability, the involvement of the government and whether these two approaches would yield the same results.

**Next Step**

The Secretariat is currently in the process of finalising the Terms of Reference (ToR) for the field test. Once the ToR has been finalised, it will be sent out to be reviewed and endorsed by the JWG members. The ToR will then be published and is targeted to have the consultants engaged by June 2024. The estimated project duration is about 6 months.

Members raised a question on the 6 months duration of the project, whether it is based on any previous precedence. The Secretariat clarified it is just an estimation on how long the entire project will take. The field test will be conducted similarly to a normal RaCP process but not involving the entire Sabah or Seruyan jurisdictions, just based on the data availability of all the existing pilots. A sub-jurisdiction location that has the best data availability will be selected for the field test, including engagement with the government and conducting interviews.

Members asked whether the scope would take into consideration the current RaCP process as there are some key points in it, so that it does not defer from what is in our membership to what is on JA. Secretariat clarified that the field test will be based on the current RaCP process as the study that was conducted last year was based on the current RaCP process.

Members highlighted that the consultants should be given the flexibility to prescribe beyond the study. The consultants should be able to obtain feedback from the government, looking at the laws and regulations instead of being restrained by the study. Secretariat agreed that there is no restriction on this and any further improvements suggested by the consultants are welcomed.

Members suggested that it would be good to base the field test on a sub jurisdiction within one of the JA pilots, conducting LUCA to see what the hypothetical liability is. The consultants can then explore if there are any opportunities with the government within their jurisdiction as a trade-off

for the liability. This way it is based on an actual pilot where there is already engagement and have already made progress through JA. Secretariat agreed that this is the intention, to base on an existing pilot and choose one subsection of the jurisdiction that has the best coverage data.

Members also encouraged the consultants to look at possible synergies between social remedy and environmental restoration. For example, there are emerging good options in Seruyan, where the communities are trying to reestablish their forests and connections with the upland areas that they use. This should be taken into account as it might be useful for the current RaCP process as well, which tends to treat the two aspects separately. Secretariat agreed and explained that one of the scopes of the field test is for the consultant to look into the general applicability of the process.

The Secretariat will circulate the ToR to JWG members for feedback via email once it is finalised.

#### **Jurisdictional HCV-HCS assessment tool**

The Secretariat provided updates on the progress for the Jurisdictional HCV-HCS assessment tool. After much discussion, the process flow of jurisdictional HCV-HCS assessment proposed by HCVN was approved by the JA-BHCV subgroup in late February 2024.

The process starts off with having HCV-HCS screening data to develop priority maps. Priority maps will be the focus area where more field validation will then be conducted. There will also be a quality check of the screening data and HCV-HCS maps. Once the maps have been developed, the jurisdiction can use it for spatial planning and development of No-Go zones. As some jurisdiction might not have the resources and commitment to conduct a jurisdiction wide process for HCV-HCS assessment, it was agreed that some flexibilities are allowed for individual members of JE to start their development process first, conducting their own HCV-HCS assessment while waiting for the jurisdiction to produce the assessment for the entire jurisdiction.

#### **Next Step**

The Secretariat had a catch-up meeting with HCVN in March 2024. HCVN has been working on the draft since then. The draft will be a 5-section manual, with the preface and section 1 to be done by 1<sup>st</sup> week of May. Section 2, 3 and 4 will be completed by mid-May and Section 5 is tentatively planned to be completed in June.

Members suggested having RSPO to fund the HCV-HCS assessment for these pilots as they may not have the necessary resources. This can quicken the process rather than waiting for the producers to fund. Secretariat explained that it is a possibility, but this should ultimately be funded by JE. The Secretariat clarified that the growers are not obligated to conduct the assessment first. If the growers within the JE have the resources or means to conduct their own assessment and they would like to proceed first, this flexibility is provided. Sometimes it is also not only about the availability of

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| <p><b>2.2 Ecuador pilot Step1 self-assessment</b></p> | <p>resources of the pilot, but also the availability of the tool to conduct a proper assessment at a landscape level. The main intention is to come up with a methodology that is accepted to assess HCV and HCS at landscape level and to have resources in the jurisdictions to bring in more stakeholders into the system.</p> <p>Members raised a concern on whether the timeline of the development of the assessment tool is in line with the Step 2 JA progress assessment. Having indicative maps is a critical step for Step 2, which is needed to develop the monitoring and protection plan on HCV-HCS. The Secretariat recognised the urgency for this assessment tool to be developed as soon as possible as the pilots cannot proceed with Step 2 if the tool is not ready. The Secretariat is working with HCVN to speed up the development as soon as possible. Members also suggested that it is good to link the pilots with HCVN to have a better understanding.</p> <p>Members commented that EUDR should be taken into account throughout this entire process given the different base map and different cut-off date the EU is circulating. This is the strength of the JA where the government can highlight that jurisdiction mapping includes regional and large-scale maps which have better information than global maps. EUDR needs to be looked at as a specific compliance point so as to access the European markets.</p> <p>Is EUDR something that HCVN needs to consider in the whole development process? Members believed that this would take too long and there was no time. If EUDR is not delayed and implemented as per the schedule, it is important to find another parallel process which entails direct engagement between the government of the country and the EU forest definition on land use planning and sustainable development. The current HCV definition is not the same as EUDR's FAO definition of forests. If members are accessing the EU market and following the rules, any potential development in this landscape needs to be excluded as there is too much risk. This will not be within the scope of the working group but instead where the pilots can add value by working with the government. This is more of a political issue, but members suggest having a separate work stream to focus on this matter.</p> <p>Members raised a question on how the Jurisdictional level HCV-HCS assessments will align with the NPP requirements. The Secretariat clarified that HCVN is aware of the need to align with the NPP process. The Secretariat is currently pending on the first draft from HCVN. The Secretariat will look into how the NPP requirements are being considered in drafting the manual once it has been finalised and shared.</p> <p>The Step1 assessment was submitted by CISPS, the multi-stakeholder board for the Ecuador pilot, supported by Conservation International Ecuador. However, the supporting documents are mostly in Spanish. The Secretariat has selected five critical documents that are being translated for review.</p> |  |
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|  | <p>The Secretariat is requesting 3 volunteers from JWG to review the assessment.</p> <p>Members raised a question on how much time will be needed to commit for the review. The Secretariat stated that around 2-3 days will be required to go through all the documents and a 60–90-minute meeting for discussion.</p> <p>A member has volunteered to be part of the review panel. The Secretariat would also like to have members from the ENGO or grower sector, as well as from the pilot for the pilot perspective.</p> <p><b>2.3 Draft Step2 self-assessment format</b></p> <p>The Secretariat presented a draft for the Step2 self-assessment format. The draft has gone through internal consultation within the Secretariat.</p> <p>The draft has been shared with the Sabah pilot and they have gone through the document to see whether the guiding questions are useful for them to fill up the form. The assessment will be shared with Seruyan and Ecuador pilots as well.</p> <p>Any feedback and comments are welcomed, especially regarding the guiding questions for further improvements.</p> <p><b>2.4 Sub-pilot certification feasibility</b></p> <p>The sub-pilot certification/pilot within a pilot was a concept that was first proposed during one of the BoG meetings. There are a few issues that were found based on the fundamental incongruencies or areas where the jurisdictional approach and the current standard would not work under the current conditions. Hence, the idea was to have a Group Certification using the existing Group Certification Standard but implementing parts of JA, including upward delegation of responsibility to the government, and monitoring key landscape level indicators such as specific issues of social, FPIC regulatory frameworks etc.</p> <p>There will also be a Group Certification Manager structured in a way that is financially viable to provide service for its members. This will be done at a smaller scale than the district and hence it is called pilot within a pilot. Lessons learned on how to address sticky issues would also come from the actual implementation of that pilot within the pilot. This has been discussed within the RSPO Secretariat, to test whether any changes need to be made to the standard or procedure as it will be more difficult once the standard is approved. This is a good way to move things forward since JA is a group-based approach, and it is different from existing standards as it works with the government and at a larger scale. It will be more of a proof of concept for JA and potentially a long-term project of 2 years or more. If the project is approved, technical, logistic, administrative, and financial resources are required.</p> |  |
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Members commented that in the JA framework document there is a notion on the motives or incentives to entice growers to join JA. Members agreed to have a pilot within pilot in a smaller jurisdiction as there will be questions regarding JA. For example, if a grower is part of the JA, the certificate will be under JA instead of the company. When problems arise due to the government or another company not adhering to the JA standard, how would that affect the grower? In the context of EUDR, how to deal with non-RSPO members in the JA? These questions will continuously pop up and having a pilot within pilot will assist to grapple with these questions.

Secretariat explained that the original concept is that you do not have to become a member within the jurisdiction. Usually, the big grower would prefer to manage the risks themselves rather than leave it up to the JE whereas the smallholders who need the support would prefer to join JE. If there are members or governments not pulling their weight, or there are fundamental shortcomings in FPIC, land rights etc, that will result in a catastrophic failure of the system. The usual Group Certification rule will apply if there are members that are not performing. They would be suspended while the rest of the group continues and passes their subsequent audit. It is a variation on the normal Group Certification rule, where if one member of the whole group is found to have too many critical non-conformances, the whole group would be suspended or lose their certificate. The non-compliance and the consequences of it depends on whether the non-compliance is a critical one, such as those that are upwardly delegated to the government units. In cases where the government units supposedly in charge are not doing their job, the whole JE would be at fault. For non-critical criteria that are confined to just individual members, then the individual members would be implicated.

Members supported the idea but highlighted that there is no completed JA at this point. It will be a major contribution if the pilot can help to drive it towards a completed jurisdictional pilot or certification. The only issue requiring clarification is from a governance point of view, the relationship of the sub jurisdiction and larger jurisdiction. What would be the governance for the smaller jurisdiction? Does it require a separate system and structure to do this? For the Group Certification, will there be a separate JE for smallholders when new members come in? Would that be the same as the current pilot such as Sabah and Ecuador, or is it different from what is being done right now? These are the details that need to be deliberated on. The Secretariat explained that the governance would remain the same as there is still the multi-stakeholder board as well as the Secretariat and JE. The sub pilot will be looked at as a different certificate.

Members suggested having a group of cooperative medium sized growers to join the sub pilot program. The only catch is the incentive for them to join. The main reason smallholders join the group is because they are being incentivized where they have a buyer to buy their credits when they produce it. It is very difficult for them to join without a certain incentive and even more difficult for them to be a sub pilot group.

This is a voluntary market-based mechanism. The only reason companies do it is for the credits or premiums. Ideally the mills that are buying should pass on the premium that they get through FFB pricing formula. Otherwise, it is not a sustainable model. Credits were initially designed to motivate and create change, but it has become an end goal for big companies to find a cheaper way out. The problem with credits is that the FFB becomes certified and does not feed into a supply chain in the market. Once you sell FFB credits, the FFB goes uncertified. Hence, it will end up at a mill either selling as mass balance or uncertified product. Segregated, traceable supplies or identity preserved supplies are needed to have transformational impacts. Companies need to look for smallholder groups that are certified and continue to receive their premiums from mills that they sell to. Members commented that the problem was that there is no RSPO or certified mill available in the vicinity and there is no incentive for the independent mill. This could be done by piloting a credit incentive to push the market to be RSPO certified mills.

Secretariat clarified that the focus should be on whether a sub-pilot certification can be used to prove the JA concept and gain some learnings on potential issues that might be encountered. The members have raised valid points, but it is not within this scope. There are a lot of benefits having a sub pilot testing, which is applying the Group Certification as it will provide a lot of insights on how to overcome the main technicalities around implementing the JA, such as RaCP, HCV-HCS assessments and FPIC in a bigger scale. It is also important to highlight the difference between Group Certification and JA which is the involvement of the government. A Group Certification for the JA is something that needs to be discussed to frame the sub pilot idea. Details such as resources and implications need to be further discussed if the working group thinks this is an option worth exploring.

Members recommended that there is an opportunity for this program in Sabah and WWF is supportive of this. Some aspects may require the government to work on and this is where the upward delegation will come in and fits nicely as a package for the pilot within a pilot program.

Members also commented that it is different from an Indonesia perspective to the Malaysia experience or different parts of South America. It is quite difficult as it requires the government and a lot of players involved. Members agreed to have a proof-based approach along the lines of a smaller trial to prove the concept and build it. At the end of the day, the goal is to build successful small business operators and that is what independent smallholders need to see themselves. RSPO offers the opportunity through the group development to build the skills of smallholders as credits alone are not enough. However, through forming groups and developing skills, associations that are RSPO certified can move beyond just producing palm oil to other things such as producing their own compost or other sub branches of the business to keep their associations going while maintaining RSPO certification at the same time.



**2.5 Business case for JE**

The idea the government has with the stakeholders is to try to certify those who want to be certified under JE, and then start assisting producers that want to be certified within JE. However, it will not be the jurisdictional certificate as the system is not ready yet. It will instead be using a conventional certification system (existing Group Certification certification) and picking up several components of P&C such as HCV, RaCP, FPIC, and how that can be reflected in works that have been done at the jurisdictional level. This will be checked by the auditors, working groups and SSC, and see how that can be accepted and assist the producer to meet the requirements.

Seruyan is currently at the level of implementing the JE and have talked to growers whether they will be interested to be part of and certified under JE. There is a lot of interest from non-RSPO companies to join the process because they would like to get certified as they cannot do it themselves. These are mostly small and medium companies in the district. For big growers, they can do it on their own. The big growers would like to be involved in JE but they are not rushing to be certified under JE. Is there any type of membership that this company can join? What if they just want to be actively involved in the process but not certified under JE? The Secretariat clarified that JE is not compulsory; it is voluntary for the companies to be certified under JE. The Secretariat takes note of this matter and will look at the technical aspect of the piloting framework that allows this kind of involvement i.e to be actively involved in but not certified under JE.

Members also highlighted that there should be a clear message that there will be a benefit in joining JE, and this needs to be communicated clearly. While the consultants are doing the work for HCV and RaCP, maybe they can also consider building the points on the benefits for companies to be part of the JE process, particularly for big growers and current RSPO members.

Secretariat explained that there are many benefits for larger millers and growers to participate in JE. Non-RSPO members certified in JA can benefit from tapping into regional HCV-HCS maps, even though the maps are indicative. It would assist them in doing less due diligence and more on the ground studies in certain areas as per the current proposed model. This is a huge benefit for smallholders. Basically, it is not only relying on the certification support but also the parallel programs that are being run with the government. In terms of jurisdictional RaCP, one of the recommended methods, if accepted, would also reduce the complexity of a normal RaCP process. If the jurisdiction decides to adopt the negotiated outcome approach, a huge burden would be lifted off the individual member's shoulder.

Members recommend discussing the benefits of joining JE with the consultants and the communication strategy to motivate big growers to join.

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| <p><b>2.6</b></p> | <p><b>JWG 2024 Work Plan</b><br/>The Secretariat presented the JWG work plan for 2024.</p> <ul style="list-style-type: none"> <li>● Organise another pilot workshop similar to the one that took place in Bali last year.</li> <li>● Technical guidance development for JA FPIC and JE membership application</li> <li>● Communication strategy for JA</li> <li>● Follow-up actions for sub-pilot certification and JE business case</li> <li>● Connecting financing opportunities with JA pilots</li> </ul> <p>Members support the work plan. It is also important to make clear on all different scenarios for the business case opportunities. There are a lot of uncertainties for stakeholders and this is an opportunity to set the record straight.</p> <p>What form of communication would be more effective? A road show or face to face meeting? Booklet and promotional videos? Based on the feedback from the ground, published materials are not necessarily the best method as they may not reach certain geographies. Members suggested for RSPO or the pilots to create a town hall session with all the identified producers and have FAQs sessions with them.</p> <p>Members also recommended a focused approach where all the key people in a sub district or district are invited to join a Zoom call or webinar. Physical outreach is also an opportune moment to involve the government in the jurisdiction. Local authorities are often important to get the audiences to come in as it is more official having the government on board.</p> <p>A member also suggested exploring the funding from &amp;green.</p> <p>It is important to reach out to the big growers to be part of the JE process to entice small or medium sized growers to join regardless of whether they are member or non-member. There should not be any isolation on whether they are big, small, or medium size. They can still contribute their knowledge and share their experience. In a sense big growers are an ambassador and living proof of the certification to encourage small and medium growers to join the jurisdiction.</p> |  |
| <p><b>3.0</b></p> | <p><b>Any Other Business</b></p> <p>The Secretariat takes note of having a physical JWG meeting.</p> <p><b>The meeting ended at 5:55 pm.</b></p>  |  |